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# Byblos Bank Europe S.A.





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## Bucking the Trend

Byblos Bank Europe turned in another successful year in 2009, overcoming difficult overall economic conditions that spoiled balance sheets of other banks across the continent. Profits before and after taxes were only slightly lower than in 2008, and this in an environment that saw many financial companies having to be bailed out by governments after suffering massive losses. At the same time, the Bank achieved a substantial increase in total assets and remained in full compliance with capital adequacy requirements as established by regulations in the country where it is headquartered, Belgium.

These accomplishments were made possible by a strategy that focuses on shoring up positions in existing markets while simultaneously seeking out opportunities in new ones. Founded in 1976, Byblos Bank Europe's core business is tied to trade finance facilities and correspondent banking services with the Middle East and Africa countries. In recent years, customers with interests in Sub-Saharan countries have become an increasingly important part of the Bank's clientele. This model allows the Bank to benefit from both the stability of a European base and the dynamic growth prospects of emerging markets in Africa.

In the coming years, the Bank expects to build on its attractive position by continuing to help its clientele pursue opportunities in several emerging markets, and by modernizing the services it provides. Technological improvements will be a key element in this process, putting new and more modern tools in the hands of our customers. Preparations advanced in 2009 for the implementation of e-banking for existing clients, and the system is forecast to become fully operational in 2011.

General economic conditions in Europe are expected to remain challenging in 2010, but Byblos Bank Europe's market position gives every reason to believe its results will continue to outperform those of its peers.



# Balance Sheet

## After Appropriation

31 DECEMBER 2009

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**ASSETS**

2009

2008

EUR Thousand

	2009	2008
<b>I. Cash in hand, balances with central banks and post office banks</b>	<b>28,912</b>	<b>7,468</b>
<b>II. Treasury bills eligible for refinancing with central banks</b>	<b>0</b>	<b>0</b>
<b>III. Loans and advances to credit institutions</b>	<b>422,815</b>	<b>399,732</b>
A. Repayable on demand	4,133	6,217
B. Other loans and advances (with agreed maturity dates or periods of notice)	418,682	393,515
<b>IV. Loans and advances to customers</b>	<b>125,715</b>	<b>122,177</b>
<b>V. Debt securities and other fixed-income securities</b>	<b>18,380</b>	<b>21,116</b>
A. Issued by public bodies	12,107	16,100
B. Issued by other borrowers	6,273	5,016
<b>VI. Shares and other variable-yield securities</b>	<b>0</b>	<b>0</b>
<b>VII. Financial fixed assets</b>	<b>0</b>	<b>1</b>
A. Participating interests in affiliated enterprises	0	0
B. Participating interests in other enterprises linked by participating interests	0	0
C. Other shares held as financial fixed assets	0	1
D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests	0	0
<b>VIII. Formation expenses and intangible fixed assets</b>	<b>54</b>	<b>15</b>
<b>IX. Tangible fixed assets</b>	<b>250</b>	<b>339</b>
<b>X. Own shares</b>	<b>0</b>	<b>0</b>
<b>XI. Other assets</b>	<b>1,884</b>	<b>183</b>
<b>XII. Deferred charges and accrued income</b>	<b>1,405</b>	<b>2,212</b>
<b>TOTAL ASSETS</b>	<b>599,415</b>	<b>553,243</b>

