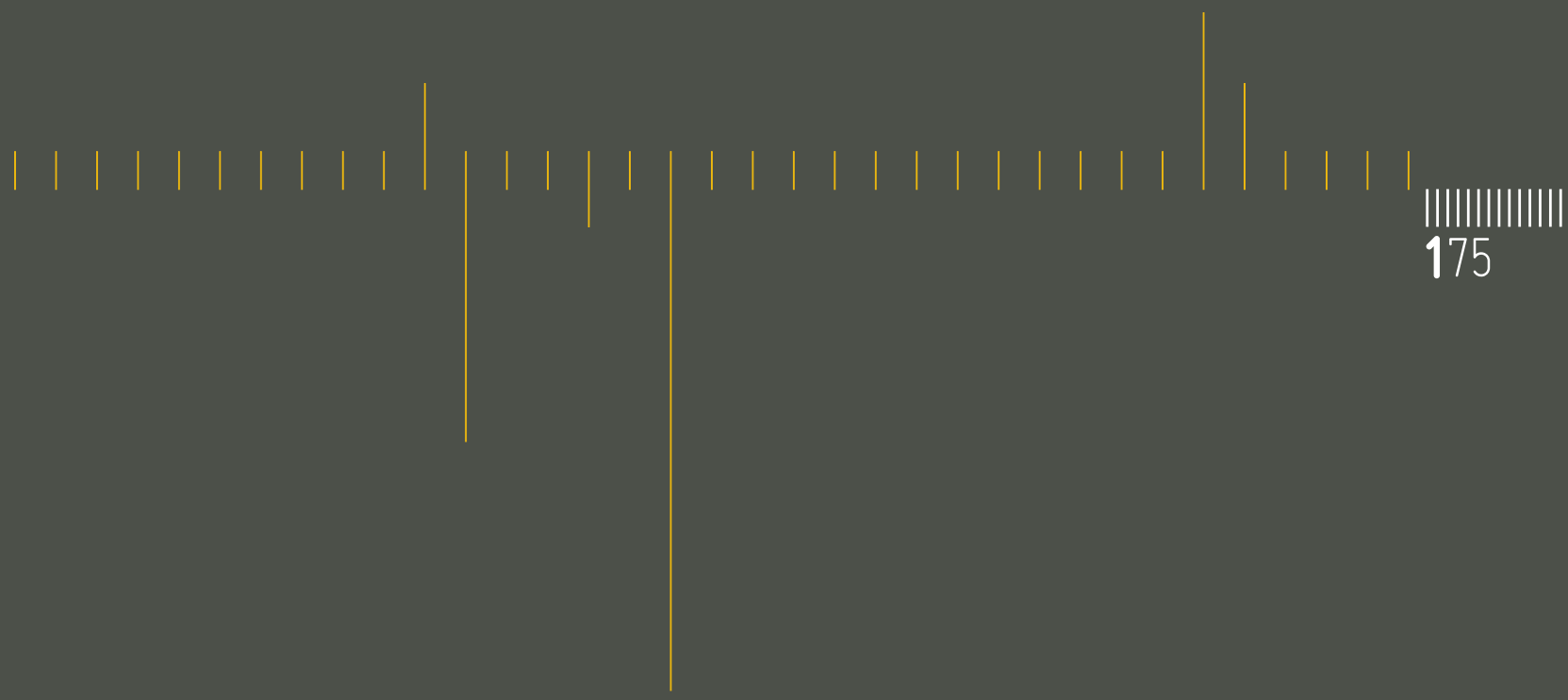


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Byblos Bank Syria S.A.





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Growing by Leaps and Bounds

Byblos Bank Syria advanced on several key fronts in 2009, including an expansion of its presence in the market, additions to its product line-up, and plans to substantially increase its capital base.

The Bank opened two new branches in Abbasiyeen and Hosh Blass, both located in strategically important areas of Damascus. With growing numbers of customers moving to Byblos Bank Syria to take advantage of our reputation for high-quality service, the new premises will help to both absorb existing demand and generate new business, contributing to the diversification of our sources of revenues.

New products were launched at the retail level, among them a highly competitive Doctor's Loan that quickly found a niche thanks to attractive terms and an extensive marketing campaign. The new additions also include a Travel Loan that adds value to the services we offer and therefore helps to build stronger relationships with our clients.

To keep up with current growth and prepare for that to come with new branches in Damascus and other cities, Byblos Bank Syria also recruited 95 new employees. To further this process, the Bank is also focusing on the recruitment of Syrian expatriates with valuable work experience in the Gulf, Europe, or the United States.

