

# **COMMERCIAL BANK OF SYRIA**

## **ANNUAL REPORT 2012**

**MANAGEMENT**  
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Damascus  
Syrian Arab Republic

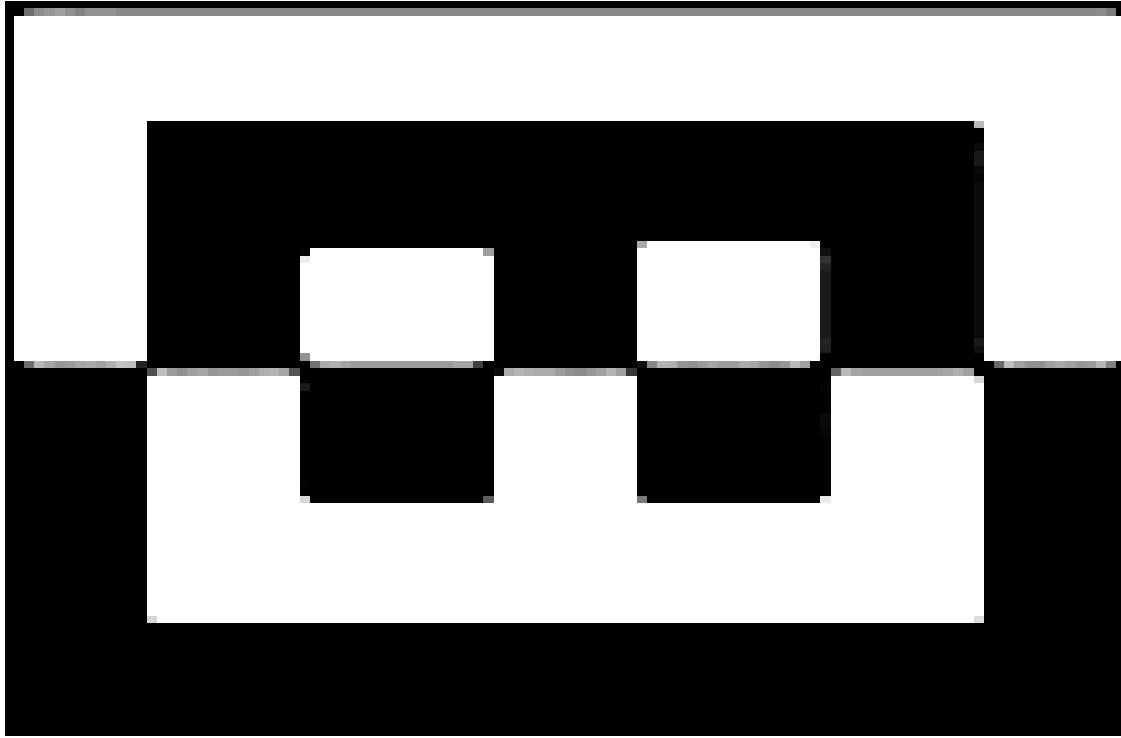
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# COMMERCIAL BANK OF SYRIA



Confidence - Safety

2012

## **From the General Manager**

Conscious of its significance in the economic structure, the Commercial Bank of Syria (CBS) continues endeavors to raise levels of confidence in the national economy. With this view in mind it plays an active role in supporting many Syrian economic sectors, particularly during the current circumstances. In this context CBS managed through a well-balanced strategy to reassert its leading role in the provision of financial services in Syria. Its strategy stems from a well-informed study of predictable risks and efficient management of its cash liquidity assets in order to protect depositors' funds based on return-risk calculations as well as diversification of products available to customers, and the assumption of a prominent role in financing foreign trade, increasing profits and contributing to the realization of the state's financing policies.

In 2012 CBS continued its concentration on the following especially in view of the current circumstances:

- Following up and collecting non-performing loans, and exerting efforts to shrink the mass of such loans taking advantage from the decrees pertaining to settlements.
- Providing top-quality products and highly professional services to all customers through a set of diverse channels.
- In cooperation with the government and the Central Bank of Syria, CBS works hard to alleviate the impact of the sanctions, hardships and challenges facing the banking sector in order to protect monetary stability, strengthen confidence in the national economy and the Syrian Pound.

**With Godspeed we proceed.**

## **About CBS**

The oldest banking institution operating in Syria, CBS was licenced by the Ministry of Economy and Foreign Trade and duly registered under Commercial Register No. 2755 dated 4.6.1959. It was established at the beginning of 1967 as a result of the nationalization of five banks serving the Syrian economic and commercial activity. It was listed No. 1 on 28.12.2002 in the Banks Register with the Directorate of the Government Commission with banks in the Central Bank of Syria.

With its paid up capital of seventy billion Syrian Pounds, CBS captures a very large share of Syria's total banking activities, notably a share that ranges between 50% - 70% of banking activities according to the standards taken as a basis in ownership rights, capital, assets, or profits.

CBS main activity used to focus on financing both domestic and foreign trade in harmony with the objectives of the economic plan, which was effected through the facilities that CBS used to provide in various currencies in the following domains :

- Investments loans.
- Debit current accounts.
- Commercial bills discount.
- Import and export documentary letters of credit.
- Letters of guarantee of all types.

In addition to other banking services such as :

- Sight customer deposit.
- Time deposits.
- Saving accounts.
- Inward-and outward-bound transfers.
- Certified, sold, tourist and clearing cheques.
- Leasing of safes.
- Electronic cards, both current account and credit types.

Eversince the beginning of open competition with incoming banks to Syria in 2003, CBS has adopted a policy that preserved its leading position in the banking market, which is quite evident from direct comparison with those banks in terms of the volume of profits, deposits, or capital. The reason is the dynamic policy pursued by CBS and its restructuring aiming at coping with local and international developments. In order to achieve such targets CBS proceeded towards:

1. Development of the bank's infrastructure including the software imported from professional international companies specialized in this area, or those which were developed by CBS staff because of difficulties that sometimes stood in the way of getting the required softwares. Of such local softwares that proved excellent efficiency are the credit system, retail loans programme, the system of automated activities and archiving being employed by CBS since some years ago and was spread to Ministry of Higher Education, Damascus Governorate, and the Bank Affairs Bureau at the Finance Ministry.
2. Development of the organizational structure that included the creation of the Department of Compliance, internal auditing, the Financial Officer Position in branches and other structures.
3. Improving the quality of provided services and simplifying procedures, making best use of the advantages of automation.
4. Introducing new products and services that are added to CBS already operating products. Thus CBS provides :
  - A wide spectrum of e-payment services which cover local payment cards via various channels such as mobile phone, ATM, Internet and points of sale; e-billing which enables payment by card of mobile phone bills, land phone bills, water, electricity bills and parallel learning fees.

Whereas banks financial standings are tested in times of crises more than any other time, and despite the very harsh circumstances created by the world financial crisis that has stormed various world countries and in contrast to banks

that lack safeguard elements to counter various extraordinary situations, banks whose standings are well known are capable of continuing with the selfsame

stimulus to provide various types of services even when conditions change. Accordingly it is safe to say that CBS has adopted an endurance policy that stems from the spirit of acceptable risk-taking of a size enabling it to realize the largest size possible of profits. For this reason, CBS continued operation in line with its own strategic directions that can be summed up as follows:

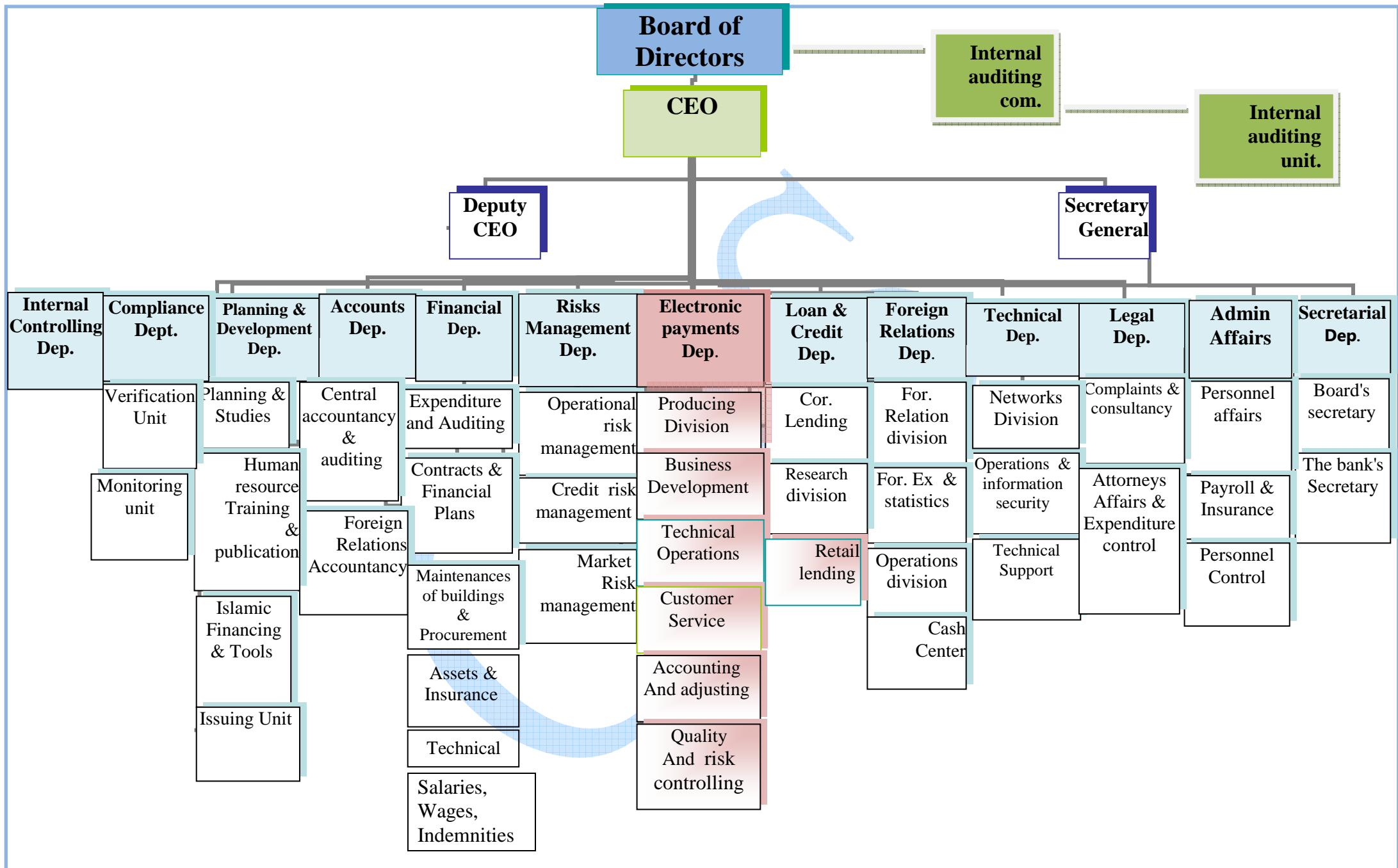
- 1.** Continuing the process of modernizing and developing the technology of banking operation through automation of procedures, studying the upgrading the banking system to an updated version. The advantages to be gained from this upgrading will be in line with reports that are compliant with the Monetary and Credit Council, and with the new International Accounting Standards.
- 2.** Further development of the policy of e-payment and e-billing in service of the purpose of simplifying procedures and reduce bank-note dealings.
- 3.** In a step towards consolidating its social role, CBS continues to improve the electronic management model that has been developed locally, and acts towards spreading this model to numerous entities.
- 4.** Continuation of the programme of improving and developing staff skills through the organizing of specialized training courses (such as English language courses, follow-up of impaired loans, financial analysis in line with international standards, bank accounting courses and stress-testing courses being a basic tool in risk management).

