



Byblos Invest Bank S.A.L.





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Unique Advantages

One of Byblos Invest Bank's main investments in 2009 was the acquisition of an 18.8% stake in International Payment Network S.A.L. (IPN), a service provider that supports the ATM networks of its seven shareholder banks and 21 others. IPN's growth prospects are highly attractive, especially since the addition of Byblos Bank to the network means it will now account for approximately 75% of the market in Lebanon.

The investment has all the hallmarks of a successful one. Both of IPN's main revenue streams – ATM transactions with local and foreign cards – are proven performers with ample room for expansion. Cards issued domestically currently number about 1.4 million, but the market potential is estimated at more than twice that figure and IPN is currently working with the banks to accelerate issuance. Furthermore, foreign card usage, which accounts for up to 40% of activity, continues to rise in line with the general expansion of the Lebanese economy and, in particular, with the spectacular growth of the tourism sector. Overall, IPN has averaged growth of 8% per annum since inception in 1996, and this despite a period of challenging security conditions in 2005-2008.

Byblos Invest Bank continued throughout the year to make a wide range of investment banking services available to the Group's existing and new clients and played a key role in preparing the ground for Byblos Bank's proposed capital increase with important international and institutional investors such as the IFC and PROPARCO, which later participated in the capital increase.

Next year, Byblos Invest Bank expects to be involved in the Lebanese government's effort to promote public-private partnerships in various infrastructure sectors such as power, telecommunications, and water.





YEAR ENDED
31 DECEMBER 2009

Income Statement and Other Comprehensive Income

	2009	2008
LBP Million		
Interests and revenues assimilated	120,026	53,807
Interest and charges assimilated	(96,758)	(40,569)
Net interest income before provisions	23,268	13,238
Commissions received	223	226
Commissions paid	(308)	(342)
Net commissions	(85)	(116)
Net trading income	8,217	(4,094)
Net gain or loss on financial assets	5,134	839
Other operating income	277	300
Total operating income	36,811	10,167
Personnel expenses	(1,236)	(1,026)
Depreciation and provision for tangible and intangible fixed assets	(53)	(48)
Other operating expenses	(9,799)	(3,859)
Total operating expenses	(11,088)	(4,933)
Operating income	25,723	5,234
Income from subsidiaries	1,583	1,295
Net income before taxes	27,306	6,529
Income taxes		
Net income	27,306	6,529
Other comprehensive income		
- Revaluation variance for available-for-sale securities	1,113	(483)
- Deferred tax (expense)/benefit	(1,552)	
Other comprehensive income	(439)	(483)
Total net income	26,867	6,046

Balance Sheet

	Dec. 2009	Dec. 2008	
ASSETS			LBP Million
Cash and balances with central banks	29,152	2,447	
Head office, mother company, sister companies and financial institutions	239,205	64,588	
Derivative financial instruments	9,354	9,158	
Financial investments - trading	30,892	38,943	
Financial investments - available for sale	126,769	115,825	
Financial assets classified as loans and receivables	1,224,967	678,108	
Investments in associates	8,582	8,582	
Tangible fixed assets	137	181	
Other assets	2,265	2,265	
Total Assets	1,671,323	920,097	
LIABILITIES AND EQUITY			
Banks and financial institutions	44,435	36,556	
Head office, mother company, sister companies and financial institutions	99,557	51,618	
Derivative financial instruments	9,354	9,158	
Deposits from customers	1,303,049	672,111	
Related parties' deposits	56,694	21,509	
Liabilities under financial instruments	68,920	70,467	
Current tax liabilities	2,967	325	
Deferred tax liabilities	1,552		
Other liabilities	22,979	1,450	
Provisions for risks and charges	39	36	
Provision for end-of-service indemnity	85	42	
Total Liabilities	1,609,631	863,272	
SHAREHOLDERS' EQUITY			
Share capital - ordinary common	30,000	30,000	
Capital reserves	6,209	4,956	
Retained earnings	4,383	6,107	
Cumulative changes in fair value	8,794	9,233	
Net profit (loss) of the year	27,306	6,529	
Proposed dividend from current year profit	-15,000		
Total Equity	61,692	56,825	
Total Liabilities and Equity	1,671,323	920,097	

Sami Haddad
Chairman and General Manager