	2009	2008	LIABILITIES
			EUR Thousand
<b>I. Amounts owed to credit institutions</b>	<b>368,698</b>	<b>320,608</b>	
A. Repayable on demand	40,104	50,413	
B. Amounts owed as a result of the rediscounting of trade bills	0	0	
C. Other debts with agreed maturity dates or periods of notice	328,594	270,195	
<b>II. Amounts owed to customers</b>	<b>149,087</b>	<b>155,685</b>	
A. Savings deposits			
B. Other debts	149,087	155,685	
1) repayable on demand	34,324	17,056	
2) with agreed maturity dates or periods of notice	114,763	138,629	
3) as a result of the rediscounting of trade bills	0	0	
<b>III. Debts evidenced by certificates</b>	<b>0</b>	<b>0</b>	
A. Debt securities and other fixed-income securities in circulation	0	0	
B. Other	0	0	
<b>IV. Other liabilities</b>	<b>2,541</b>	<b>2,414</b>	
<b>V. Accrued charges and deferred income</b>	<b>607</b>	<b>2,048</b>	
<b>VI. A. Provisions for liabilities and charges</b>	<b>493</b>	<b>0</b>	
1. Pensions and similar obligations	0	0	
2. Taxation	0	0	
3. Other liabilities and charges	493	0	
B. Deferred taxes	0	0	
<b>VII. Fund for general banking risks</b>	<b>0</b>	<b>0</b>	
<b>VIII. Subordinated liabilities</b>	<b>30,000</b>	<b>30,000</b>	
<b>CAPITAL AND RESERVES</b>	<b>47,989</b>	<b>42,488</b>	
<b>IX. CAPITAL</b>	<b>20,000</b>	<b>20,000</b>	
A. Subscribed capital	20,000	20,000	
B. Uncalled capital (-)			
<b>X. Share premium account</b>	<b>0</b>	<b>0</b>	
<b>XI. Revaluation surpluses</b>	<b>0</b>	<b>0</b>	
<b>XII. Reserves</b>	<b>27,984</b>	<b>22,410</b>	
A. Legal reserve	1,929	1,654	
B. Reserves not available for distribution	66	66	
1. in respect of own shares held			
2. other	66	66	
C. Untaxed reserves			
D. Reserves available for distribution	25,989	20,690	
<b>XIII. Profits (losses (-)) brought forward</b>	<b>5</b>	<b>78</b>	
<b>TOTAL LIABILITIES</b>	<b>599,415</b>	<b>553,243</b>	

**Bassam A. Nassar**  
Chairman

**Fouad N. Trad**  
Managing Director and CEO





# Off-Balance-Sheet Items

31 DECEMBER 2009

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	2009	2008
EUR Thousand		
<b>I. Contingent liabilities</b>	<b>264,165</b>	<b>273,798</b>
A. Non-negotiated acceptances	40,960	43,234
B. Guarantees serving as direct credit substitutes	1,805	1,666
C. Other guarantees	35,068	28,272
D. Documentary credits	186,332	200,626
E. Assets charged as collateral security on behalf of third parties	0	0
<b>II. Commitments which could give rise to a risk</b>	<b>53,888</b>	<b>47,811</b>
A. Firm credit commitments	174	0
B. Commitments as a result of spot purchases of transferable or other securities	0	0
C. Undrawn margin on confirmed credit lines	53,714	47,811
D. Underwriting and placing commitments	0	0
E. Commitments as a result of open-ended sale and repurchase agreements	0	0
<b>III. Assets lodged with the credit institution</b>	<b>148,766</b>	<b>129,561</b>
A. Assets held by the credit institution for fiduciary purposes	0	0
B. Safe custody and equivalent items	148,766	129,561
<b>IV. Uncalled amounts of share capital</b>	<b>0</b>	<b>0</b>

# Income Statement

YEAR ENDED  
31 DECEMBER 2009

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	2009	2008	CHARGES
<b>II. Interest payable and similar charges</b>	<b>5,647</b>	<b>17,416</b>	EUR Thousand
<b>V. Commissions payable</b>	<b>607</b>	<b>383</b>	
<b>VI. Losses on financial transactions</b>			
A. On trading of securities and other financial instruments			
B. On disposal of investment securities			
<b>VII. General administrative expenses</b>	<b>8,487</b>	<b>8,397</b>	
A. Remuneration, social security costs and pensions	5,692	5,494	
B. Other administrative expenses	2,795	2,903	
<b>VIII. Depreciation/amortization of other write-downs on formation expenses, intangible and tangible fixed assets</b>	<b>201</b>	<b>177</b>	
<b>IX. Increase in write-downs on receivables and in provisions for off-balance-sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a risk"</b>	<b>224</b>	<b>186</b>	
<b>X. Increase in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities</b>			
<b>XII. Provisions for liabilities and charges other than those included in the off-balance-sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a risk"</b>	<b>493</b>	<b>0</b>	
<b>XIII. Transfer to the fund for general banking risks</b>			
<b>XV. Other operating charges</b>	<b>1,553</b>	<b>1,270</b>	
<b>XVIII. Extraordinary charges</b>	<b>21</b>	<b>1,453</b>	
A. Extraordinary depreciation/amortization of and extraordinary write-downs on formation expenses, intangible and tangible fixed assets			
B. Write-downs on financial fixed assets			
C. Provisions for extraordinary liabilities and charges			
D. Loss on disposal of fixed assets			
E. Other extraordinary charges	21	1,453	
<b>XIXbis. A. Transfer to deferred taxes</b>			
<b>XX.A. Income taxes</b>	<b>1,748</b>	<b>1,341</b>	
<b>XXI. Profits for the period</b>	<b>5,501</b>	<b>5,592</b>	
<b>XXII. Transfer to untaxed reserves</b>			
<b>XXIII. Profits for the period available for appropriation</b>	<b>5,501</b>	<b>5,592</b>	