# سابقاً: إدارة بالورق .. بكالورق : حالياً

قريباً تعاملاتكم أيضاً







## Selected Financial Indicators

In SYP Billion	2011	2012	Growth Rate 2011
<b>Assets</b>	<b>727</b>	<b>717</b>	<b>-1.37%</b>
Deposit, Banks, Banking Inst.	<b>8.8</b>	<b>7.5</b>	<b>-14.77%</b>
Customers deposits and blocked accounts	<b>353</b>	<b>344</b>	<b>-2.55%</b>
Total of equities (CBS share holders)	<b>115</b>	<b>139</b>	<b>20.87%</b>
net profit/(loss)	<b>8.6</b>	<b>4.2</b>	<b>-51%</b>
Unrealized retained earnings / (assessed)	<b>15</b>	<b>27</b>	<b>80%</b>
Accounts with banks	<b>119</b>	<b>119</b>	<b>0%</b>
Interest yielding deposits with banks	<b>37</b>	<b>51</b>	<b>37.8%</b>
Credity Facilities (net)	<b>319</b>	<b>290</b>	<b>-9.09%</b>

Profitability	2011	2012
Returns on Assets (ROA)	<b>1.18%</b>	<b>0.59%</b>
Returns on equity (ROE)	<b>7.48%</b>	<b>3.02%</b>

Assets	2011	2012
Interest yielding assets/ Total assets	<b>65.34%</b>	<b>64.16%</b>
Interest yielding assets/ Deposits customers'	<b>131.29%</b>	<b>130.87%</b>
Loans and advances/ total assets	<b>43.88%</b>	<b>40.45%</b>
Net loans and advances (net)/ customer's deposits in	<b>88.17%</b>	<b>82.50%</b>

## **Significant Events in 2012**

At the start of the internal and external crisis in the country in mid-March 2011, CBS added another target to the main headline of its strategy, namely “Safety In, Confidence Unlimited.” In this vein CBS proceeded to act as follows :

- 1.**To proceed with a reserved policy in the management of assets as represented in direct and indirect credit facilities together with management of liabilities. This policy aims at maintaining liquidity in the present situation. Besides, new basics have been set for revising the credit system in a way that renders it compliant with current developments and conditions. This is done while efforts are being continued towards renewal of direct credit facilities and activating the process of granting direct facilities in foreign currency.
- 2.**Keeping on with the policy of geographic expansion with an eye on the crisis circumstances. In this context a branch was opened in Salamieh, and service offices were opened, such as Anbar Office, Tartous Financial Services office the land free zone office in Lattakia. Thus the total number of CBS branches and offices operating in 2012 exceeds one hundred, seven of such offices exist in free zones in Damascus and other governorates.
- 3.**As is well-known, CBS has a network of correspondents worldwide. But because of the economic sanctions imposed on us from various countries worldwide, there is a great difficulty in performing external operations. Yet, CBS has embarked on the establishment of network of relations with friendly countries.
- 4.**CBS has taken measures in preparation for facing contingencies that might be caused by the present crisis resulting in suspension of operations. CBS has prepared and furnished a reserve operation centre that backs up the center of original operation.

Commercial Bank of Syria



المصرف التجاري السوري

القرض الشخصي

اشترِ براحتك

$10.10 \times 10 \times 10$  %

سنويًا

سنوات

ملايين

[www.cbs-bank.sy](http://www.cbs-bank.sy)

## Board of Directors

<b>Mr Issam Radwan Khouri</b>	<b>Board Chairman</b>	<b>Chairman</b>
<b>Mr Ahmad Diab</b>	<b>CBS General Manager (CEO)</b>	<b>Vice-chairman</b>
<b>Ms Suhair Al-Halabi</b>	<b>Deputy General Manager</b>	<b>Member</b>
<b>Mr Shafer Shamoot</b>	<b>Former Director of Administrative Affairs</b>	<b>Member</b>
<b>Mr Firas Salman</b>	<b>Director of Foreign Relations</b>	<b>Member</b>
<b>Mr. Gassan Faloh</b>	<b>Faculty of Mechanical &amp; Electrical Engineering – Computer &amp; Automation Dept., Damascus University</b>	<b>Member</b>
<b>Dr. Elias Hadad</b>	<b>Faculty of Law-Damascus University</b>	<b>Member</b>
<b>Mr Hosam Mansor</b>	<b>Labour Representative</b>	<b>Member</b>
<b>Mr Salah Uddin Al-Masry</b>	<b>Labour Representative</b>	<b>Member</b>

## Head Office Departments

Department	Name	Tel	Fax	E-mail address
General Manager	Mr Ahmad Diab	2459536	2249048	<a href="mailto:Ahmad.diab@cbs-bank.sy">Ahmad.diab@cbs-bank.sy</a>
Deputy General Manager	Mrs Suhair Al-Halabi	2258344		<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Secretariat Department Director	Ayman Najm	2258345	2216975 2228524	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Director of Administrative Affairs	Sahar Nahlwi	2259505	2222830	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Loan & Credit Director	Yaarob Ali	2229559	2253371	<a href="mailto:credit@cbs-bank.sy">credit@cbs-bank.sy</a>
Foreign Relations Director	Firas Salman	2223916	2253796	<a href="mailto:foreign.manager@cbs-bank.sy">foreign.manager@cbs-bank.sy</a>
Technical Department Director	Kamal Atia	2226680	2251790	<a href="mailto:tech.manager@cbs-bank.sy">tech.manager@cbs-bank.sy</a>
Internal Control Director	Ghayath Salman	2322069	2322067	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Accounts Department Director	Jumanah Kassar	2216983	2250373	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Planning & Development Department Director	Eyad Bashir	2240498	2240536	<a href="mailto:plan-dept@cbs-bank.sy">plan-dept@cbs-bank.sy</a>
Financial Department Director	Firas Salman	2214298	2214298	<a href="mailto:finance@cbs-bank.sy">finance@cbs-bank.sy</a>
Legal Department Director	Eyad Al-Kafree	2322074	2324586	<a href="mailto:legal-dept@cbs-bank.sy">legal-dept@cbs-bank.sy</a>
Risk Management Department Director	Mazen Hamzeh	2236737 2245205	2241635	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Electronic Payment Director	Bassem Al-Sa'eed	2242513	2242483	<a href="mailto:Eft.dir@cbs-bank">Eft.dir@cbs-bank</a>

# CBS Branches, Offices, Points

Syria Code (+963)

Damascus Branches Area Code (011)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Head Office	Yousef Azmeh Square		2218890 2218891 2222481	2216975 2228524	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
Branch No.1	Moawiya Street Manager: Rema Al- Maghrabi	2228728	2225870 2225871 2455768	2222597	2231	<a href="mailto:dam1.cbs@mail.sy">dam1.cbs@mail.sy</a>
Branch No.2	Al Nasr Street Manager: Yaser Al- Massri	2222898	2243142 2222456 2210445	2218590	314	<a href="mailto:dam2.cbs@mail.sy">dam2.cbs@mail.sy</a>
Branch No.3	Harika Square Manager: Hanaa Al-Khatib	2216912	2210555 2210556 2210557	2215347	183	<a href="mailto:dam3.cbs@mail.sy">dam3.cbs@mail.sy</a>
Branch No.4	Moawiya Street Manager: Nada Sa'dy	2224685	2211900 2211553 2214820	2211554	246	<a href="mailto:dam4.cbs@mail.sy">dam4.cbs@mail.sy</a>
Branch No.5	Saadallah Jabri Street Manager: Mazenah Gamall Aldin	2225699	2212901 2212902 2212903	2216102	1	<a href="mailto:dam5.cbs@mail.sy">dam5.cbs@mail.sy</a>
Branch No.6	Yousef Azmeh Square Manager: Abdul Rahman Al-Rifai	2214222	2225102 2225100 2225101	2227154	2655	<a href="mailto:dam6.cbs@mail.sy">dam6.cbs@mail.sy</a>
Branch No.7	29 Ayyar Street Manager: Mhd Ali Jokhadar	2318030	2314659 2318033 2318034	2318038	3179	<a href="mailto:dam7.cbs@mail.sy">dam7.cbs@mail.sy</a>
Branch No.8	Port Said Street Manager: Ghada Haddad	2323106	2312777 2311522	2319258	1178	<a href="mailto:dam8.cbs@mail.sy">dam8.cbs@mail.sy</a>
Branch No.9	Kouatli Street Manager: Hanan Issa	2240909	2228132 2226451 2216141	2228132	5972	<a href="mailto:dam9.cbs@mail.sy">dam9.cbs@mail.sy</a>
Branch No.10	Borj El-Rouss Manager: Faiz Shar	5422896	5422895 5422897	5423305	22241	<a href="mailto:dam10.cbs@mail.sy">dam10.cbs@mail.sy</a>

Branch No.11	Osman Bin Affan Street Manager: Samia Anas	2127855	2126302 2138265	2123790	6305	<a href="mailto:dam11.cbs@mail.sy">dam11.cbs@mail.sy</a>
Branch No.12	Jisr ELAbiad Manager: Wafaa Saadeh	3320356	3342912 3320662 3349552	3320579	12081	<a href="mailto:dam12.cbs@mail.sy">dam12.cbs@mail.sy</a>
Branch No.13	Mazzah Jabal Manager: Maysaa Kudaimi	6610645	6615986 6669386 6615987	6624196	16005	<a href="mailto:dam13.cbs@mail.sy">dam13.cbs@mail.sy</a>