As for existing members of the team, the Bank conducted no fewer than 78 training sessions, with total attendance reaching 1,314 staff (as the number of employees at year-end was 287, this figure included many who took part in multiple courses). For both new and existing employees, formation covered both technical and non-technical skills, all aimed at increasing the caliber of service provided to our customers. For the next step, the Bank has identified a list of personnel with high potential who are now being trained to develop managerial skills. Other milestones related to human resources included the completion of a new performance appraisal process and the launch of a project to help staff members chart their career paths.

On the financial side, the Bank ensured at all times that it operated above the minimum required capital adequacy ratio of 8%. It also carried out preparations for two separate capital increases in 2010 and 2011 that will triple the Bank's capital to SYP 6 billion, strengthening the solvency ratio in covering Pillar 1 and Pillar 2 risks and providing a safety cushion above and beyond the 8% minimum. Apart from complying with both existing Syrian regulations and the forthcoming Basel reform proposal, these moves – approved by a General Assembly decision dated 7 January 2010 – will also open the way for Byblos Bank Syria to seize new business opportunities.





YEAR ENDED
31 DECEMBER 2009

Income Statement and Other Comprehensive Income

	2009	2008
SYP		
Interest income	1,541,382,694	1,205,579,535
Interest expense	(851,254,381)	(538,453,425)
Net interest income	690,128,313	667,126,110
Fee and commission income	186,260,019	122,210,647
Fee and commission expenses	(6,496,158)	(1,609,520)
Net fee and commission income	179,763,861	120,601,127
Net interest, fee and commission income	869,892,174	787,727,237
Gain less losses arising from dealing in foreign currencies	36,035,194	27,229,203
Unrealized net foreign exchange difference on structural position	(14,945,066)	(36,295,160)
Profit from financial investments – loans and receivable	36,138,198	-
Total operating income	927,120,500	778,661,280
Personnel expenses	(291,692,150)	(223,434,366)
Depreciation of fixed assets	(109,585,868)	(60,977,685)
Amortization of intangible assets	(2,851,443)	(2,657,082)
Credit loss expense	(60,466,023)	(36,599,803)
Miscellaneous provisions	1,184,658	(2,479,139)
Other operating expenses	(199,731,656)	(162,371,944)
Total operating expenses	(663,142,482)	(488,520,019)
PROFIT BEFORE TAX	263,978,018	290,141,261
Income tax expense	(87,170,000)	(93,538,705)
PROFIT FOR THE YEAR	176,808,018	196,602,556
Basic earnings per share	44.2	49.15
Other comprehensive income		
Net gain (loss) on available-for-sale assets	3,091,085	12,949,003
Total comprehensive income for the year	179,899,103	209,551,559

Balance Sheet

	2009	2008
ASSETS		
Cash and balances with central banks	4,485,421,922	4,231,865,242
Balances due from banks	3,653,223,757	5,853,715,221
Placements due from banks	3,904,890,840	1,962,716,044
Loans and advances to customers	16,285,005,596	10,561,181,599
Financial investments – loans and receivables	2,499,698,770	2,047,466,818
Financial investments – available for sale	62,500,000	62,500,000
Premises, equipment and projects under construction	1,299,009,862	1,204,307,121
Intangible assets	7,017,155	9,117,999
Other assets	319,777,878	224,468,801
Statutory blocked funds	183,240,179	184,734,686
TOTAL ASSETS	32,699,785,959	26,342,073,531
LIABILITIES AND EQUITY		
LIABILITIES AND EQUITY		
Due to banks	2,339,780,330	2,925,447,608
Due to customers	26,857,908,557	20,454,588,239
Margin accounts	679,410,630	392,855,582
Current tax liabilities	87,170,000	93,538,705
Miscellaneous provisions	1,294,481	2,479,139
Other liabilities	432,597,921	351,439,321
TOTAL LIABILITIES	30,398,161,919	24,220,348,594
EQUITY		
Share capital	2,000,000,000	2,000,000,000
Statutory reserve	64,903,351	37,011,043
Special reserve	64,903,351	37,011,043
Available-for-sale reserve	897,443	(2,193,642)
Retained earnings	338,518,104	202,549,636
Accumulated losses related to unrealized net foreign exchange losses on structural position	(167,598,209)	(152,653,143)
TOTAL EQUITY	2,301,624,040	2,121,724,937
TOTAL LIABILITIES AND EQUITY	32,699,785,959	26,342,073,531

SYP

These accounts have been approved by the Board of Directors.

Semaan Bassil
Chairman

Walid Abdel Nour
General Manager