## Income Statement

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<b>INCOME</b>	<b>2009</b>	<b>2008</b>
EUR Thousand		
<b>I. Interest receivable and similar income</b>	<b>11,278</b>	<b>25,304</b>
of which: from fixed-yield securities	1,161	1,201
<b>III. Income from variable-yield securities</b>		
A. From shares and other variable-yield securities		
B. From participating interests in affiliated enterprises		
C. From participating interests in other enterprises linked by participating interests		
D. From other shares held as financial fixed assets		
<b>IV. Commissions receivable</b>	<b>10,632</b>	<b>9,588</b>
<b>VI. Profit on financial transactions</b>	<b>255</b>	<b>405</b>
A. On trading of securities and other financial instruments	255	405
B. On disposal of investment securities	0	0
<b>IX. Decrease in write-downs on receivables and in provisions for off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a risk"</b>	<b>493</b>	<b>0</b>
<b>X. Decrease in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities</b>		
<b>XI. Utilization and write-backs of provisions for liabilities and charges other than those included in the off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a risk"</b>	<b>0</b>	<b>66</b>
<b>XIII. Transfer from the fund for general banking risks</b>		
<b>XIV. Other operating income</b>	<b>811</b>	<b>812</b>
<b>XVII. Extraordinary income</b>	<b>1,009</b>	<b>40</b>
A. Adjustments to depreciation/amortization of and to other write-downs on intangible and tangible fixed assets		
B. Adjustments to write-downs on financial fixed assets		
C. Adjustments to provisions for extraordinary liabilities and charges		
D. Gain on disposal of fixed assets		
E. Other extraordinary income	1,009	40
<b>XVIII. Extraordinary charges (-)</b>		
A. Extraordinary depreciation/amortization of and extraordinary write-downs on formation expenses and intangible and tangible fixed assets		
B. Write-downs on financial fixed assets		
C. Provisions for extraordinary liabilities and charges		
D. Loss on disposal of fixed assets		
E. Other extraordinary charges		
<b>XIXbis. B. Transfer from deferred taxes</b>		
<b>XX. B. Transfer from deferred taxes</b>		
<b>XX. B. Adjustment of income taxes and write-back of tax provisions</b>	<b>3</b>	<b>0</b>
<b>XXI. Losses for the period</b>		
<b>XXII. Transfer from untaxed reserves</b>		
<b>XXIII. Losses for the period available for appropriation</b>		

	2009	2008	APPROPRIATION ACCOUNT
<b>A. Profits (Losses (-)) to be appropriated</b>	<b>5,579</b>	<b>5,658</b>	EUR Thousand
1. Profits (Losses (-)) for the period available for appropriation	5,501	5,592	
2. Profits (Losses (-)) brought forward	78	66	
<b>B. Transfers from capital and reserves</b>			
1. From capital and share premium account			
2. From reserves			
<b>C. Appropriations to capital and reserves (-)</b>	<b>(5,575)</b>	<b>(5,580)</b>	
1. To capital and share premium account			
2. To legal reserve	275	280	
3. To other reserves	5,300	5,300	
<b>D. Result to be carried forward</b>			
1. Profits to be carried forward (-)	(5)	(78)	
2. Losses to be carried forward			
<b>E. Shareholders' contribution in respect of losses</b>			
<b>F. Distribution of profits(-)</b>			
1. Dividends (a)			
2. Directors' entitlements (a)			
3. Other allocations (a)			
(a) Only applicable to Belgian limited liability companies			