<b>Branch No.14</b>	AL Thaura Street Manager: Sahar Jarjourah	2312850	2312851 2312852 2312531	2312853	11972	<a href="mailto:dam14.cbs@mail.sy">dam14.cbs@mail.sy</a>
<b>Branch No.15</b>	Yarmouk Street Manager: Jihad Bitar	6313107	6313101 6313103	6313102	29072	<a href="mailto:dam15.cbs@mail.sy">dam15.cbs@mail.sy</a>
<b>Branch No.16</b>	Meysat Street Manager: Mutaz Al-Saleh	2757950	2758083 2758084	2757979	11893	<a href="mailto:dam16.cbs@mail.sy">dam16.cbs@mail.sy</a>
<b>Branch No.17</b>	Bab Touma Street Manager: Maher Al-Zubi	5415697	5415736 5415734	5415686	2041	<a href="mailto:dam17.cbs@mail.sy">dam17.cbs@mail.sy</a>
<b>Rawdah Branch</b>	Rawda Area-Zuhair Bin Abi Salma st. Manager: Hnada Makare	3317197	3317334 3328001 3328002	3317093	3857	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Branch in Damscus department of finance</b>	Arnous Sq. Manager: Malak Dakak	3341263	3341276 3341249	3341269	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Barzeh Branch</b>	Barzeh Housings – behind Hamish hosp. Manager: Hiam Abbas	5144959	5144924 5144943 5144947	5144993	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Free Zone</b>	Osman Bin Affan Street Manager: Samia Anas	2119601	2127855	2129222	5528	<a href="mailto:damfzlcbs@mail.sy">damfzlcbs@mail.sy</a>
<b>Douma Branch</b>	Jamal Abdulnaser Street Manager: Nada Mourad	5743010	5743018 5743019	5743033	561	<a href="mailto:damdomal.cbs@mail.sy">damdomal.cbs@mail.sy</a>
<b>Al-TAL Branch</b>	Main Street Manager: Khaled Sabbagh	5942133	5942055 5942130 5943070	5942112	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Al-Zabadani Branch</b>	Manager: Mahmoud Belal	7119410	7119430 7119440	7119420	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Dair Atieh</b>	Ahmed Showki St. Manager: Ryda Tarboush	7836412	7837252	7836413	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Al- Assad District Branch - Harasta</b>	Commercial Complex Manager: Rajaa Sulieman	5352265	5353132 5957261	5355593	933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Zablatani Branch</b>	Souk alhal Manager: Rima Rihawi	4630906	4630150		933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Almaza Branch</b>	Almaza street Manager: Amal Sarakbe	6610340	6614975 6619192		933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>
<b>Jdaidet Artouz Branch</b>	Housing Area Manager: Khodr Mohamad	6817855	6817288		933	<a href="mailto:cbos@mail.sy">cbos@mail.sy</a>



## Damascus Service Offices

Office	Address	Supervised by	Tel	Fax
Shell	Dummar Project – Shell company	Branch 6 Damascus	6185930	3215041
Irbeen Office	Bassel Assad Square – Municipality Bldg.	Branch 9 Damascus	5239488	5239264
Jimraya	Fardous Suburb	Branch 6 Damascus	3227147	3227294
Dedeman Hotel	Hotel Lobby	Branch 6 Damascus	2229200	2120671
Kisweh	Municipality Bldg. Entrance	Branch 5 Damascus	6915056	2216102
Adra Industrial Zone	Inside the Zone	Duma Branch	5850156	5850158
Al-Fijeh Office	Al-Fijeh Square	Branch 5 Damascus	3817678	2216102
Yabroud	Yabroud Consumer Est.	Deir Atieh Branch	7822315	
Airport Office	Main Lobby	Branch 17 Damascus	5400007	5400113
Damascus Governorate	Governorate Bldg.	Branch 6 Damascus	4410138	4410138
Investment Commission	Inside Prime Minister Office	Branch 7 Damascus	4473012	4414973

## Damascus Exchange Points

Point	Branch	Address
Yousef Azmeh	Branch 6	Yousef Azmeh Square 22251003
Jdaidet Yabous	Cash Center	Jdaidet Yabous – Lebanon Border 3914232
Jdaidet Yabous	Cash Center	Customs Dept. 3914231
Adra	Adra Branch	Inside Adra Free Zone 5812553
Tanf Customs	Cash Center	Syria – Iraq border
Tanf Immigration	Cash Center	Syria – Iraq border
Sayeda Zeinab	Cash Center	Next to Zeinab Mosque 6470134
Outdoor Point	Cash Center	Damascus International Airport 2450054
Arrivals New Terminal	Cash Center	Damascus International Airport 2450054

Departures New Terminal	Cash Center	Damascus International Airport 2450054
Airport Customs	Cash Center	Damascus International Airport 2450054
Adra Customs	Douma Branch	Adra Customs Office 2129751
Happy Land	Cash Center	Airport Road Bridge 5 – Happy Land (summer)
Al-Adl (Justice)	Damascus Branch (2)	Nasr Street Next to Palace of Justice
Damascus Customs	Duma Branch	Customs Bldg.
Damascus Countryside Customs	Duma Branch	Customs Bldg.

### Aleppo Branches Area Code (021)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
<b>Branch No.1</b>	Kastal Hajjarin Street Manager: Adnan Hanan	3315622	3315602 3315606 3315220	3315630	2	alp1.cbs@mail.sy
<b>Branch No.2</b>	EL-Azmeh Street Manager: Riad Abiad	2122904	2112218 2125741 2119107	2119836	887	alp2.cbs@mail.sy
<b>Branch No.3</b>	Khan Al-Harir, behind the mosque Manager: Shaza Attar	3622550	3620150 3620151 3620152	3620157	449	alp3.cbs@mail.sy
<b>Branch No.5</b>	Kastal Hajjarin Street Manager: Rumeeza Al- Soubai	2216201	2216439	2216430	6760	alp5.cbs@mail.sy
<b>Branch No.6</b>	Ugarit Street Manager: Mohamed Lababidi	2114865	2115547 2119358 2123784	2120671	363	alp6.cbs@mail.sy
<b>Branch No.7</b>	Zahra Street. Manager: Ziad Zeitoni	4643805	4643801 4643802 4643803	4643804	1410	alp7.cbs@mail.sy
<b>Branch No.8</b>	Kastal Hajjarin St. Manager: Randa Mulke	3315525	3315518 3315519 3321710	3315504	9588	alp8.cbs@mail.sy
<b>Free Zone</b>	Kastal Hajjarin St. Manager: Riad Abiad	3315622	3315711	3315712	2	alp7z.cbs@mail.sy

## Aleppo Service Offices

Office	Address	Supervised by	Tel	Fax
<b>Aleppo University</b>	University Campus	Branch 3 Aleppo	2636631	2636632
Mousalmieh	Free Zone Bldg.	Branch 1 Aleppo	6530902	3315630
Citizen Service Office	Qasr Baladi St.	Branch 1 Aleppo	2211930	2211899

## Aleppo Exchange Points

Point	Branch	Address
<b>Mousalmieh</b>	Branch 1 Aleppo	Mousalmieh Street
Izaz-Salameh	Branch 2 Aleppo	Izaz 7850743
Airport (2 points)	Branch 3 Aleppo	Aleppo airport 4216850

## Lattakia Branches Area Code (041)

Branch No.	Address	Tel	Operator	Fax	P.O.Box	E-mail
<b>Branch No.1</b>	Adnan Malki Street	471650	471643			
	Manager: Dr. Wahid Kahla	471660	471645	471649	125	ltk1.cbs@mail.sy
			238851			
<b>Branch No.2</b>	8 Azar Street		461018			
	Manager: Samia Janoudi	479763	463066	479761	808	ltk2.cbs@mail.sy
			463793			
<b>Branch No.3</b>	Kouatli Street		470714			
	Manager: Osama Sbeih	477153	475963	470059	575	ltk3.cbs@mail.sy
			475985			
<b>Branch No. 4</b>	Manager Kamala Kinjrawi	450718	450276		933	cbos@mail.sy
			456029			
<b>Free Zone</b>	Kouatli Street Manager: Fareeda Awad	477253	475963	477253	575	ltkfzl.cbs@mail.sy
<b>Jableh Branch</b>	Al Kalaa str. Insurance Bldg. Manager: Ghiath Ali	820752	820751	820757	933	cbos@mail.sy
			820756			

## Lattakia Service Offices

Office	Address	Supervised by	Tel	Fax
<b>Lattakia Port</b>	Lattakia Port	Branch 4 Lattakia	456028	354130
Tishreen University	Campus	Branch 4 Lattakia	425526	411609
Lattakia Free Zone	Free Zone	Branch 3 Lattakia	326403	426402

Al-Haffeh	Peasants Union Bldg. Ground Floor	Branch 1 Lattakia	730595	730625
Kassab	Square-Anmar Hotel	Branch 1 Lattakia	711 255 711 256	710098

### Lattakia Exchange Points

Point	Branch	Address
Port Point	Branch 4 Lattakia	Port 354130
Kassab	Branch 1 Lattakia	Turkish Border 711942
Bassel Al-Assad Airport	Branch 1 Lattakia	Hmeimim 827195
Dedeman Hotel	Branch 2 Lattakia	Dedeman Hotel 428736
Port Free Zone	Branch 3 Lattakia	Port Free Zone 326403

### Homs Branches Area Code (031)

Branch No.	Address	Tel	Operator	Fax	P.O.Box	E-mail
Branch No.1	Hisham Ebn Abdulmalek Manager: Ahmad Oudeh	2485314	2485270 2485271 2485274	2211823	417	hom1.cbs@ma il.sy
Branch No.2	Al-Walid Street Manager Abdul Aziz Al-Subai	2485501	2478897 2478798 2483719	2478799	132	hom2.cbs@ma il.sy
Branch No.3	AL-Abbas Street Manager: Nawal Boider	2467839	2475215 2464505 2464439	2475103	203	hom3.cbs@ma il.sy
Branch No.4	Kouatli Street Manager: Randa Keishi	2481231	2482270 2482271 2477185	2481232	4745	hom4.cbs@ma il.sy

### Homs Service Offices

Office	Address	Supervised by	Tel	Fax
Marmarita	St. Yohanna Square	Branch 4 Homs	7732530	2211823
Hwash	Main street, next to police station	Branch 4 Homs	7448733	2211823
Tadmur	Main street, opposite Museum	Branch 4 Homs	5918680	5918681
Hasia	Hasia Industrial zone Administration Bldg.	Branch 2 Homs	5360370	5360370

Syrian Lebanese commercial bank Office	Branch 4 Bldg. Homs	Branch 4 Homs	2461421	2481232
Customs Office	Homs – Mahatta	Branch 3 Homs	2132852	2475103

### Homs Exchange Points

Point	Branch	Address
Dabbosieh	Branch 1 Homs	Dabbosieh Border 710719
Joussieh	Branch 3 Homs	Joussieh Border 861435
Homs Customs	Branch 3 Homs	Customs Directorate
Jisr Qmar Office	Branch 3 Homs	Jisr Qmar Customs Center
Tadmur Office	Branch 2 Homs	Near Museum

### Hama Branches Area Code (033)

Branch No.	Address	Tel	Operator	Fax	P.O.Box	E-mail
<b>Branch No.1</b>	Kouatli Street Manager: Mamdouh Esmaeel	2510919	2510917 2510918	2515726	16	hama1.cbs@mail.sy
<b>Branch No.2</b>	Kouatli Street Manager: Talal Milli	2210641	2210961 2210962 2210964	2210641	229	hama2.cbs@mail.sy
<b>Branch No.3</b>	Dabagha Street Manager: AmalAL- Haiba	2518822	2518821 2518823 2517824	2523445	5	hama3.cbs@mail.sy
<b>Branch No.4</b>	Manager: Ibrahim Kosheje	2519544	2520780	2520780	85	cbos@mail.sy
<b>Mouharda Branch</b>	main Street Alslam Garden Manager: Raeda alAhmad	4741615	4741612 4741613	4741611	-	hama1.cbs@mail.sy
<b>Salamieh Branch</b>	Secondary School Street Manager: Amal Hamoudeh	8843302	8843302	8811691		hama1.cbs@mail.sy

### Hama Service Offices

Office	Address	Supervised by	Tel	Fax
Sqailbieh	Fardous, next to Municipality	Branch 2 Hama	787853	424997

### Hama Exchange Points

Point	Branch	Address
Hama Point	Branch 2 Hama	Baroudieh – Ali Bin Abi Taleb Street (424992)

### Tartous Branches Area Code (043)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Branch 1	M. Abdul Razzak St. Manager: Wajih Mahmoud	327588	324601 326602	221153	10	trt1-cbos@mail.st
Branch 2	Port Street Manager: Nabil Sam'oul	323803	323804 323805	323806	372	trt2-cbos@mail.st
Free Zone	M. Abdul Razzak St. Manager: Wajih Mahmoud	327588	324601 324602		933	trtfzl-cbos@mail.st
Safita Branch	Hurrieh St. Manager: Waseem Al-Moui	539345	539340 539341 539342	539344	933	cbos@mail.sy
Banias Branch	Qusour Manager: Kinana Asaad	727234	724603 726609	727212	933	cbos@mail.sy
Dreikish Branch	Thaora Street Manager: Najeeb Hanna	566473	566471 566472	566470	933	cbos@mail.sy
Sheikh Badr	Sheikh Badr Manager: Dahi Mohamad	734205	734204	734203	933	cbos@mail.sy
Bmalkeh Branch	Tartous Karameh St. Manager: Shadi Kattoub	750620	715215	750655	933	cbos@mail.sy

## Tartous Service Offices

Office	Address	Supervised by	Tel	Fax
<b>Tartous Port</b>	Tartous Port	Branch 2 Tartous	325163	325163
<b>Free Zone Tartous</b>	Free Zone	Branch 1 Tartous	310721	310720
<b>Madina</b>	Hanano Street	Branch 2 Tartous	328983	323806
<b>Mashta Al-Hilou</b>	Inside the Spa	Safita	586357	586077

## Tartous Exchange Points

Point	Branch	Address
<b>Arida</b>	Branch 1 Tartous	Lebanon Border 651929
<b>Madina</b>	Branch 2 Tartous	Abdul Aziz St. 328983
<b>Port Point</b>	Branch 2 Tartous	Port 325163

## Daraa Branches Area Code (015)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
<b>Branch No.1</b>	AL-Mahatta Street Manager: Amjad Awad	234665	231410 230582	231250	933	dara1.cbs@ma il.sy
<b>Free Zone</b>	AL-Mahatta Street Manager: Amjad Awad	234665	480002	231250		darafzl.cbs@ mail.sy

## Daraa Service Offices

Office	Address	Supervised by	Tel	Fax
<b>Sheikh Miskeen Office</b>	Main Intersection	Daraa Branch	812473	859875
<b>Sanamein Office</b>	Shamali Street Damascus Road	Daraa Branch	861311	231250

## Daraa Exchange Points

Point	Branch	Address
<b>Old Daraa Border Point</b>	Daraa Branch	Ramtha Street 231644
<b>Nasseeb Point for Trucks</b>	Cash Center	Nasseeb Border Point 251391
<b>Nasseeb Point for Cars</b>	Cash Center	Nasseeb Border Point 251408
<b>Arrivals – Immigration for Coaches</b>	Cash Center	Nasseeb Border Point
<b>Arrivals – Immigration for car</b>	Cash Center	Nasseeb Border Point

**Bosra Point**

Daraa Branch

Bosra Square Opposite  
Citadel 792799**Free Zone**

Daraa Branch

Syria-Jordan Free Zone  
251392**Al-Sweida Branch (Area Code 016)**

	<b>Address</b>	<b>Tel</b>	<b>Operator</b>	<b>Fax</b>	<b>P.O.Box</b>	<b>E-mail</b>
Al- Sweida Branch	Sultan Atrach Street		231860			
	Manager: Wafa Al Massri	233920	231791	241960	21	sweda1.cbs@m ail.sy
			234704			

**Deir Ezzor Branches (Area Code 051)**

	<b>Address</b>	<b>Tel</b>	<b>Operator</b>	<b>Fax</b>	<b>P.O.Box</b>	<b>E-mail</b>
Dier Ezzor Branch	Main Street		214725			
	Manager: Nadia Al-Dully	212004	214724	222560	1	derzor1.cbs@m ail.sy
			221205			
Al- Boukamal Branch	The Main str.				933	qam1.cbs@mail .sy
	Manager: Mahmoud Al-Hasou	746738	746107	746795		
Al- Mayadeen Branch	The Main str.		713031		933	qam1.cbs@mail .sy
	Manager: Saleh Al-Hussain	713037	713032	713032		
			713582			

**Deir Ezzor Exchange Points**

<b>Point</b>	<b>Branch</b>	<b>Address</b>
Deir Ezzor Airport	Deir Ezzor Branch	Airport

**Al-Hassakeh and Qamishli Branches (Area Code 052)**

	<b>Address</b>	<b>Tel</b>	<b>Operator</b>	<b>Fax</b>	<b>P.O.Box</b>	<b>E-mail</b>
Al- Hasakeh Branch	Jamal AbdulNasser Street					
	Manager: Ochana John David	319785	310489	310356	436	hasaka1.cbs@m ail.sy
			310487			
Al – Kameshli Branch	Kouatli Street					
	Manager: Reem Yakoup	433153	420670	420630	13	qam1.cbs@mail .sy
			420671			



### Al-Hassakeh Service Offices

Office	Address	Supervised by	Tel	Fax
Al-Hassakeh Office	Jamal AbdulNasser St. Next to Grand Mosque	Hassakeh Branch 2	321591	310356

### Qamishli Exchange Points

Point	Branch	Address
Nassibeen	Qamishli Branch	Turkish Border 427910
Yaarubieh	Qamishli Branch	Iraqi Border 752727
Yaarubieh Free Zone	Qamishli Branch	Iraqi Border 752727

### Idleb Branch (Area Code 023)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Idleb Branch	Al-Jalaa Street Manager: Mohamad Maari	241363	239522 239580	238420	2	edilb1.cbs@mai l.sy

### Idleb Service Offices

Office	Address	Supervised by	Tel	Fax
Salkeen	Al-Kossor St. Next to Cultural Center	Idleb Branch	757232	757230
Jisr Al-Shoghor	Al-Asi Bridge End Next to Electricity Bldg.	Idleb Branch	625652	625651
Maara Office	Abol Alaa Square next to Museum	Idleb Branch	512071	512073
Ariha	President Square opposite Fire Brigade	Idleb Branch	719180	719291

### Idleb Exchange Points

Point	Branch	Address
Bab Al-Hawa	Idleb Branch	Turkish border 244343

### Al-Rakka Branches (Area Code 022)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Al- Rakka Branch	Rais Square Manager: Aiyad Atri	210695	229050 210696	210698	43	rakka1.cbs@mail.sy

### Al-Rakka Service Offices

Office	Address	Supervised by	Tel	Fax
Al-Rakka Office	Kouatli St. opposite Economy Bldg.	Al-Rakka Branch	212982	212982

### Al-Rakka Exchange Points

Point	Branch	Address
Tal Abyad	Al-Rakka Branch	Customs Office 731438

# MANAGEMENT REPORT

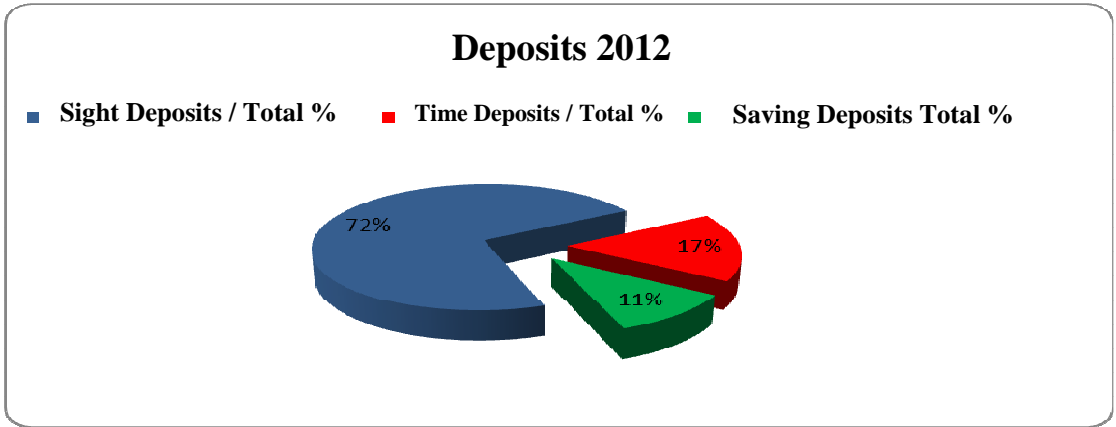
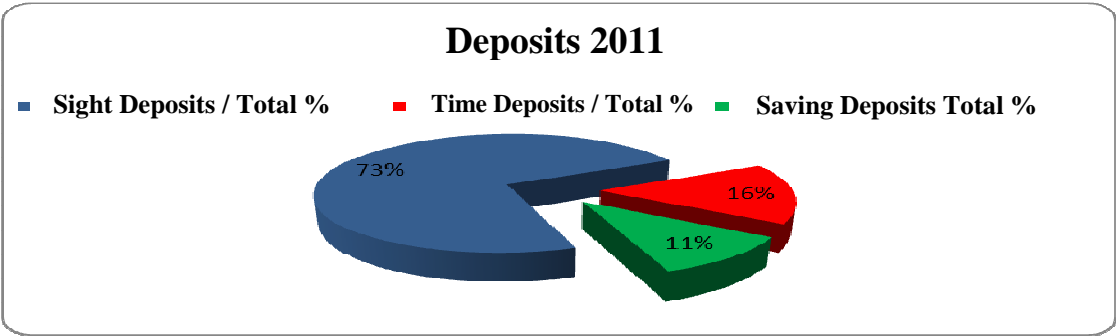
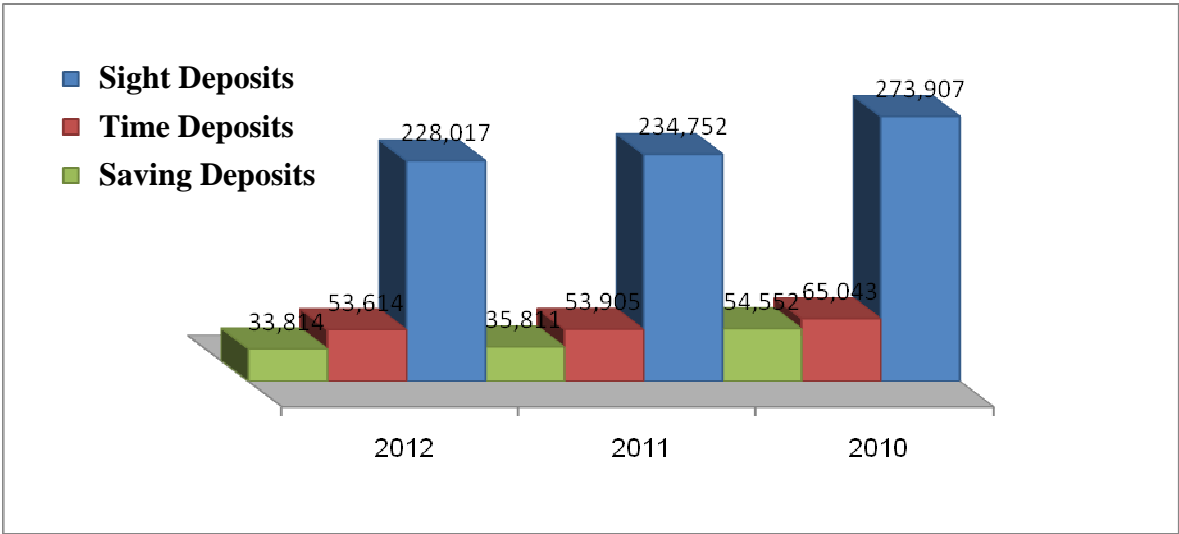
## Financial Analysis

### 1- Deposits – blocked accounts not included

#### Classification of Customers Deposits by type

In SYP Million	2010	2011	2012
<b>Sight Deposits</b>	<b>273,907</b>	<b>234,752</b>	<b>228,017</b>
In SYP	246,858	206,808	193,371
In other currency	27,049	27,943	34,644
<b>Sight Deposits/ Total %</b>	<b>70%</b>	<b>72%</b>	<b>72%</b>
<b>Time Deposits</b>	<b>65,043</b>	<b>53,905</b>	<b>53,614</b>
In SYP	56,239	44,021	42,437
In other currency	8,804	9,884	11,176
<b>Time Deposits/ Total %</b>	<b>17%</b>	<b>17%</b>	<b>17%</b>
<b>Saving deposits</b>	<b>54,552</b>	<b>35,811</b>	<b>33,814</b>
<b>Saving deposits/ total %</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>
<b>Total Deposits</b>	<b>393,502</b>	<b>324,469</b>	<b>315,443</b>

The total of deposits in 2012 shrank by 2.8% compared to 2011, which is due to the current crisis that has negatively affected deposits in both Syrian and foreign currencies, and led some customers to withdraw their Syrian currency deposits, and convert them to foreign currencies or perhaps they opted to buy gold. Gold is customarily considered a reservoir of value during times of crises. Yet, CBS, through the Committee of Managing Assets and Liabilities, has been able to strengthen measures of precaution concerning the keeping and transfer of funds with a view to rebuilding confidence that CBS is the safe place for keeping the funds, on one hand, and out of CBS faith that a bank's role in supporting the natural progress of the economy in times of crisis is much more important than the role it usually plays in ordinary and normal times. Besides, CBS believes that such active role is conducive to rebuilding confidence in the Syrian Pound. The above table shows stability in the deposit spread structure, as the sight deposits have got the largest share among the various types of deposit recording 72% of the total for 2012, whereas time deposits kept its ratio of 17% while savings deposit remained at 11%.

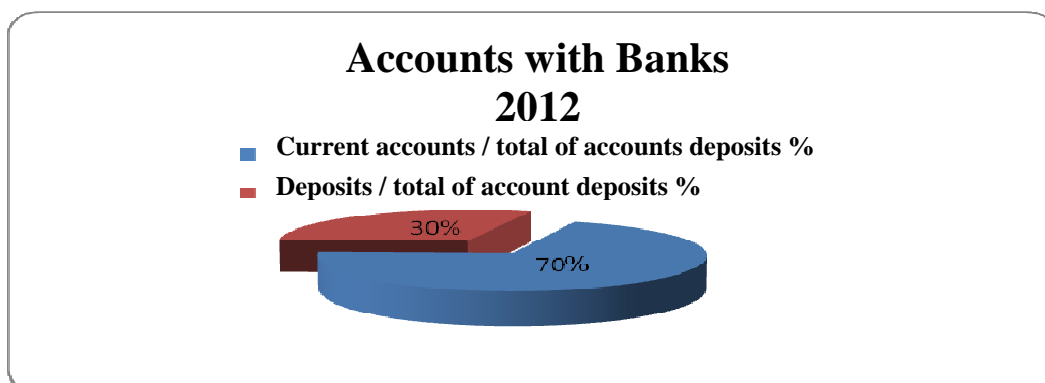
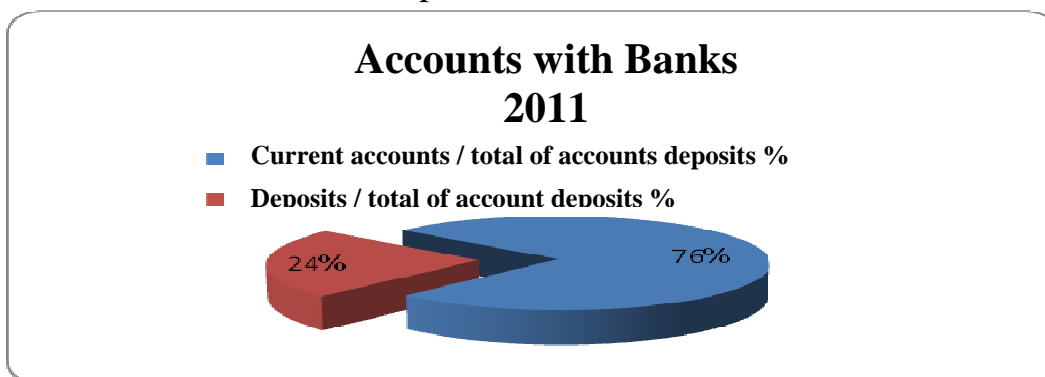


## Assets 2-

### a- Accounts with Banks

In SYP Million	2010	2011	2012
<b>Current accounts</b>	78,073	118,639	118,272
Current accounts / total of current + deposits %	31%	76%	70%
<b>Time Deposits</b>	172,993	36,999	51,067
Time Deposits /Total %	69%	24%	30%
<b>Total</b>	251,066	155,638	168,294
<b>Blocked accounts</b>	9.52	11	16
<b>Outstanding accounts</b>	869	964	1,484
<b>Total</b>	251,909	156,614	169,794

The structure of accounts with banks in 2012 reveals no change from that of 2011. The visible rate of the total of those accounts rose because exchange rates of all currencies in 2012 rose over that of 2011, and not because of the rise of such accounts, especially as most of those accounts have been blocked due to the unfair sanctions imposed on CBS. However, CBS uses such accounts to finance import of food stuffs and medicine.



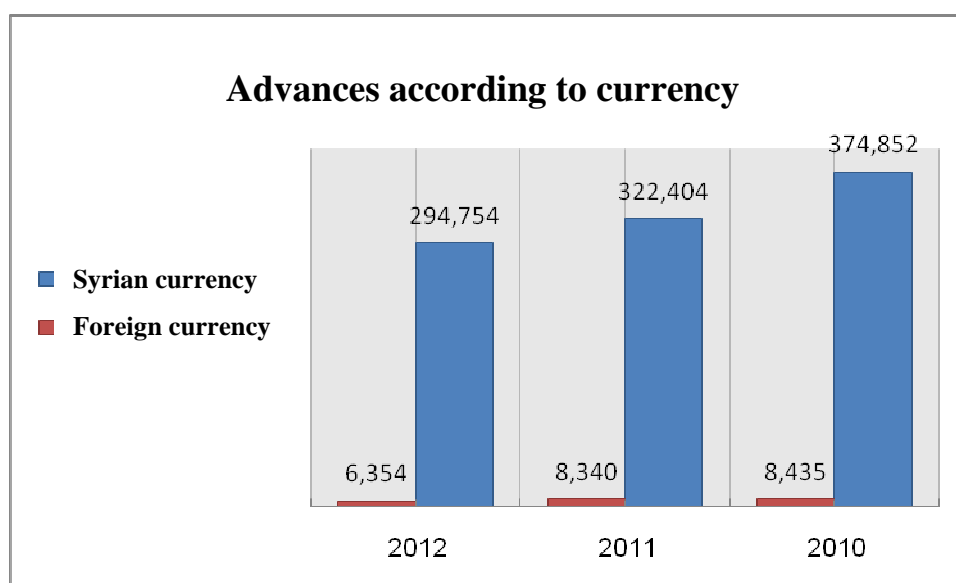
## B. Development of Advances and Loans

The conditions prevailing in 2012 had their impact on many commercial and industrial sectors resulting in influencing their ability and the abilities of their employees to borrow or to pay up their debts. But CBS continued with the process of renewing previously granted facilities, and to finance foreign trade (such as public organizations, e.g. cereals and fuels).

### Spread of Advances and Loan in both Syrian and Foreign Currencies

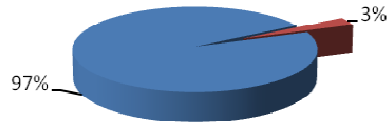
In SYP Million	2010	2011	2012
<b>Advances and Loans in SYP</b>	374,852	322,404	294,754
Advances and Loans in SYP/ Total %	98%	97%	98%
<b>Advances and Loans in other currencies</b>	8,435	8,340	6,354
Advances and Loans in other currencies/ Total %	2%	3%	2%
<b>Total interest yielding Advances and Loans</b>	383,287	330,744	301,108
<b>Non – interest yielding Advances and Loans</b>	6,249	11,898	18,725
<b>Total</b>	<b>389,535</b>	<b>342,642</b>	<b>318,297</b>

Despite the drop in total of interest yielding advances by 7% due to the crisis conditions, the structure of their spread according to currencies remained stable in favour of the Syrian Pound at 99 percentage points, i.e. down by only 2% from the previous year. In the meantime, advances in foreign currency amount to 1% showing a drop of 2% down from last year.



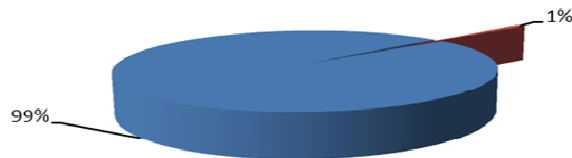
### Loans and Advances According to currency 2011

- Ratio of advances in Syrian currency / interest yielding advances %
- Ratio of advances in Foreign currency / interest yielding advances %



### Loans and Advances According to currency 2012

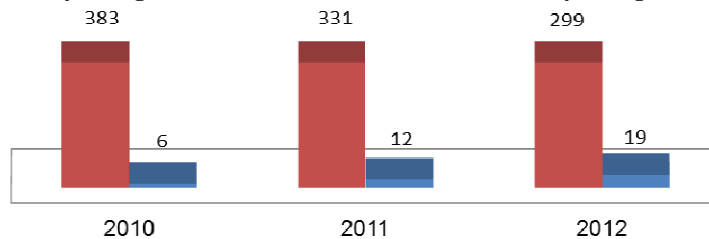
- Ratio of advances in Syrian currency / interest yielding advances %
- Ratio of advances in Foreign currency / interest yielding advances %



Debts designated as non-interest yielding showed a rise in 2012 up to 6% compared to their ratio of 3.5% in 2011. The main reason for this, as explained above, is attributed to the inability of many customers to pay under the present crisis conditions although CBS did collect debts that were previously designated as non-performing loans and belonging to various customers. This was effected by rescheduling of such debts as per decrees issued in 2012.

### Total interest and non interest yielding advances & loan (billion SP)

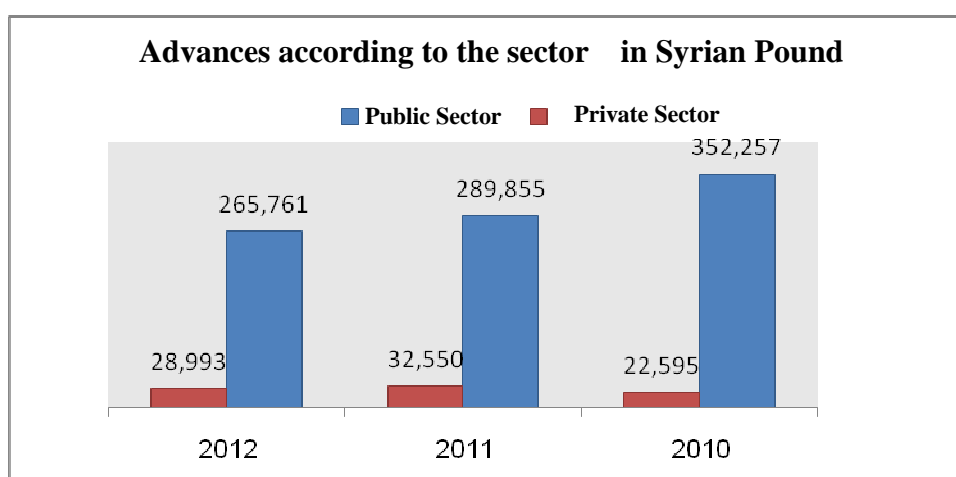
- Total interest yielding advances & loans
- Non - interest yielding advances & loans



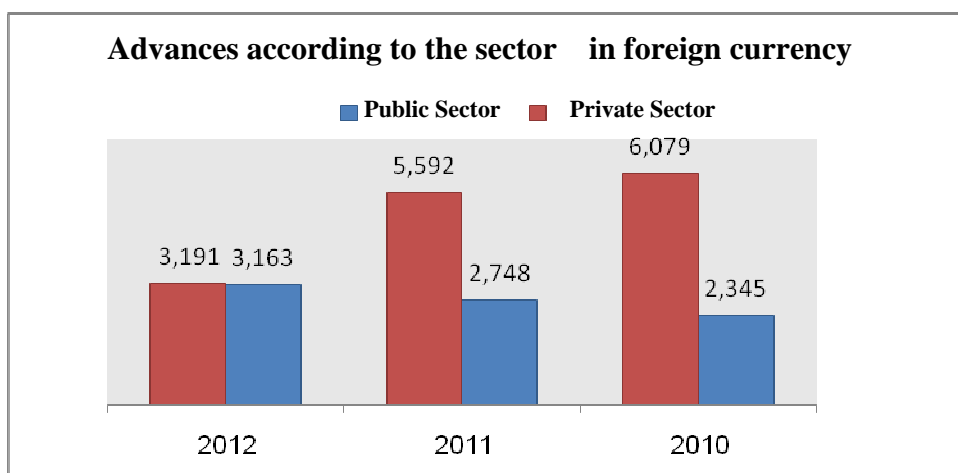
## Development of Loans & Advances according to Sector and Currency

Sector / million SYP	Currency	2010	2011	2012
Public Sector	Syrian currency	352,257	289,855	265,761
	Foreign currency	2,354	2,748	3,163
<b>Total</b>		<b>354,602</b>	<b>292,603</b>	<b>268,924</b>
<b>Ratio of public sector advances / total of interest yielding advances %</b>		<b>93%</b>	<b>88%</b>	<b>89%</b>
Private Sector	Syrian currency	22,595	32,550	28,993
	Foreign currency	6,079	5,592	3,191
<b>Total</b>		<b>28,674</b>	<b>38,142</b>	<b>32,184</b>
<b>Ratio of private sector advances / total of interest yielding advances %</b>		<b>7%</b>	<b>12%</b>	<b>11%</b>
<b>Total of interest yielding loan &amp; advances</b>		<b>383,276</b>	<b>330,744</b>	<b>301,108</b>

The total of advances to public sector in 2012 shows a decline by 7% from their volume of 2011, which is due to decline of such advances in Syrian currency because of the fact that part of the debts owed by the General Fuels Organization was paid up. Advances in Syrian currency to private sector have dropped by 15% due to CBS halting of granting new banking facilities. In the meantime advances in foreign currency to private sector also declined because of restrictions imposed on CBS concerning outward transfers.

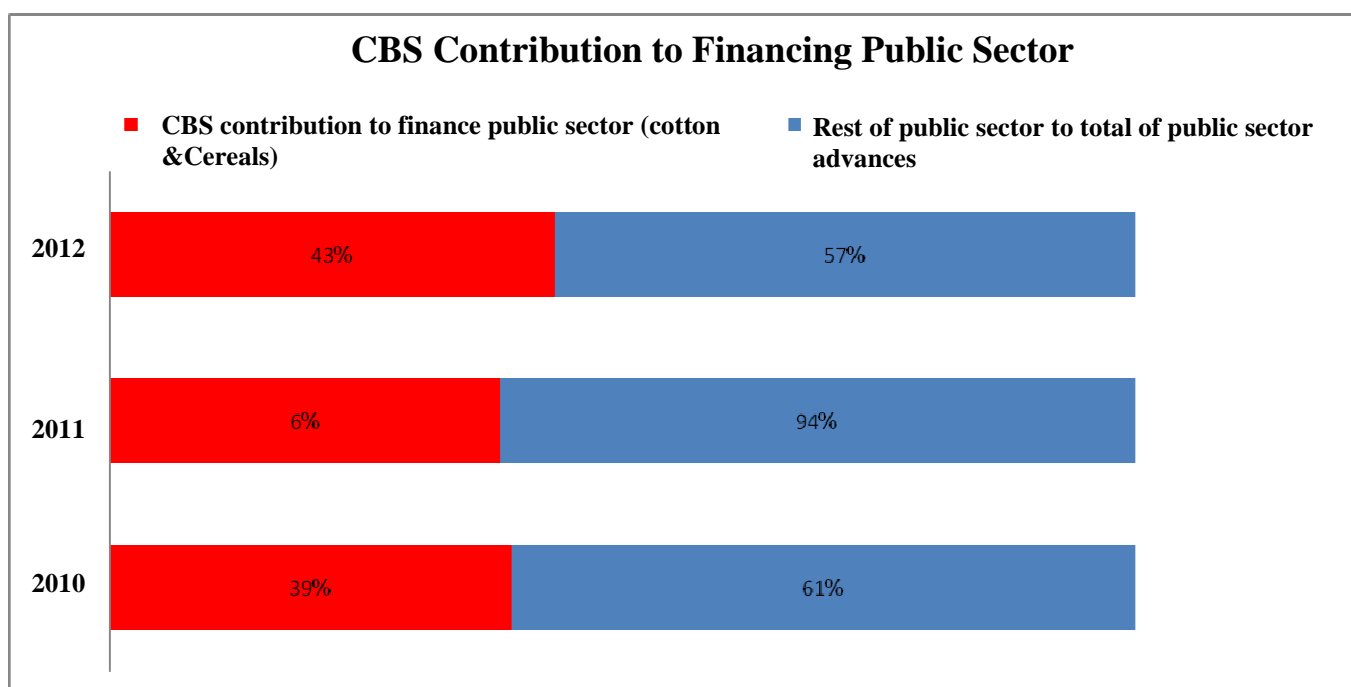






### CBS Contributions to Financing Public Sector Advances (million SYP)

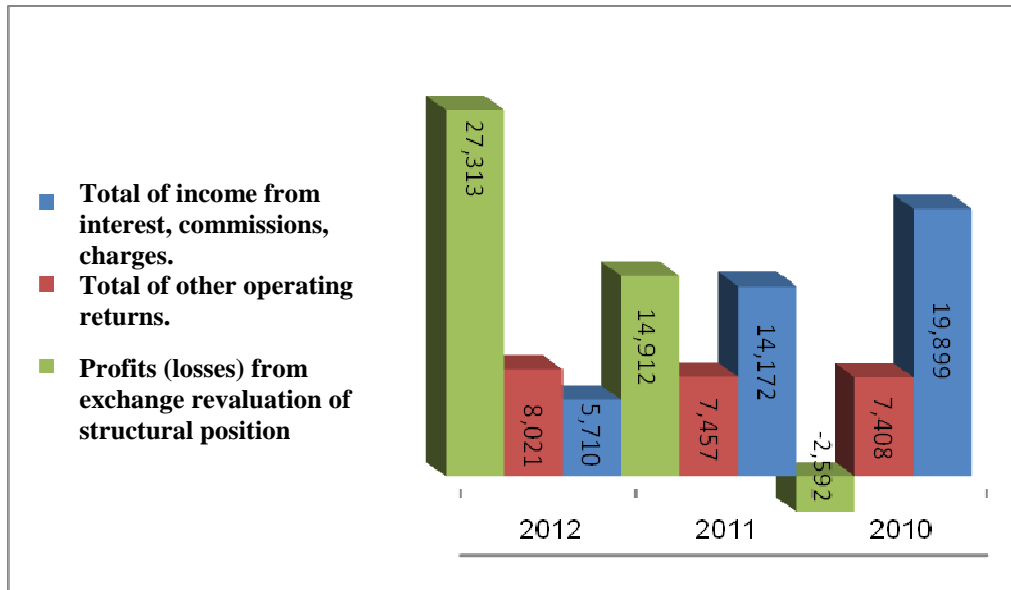
Sector	2010	2011	2012
CBS Contribution to financing public sector loans & advances for cotton & cereals.	138,704	112,099	116,759
<b>Contribution / total of public sector advances &amp; loans %</b>	<b>39%</b>	<b>38%</b>	<b>43%</b>
The rest of public sector lending	215,907	180,503	152,165
<b>The rest of public sector lending / total %</b>	<b>61%</b>	<b>62%</b>	<b>57%</b>
<b>Total of public sector advances &amp; loans</b>	<b>354,611</b>	<b>292,602</b>	<b>268,924</b>



### 3- Returns, Expenses and Profit

In SYP million	2010	2011	2012
<b>Net Interest Income</b>	<b>16,066</b>	<b>9,829</b>	<b>4,108</b>
Net Interest Income/ Total Income %	59%	27%	10%
<b>Commissions and charges net income</b>	<b>3,833</b>	<b>4,342</b>	<b>1,601</b>
Commissions and charges net income / Total income%	16%	12%	4%
<b>Total of Interest and commission income</b>	<b>19,899</b>	<b>14,172</b>	<b>5,710</b>
Interest and commission income / Total income %	81%	39%	14%
<b>Total of other operating returns</b>	<b>7,408</b>	<b>7,457</b>	<b>8,021</b>
Profits (losses) from exchange revaluation structural position	(2,592)	14,912	27,313
<b>Total operating income</b>	<b>24,715</b>	<b>36,541</b>	<b>41,044</b>
<b>Staff Expenses</b>	<b>(1,483)</b>	<b>(1,540)</b>	<b>(1,553)</b>
<b>Depreciation of tangible fixed assets</b>	<b>(278)</b>	<b>(307)</b>	<b>(305)</b>
<b>Other operating expenses</b>	<b>(1,277)</b>	<b>(3,618)</b>	<b>(4,575)</b>
<b>Total</b>	<b>3,038</b>	<b>5,465</b>	<b>6,434</b>
<b>Gross profits after excluding profits (losses) exchange revaluation on structural position</b>	<b>21,677</b>	<b>31,076</b>	<b>34,610</b>
Expenses / net profits after excluding profits (losses) exchange revaluation on structural position	13%	34%	88%

Gross profits after exclusion of profits resulting from exchange revaluation on structural position in 2012 dropped by 55% below those of 2011, which is due to the drop of net income of interest by 58 percentage points, added to an increase by 18% of general expenses compared to those of 2011, which in turn is due to a rise in the provision for risks of financing non-performing debts.

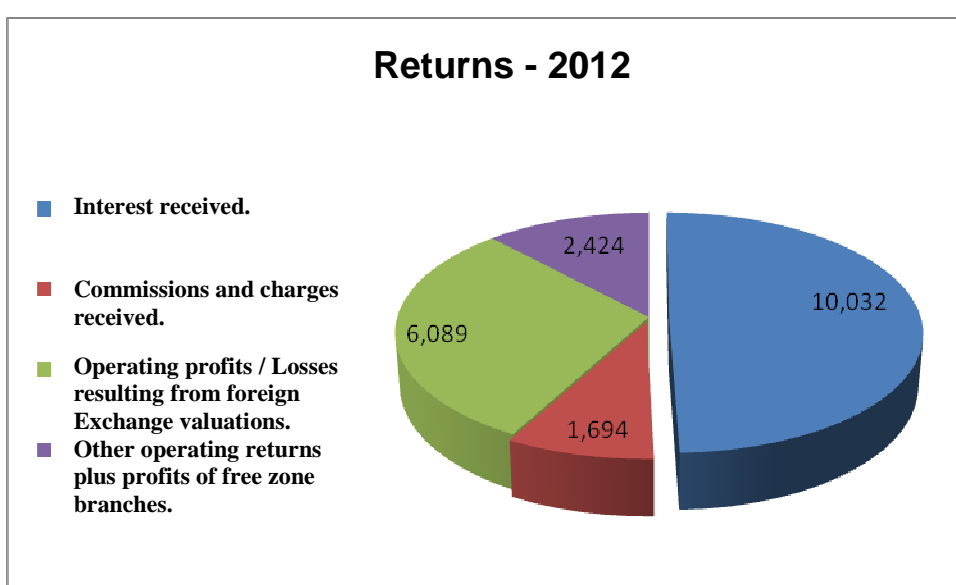
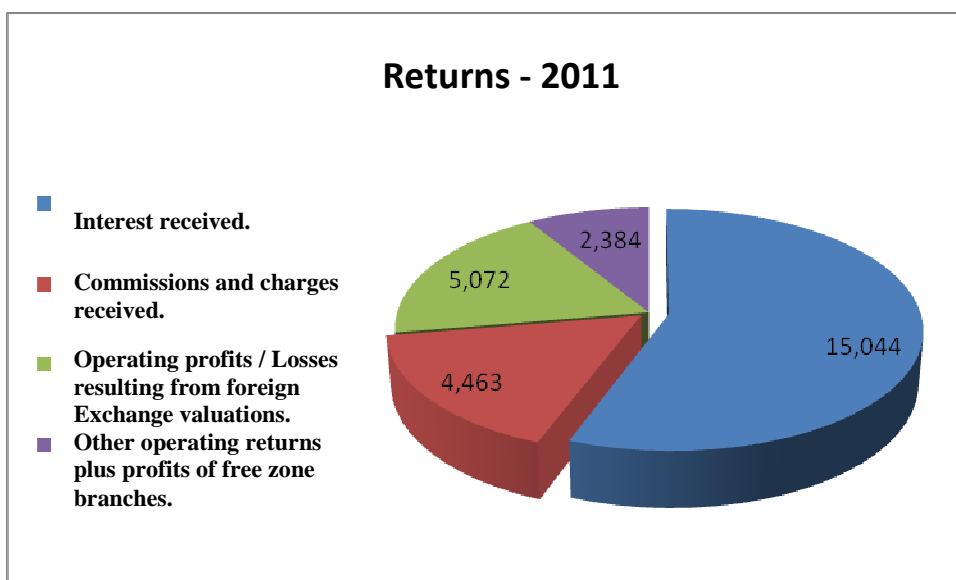


## A- Returns

(SYP million)

Type	2010	2011	2012
Interest received	21,719	15,044	10,032
Interest received/ Total returns %	65.66%	55.79%	49.57%
Commissions and charges received	3,952	4,463	1,694
Commissions and charges received/ Total returns %	11.95%	16.55%	8.37%
Operating profits (losses) resulting from Foreign Exchange valuations	2,459	5,072	6,089
Other operating returns plus results of free zone branches	4,949	2,384	2,424
Other operating returns/ Total returns	14.96%	8.84%	11.98%
<b>Total operating returns</b>	<b>33,079</b>	<b>26,965</b>	<b>20,239</b>

The drop in 2012 returns is due to the drop in the share of interest received ratio to the total of returns by about 6.22 % compared to the 2011 figures, which resulted from CBS halting of granting direct credit facilities and limiting this activity to renewal of facilities and increase of the non-interest yielding debts, which in turn changed into retained interest accounts.



## C. Expenses

SYP million

Type	2010	2011	2012
<b>Interest paid</b>	<b>5,653</b>	<b>5,215</b>	<b>5,923</b>
<b>Interest paid/ Total expenses %</b>	<b>64.17%</b>	<b>48.28%</b>	<b>47.58%</b>
<b>Commissions and charges paid</b>	<b>118</b>	<b>120</b>	<b>92</b>
Commissions and charges paid/ Total expenses	1.34%	1.12%	0.74%
<b>Staff Expenses</b>	<b>1,483</b>	<b>1,540</b>	<b>1,553</b>
Staff Expenses / Total expenses	16.84%	14.26%	14.26%
<b>Depreciation of tangible fixed assets</b>	<b>278</b>	<b>307</b>	<b>305</b>
Depreciation of tangible fixed assets/ Total expenses	3.16%	2.84%	2.84%
<b>Other operating expenses</b>	<b>1,227</b>	<b>3,618</b>	<b>4,575</b>
Other operating expenses / total expenses	14.50%	33.50%	36.75%
<b>Total expenses</b>	<b>8,809</b>	<b>10,801</b>	<b>12,450</b>

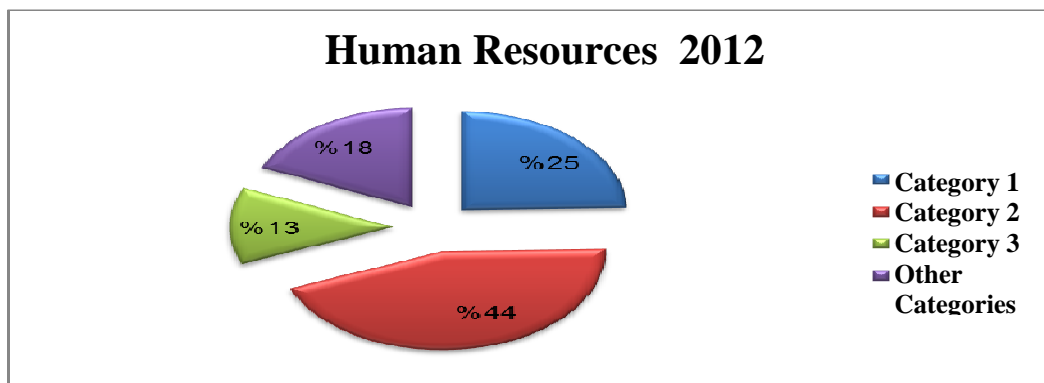
The rise in CBS 2012 expenses by 15% over those of 2011 is mainly due to the rise of other operating expense, which is due in turn to the rise in 2012 of provision for non-performing debts over those of 2011.

### Number of CBS Personnel on Job as of 31.12.2012

<b>Staff</b>	<b>Permanent</b>	<b>Temporary</b>
Males	1992	123
Females	2150	10
<b>Total</b>	<b>4142</b>	<b>133</b>

#### Breakdown according to category

<b>Category 1 and above</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Category 4+5</b>
1042	1873	535	780



**Commercial Bank of Syria**  
**Consolidated Balance Sheet as of 31.12.2012**

<b>Assets</b>	<b>Ref.</b>	<b>Year figures (SYP) 31.12.2012</b>	<b>Compared figures (SYP) on 31.12.2011</b>
Cash on Hand & Balances with Central Bank	3	116,664,553,633.08	109,661,675,535.82
Accounts with banks & banking institutions	4	119,772,018,258.18	119,615,109,851.03
Deposits with banks & banking institutions	5	51,067,131,268.37	36,999,805,628.78
<b>Financial assets in fair value through Income statement</b>			
<b>Financial Instruments derivatives.</b>			
Direct credit facilities (net)	7	290,222,910,953.47	319,895,327,913.06
<b>Loans and advances to banks</b>			
<b>Financial Assets ready for sale</b>			
Financial investments held until maturity	10	63,105,682,899.63	60,850,531,065.01
<b>Pledged financial assets</b>			
Investments with allied companies	12	305,689,989.42	243,707,709.52
Investments with subsidiary & allied companies	13	13,615,725.00	13,615,725.00
<b>(Unconsolidated in financial statements)</b>			
<b>Real estate investments</b>			
Fixed assets	15	1,757,806,418.29	1,932,133,957.21
<b>Goodwill</b>			
<b>Intangible assets</b>			
<b>Deferred tax assets</b>			
Other assets (17+18+22+26)	18	74,109,988,766.85	63,685,589,953.93
<b>Frozen deposit with Central Bank of Syria</b>			
<b>Total Assets</b>		<b>717,019,397,912.29</b>	<b>712,897,497,339.37</b>

<b>Liabilities &amp; Equities</b>			
<b>Liabilities</b>			
Deposits with banks & banking institutions	20	8,498,004,275.97	7,525,434,732.85
Customers' Deposits	21	344,717,514,694.64	353,542,592,830.51
Cash margin	22	141,517,030,815.64	151,126,615,629.81
<b>Financial Instrument derivatives</b>			
Borrowed funds	23	69,891,299,493.79	69,727,790,533.57
<b>Debt bonds</b>			
Diverse provision	25	4,989,051,170.38	4,989,051,170.38
Income tax provision	26	2,092,559,861.98	4,819,587,035.98
<b>Deferred tax liability</b>			
Other Liabilities (44)	27	5,121,877,027.92	5,424,221,911.18
<b>Total Liabilities</b>		<b>577,177,337,340.32</b>	<b>597,155,293,844.28</b>
<b>Equities</b>			
<b>Shareholders' Rights</b>			
Paid-up capital	28	70,000,000,000.00	70,000,000,000.00
<b>Added / (discount) on issuance</b>			
<b>(Treasury bills)</b>			
Donations	30	15,306,000.00	11,186,800.00
Legal reserve	30	16,933,503,587.40	16,398,025,810.40
Special reserve	30	16,932,085,298.51	16,396,607,521.51
Other reserves	30	4,548,966,128.76	4,455,270,318.76
General reserve for finance risk	30	878,895,797.98	878,895,797.98
<b>Differences in translation of foreign currencies</b>			
<b>Accumulated change in fair value of financial assets available for sale</b>			
<b>Equities share in bills and loans convertible to shares</b>			
Profits (losses) for the period after tax (in interim statements only)	34	4,283,822,223.78	8,666,124,098.73
<b>Realized carried over profits (accumulated losses)</b>			
Unrealized carried over profits (accumulated losses)	33	26,249,481,535.54	(1,063,906,852.29)
<b>Total of equities – CBS Shareholders</b>		<b>139,842,060,571.97</b>	<b>115,742,203,495.09</b>
<b>Minority rights</b>			
<b>Total of equities</b>			
<b>Total Liabilities &amp; Minority rights</b>		<b>717,019,397,912.29</b>	<b>712,897,497,339.37</b>

**Consolidated Income Statement**  
For the year ending on 31.12.2012

	Ref.	Year figures (SYP) 31.12.2012	Compared figures (SYP) on 31.12.2011
Interest received	35	10,032,075,638.11	15,044,182,372.80
Interest paid	36	<u>(5,923,562,142.98)</u>	<u>(5,214,949,839.50)</u>
<b>Net Interests income</b>		<b><u>4,108,513,495.13</u></b>	<b><u>9,829,232,533.30</u></b>
Commissions and charges received	37	1,694,400,075.91	4,463,487,450.56
Commissions and charges paid	38	<u>(92,593,397.64)</u>	<u>(120,653,269.11)</u>
<b>Net income from Commissions &amp; Charges</b>		<b><u>1,601,806,678.27</u></b>	<b><u>4,342,834,181.45</u></b>
<b>Net income from Interests plus Commissions and Charges</b>		<b><u>5,710,320,173.40</u></b>	<b><u>14,172,066,714.75</u></b>
Operating profits (Losses) resulting from valuations of foreign currencies	39	5,586,526,712.33	5,072,767,263.45
Profits (Losses) of financial assets trading	39	27,313,429,427.83	14,912,594,096.15
Profits (Losses) of financial assets set to be measured by fair value through Income statement			
Profits (Losses) of financial assets for sale other operating returns + (free zones)	44	2,435,227,823.28	2,384,734,156.72
<b>Total Operating Income</b>		<b><u>41,045,504,136.84</u></b>	<b><u>36,542,162,231.07</u></b>
Staff Expenses	45	(1,553,090,499.00)	(1,539,931,219.51)
Depreciation of tangible fixed assets	15	(305,300,483.15)	(307,175,129.72)
Amortization of intangible assets			
Losses resulting from impairment of direct credit facilities			
Losses resulting from impairment of financial investments retained till maturity			
Diverse Provisions			
<u>Other operating expenses</u>	46	<u>(4,575,316,292.08)</u>	<u>(3,618,683,723.49)</u>
<b>Total Operating expenses</b>		<b><u>(6,433,707,274.23)</u></b>	<b><u>(5,465,790,072.72)</u></b>
<b>Profit (loss) from operation</b>		<b><u>34,611,796,862.61</u></b>	<b><u>31,076,372,158.35</u></b>
CBS share from allied companies' profit (losses)			
Profits distributed by subsidiary or allied companies (not consolidated only in financial statements)			
Profit (loss) before tax			
<b>Income Tax</b>			
Profit (loss) in the year		0	0
Income tax		1,943,589,657.00	4,670,616,831.00
Legal reserve		535,477,777.00	1,149,316,123.00
Special reserve		535,474,777.00	1,149,316,123.00
General reserve for finance risks			528,404,886.47
Unrealized carried over profits (assessed)		27,313,429,427.83	14,912,594,096.15
State share in profits		4,283,822,223.78	8,666,124,098.73
<b>Grand Total</b>		<b>34,611,796,352.61</b>	<b>31,076,372,158.35</b>



**Cash Flow Statement**  
**for period ending on 31.12.2012 (Final)**

(thousand SYP)

Description	Period ending on 31.12.2012		Difference
	31.12.2011	31.12.2012	
<b>A-Cash Flows from Operating Activities</b>			
Net result before tax	31,076,372	34,611,797	3,535,425
<u>Adjustment on net result before tax to reconcile with cash resulting from (used in) operating activities</u>			
<b>Add</b>	<b>611,668</b>	<b>365,127</b>	<b>(246,541)</b>
– Net charges on debts			
– Depreciation and provision for impairment in value of fixed assets			
– Differences in negative assessment of financial investments held for trading			
– Provision for impairment in value of financial investments			
– Provision for impairment of shares and stock in banks and financial institutions			
– Provision for drop in disputed accounts in banks			
– Net provisions on off balance sheet accounts			
– Diverse provisions			
– Capital losses			
– Accrued interest payable			
– Unpaid due expenses	611,668	365,127	(246,541)
– Net result before tax after addition	31,688,040	34,976,924	3,288,884
<u>Less</u>	549,171	549,171	
– Differences in positive assessment of financial investments held for trading			
– Capital profits			
– Accrued interest and commissions receivable	549,171	549,171	
<b>Total carried forward</b>	<b>31,138,869</b>	<b>34,427,753</b>	<b>3,288,884</b>

Description	Period ending on 31.12.2012		Difference
	31.12.2011	31.12.2012	
<b>Total brought forward</b>	<b>31,138,869</b>	<b>34,427,753</b>	<b>3,288,884</b>
<b><u>Changes in Assets &amp; Liabilities</u></b>			
– Increase / decrease in bonds on state and treasury bills for trading plus deposit certificates bought for trading			
– Increase / decrease in the accounts of management and branches in Syria and abroad	1,460,185,077	1,805,888,207	(345,703,130)
– Increase / decrease in accounts of drawings and bought shipping documents			
– Increase / decrease in L/C provisions, blocked accounts and operations in liquidation	975,556	1,499,613	(524,057)
– Increase / decrease in account of financial instrument held for trading			
– Increase / decrease in accounts of credit facilities	319,895,327	290,222,911	29,672,416
– Increase / decrease in accounts of diverse debtors	42,513,212	43,680,671	(1,167,459)
– Increase / decrease in payments advanced on public banks profits favour Public Debt Fund (surplus)			
– Increase / decrease in diverse assets	13,233,260	4,307,130	8,926,130
– Increase / decrease in account of Management, branches	1,452,691,852	1,780,187,916	327,496,064
– Increase / decrease in deposits account	353,542,594	344,717,514	(8,825,080)
– Increase / decrease in account of received securities	117,092,234	104,283,659	(12,808,575)
– Increase / decrease in calculation of values for short term payment	2,507,129	2,166,023	(341,106)
– Increase / decrease in accounts of various creditors	31,527,252	35,067,348	3,540,096
– Increase / decrease in accounts of financial instruments operations			
– Increase / decrease in accounts of other revenues received in advance	754,068	740,826	(13,242)
– End-of-service indemnities paid			
– Other credit accounts			
– Net funds resulting (used) in operating activities before tax	152,451,566	155,992,507	3,540,941
– Tax paid	4,670,617	1,943,590	2,727,027
– Net funds resulting (in use) in operating activities after tax (Total A)	147,780,949	154,048,97	6,267,968

Description	Period ending on		Difference
	31.12.2011	31.12.2012	
<b>B. Cash Flow from Investment Activities</b>			
– Increase / decrease in accounts with Central Bank of Syria (except current accounts, compulsory cash reserve on deposits.)	1,217,978	1,668,228	(450,250)
– Increase / decrease in account of State Bonds and Treasury Bills (except public bills and Treasury Bills for trading)	60,810,931	63,066,083	(2,255,152)
– Increase / decrease in bankers' accounts (except current accounts, deposit certificates bought from bankers for trading)	36,999,806	51,067,131	(14,067,325)
– Increase / decrease in the account of State Bonds and Treasury Bills (except public bills and Treasury Bills for trading)			
– Increase / decrease in assessment differences			
– Increase / decrease in shares and contributions to banks and financial institutions	257,323	319,306	(61,983)
– Increase / decrease in intangible fixed assets	0	34,900	(34,900)
– Increase / decrease in tangible fixed assets	1,865,077	1,631,851	233,226
– Increase / decrease in financial fixed assets			
– Increase / decrease in assessment differences			
– Increase / decrease in real value available for sale			
– Increase / decrease in profits or (losses) resulting from change in fair value of investment in financial instruments available for sale			
– Other accounts			
– Cash dividend received			
<b>Net of funds resulting (used) from investment activities (Total B)</b>	<b>(101,151,115)</b>	<b>(117,787,499)</b>	<b>(16,636,384)</b>

Description	Period ending on 31.12.2012		Difference
	31.12.2011	31.12.2012	
<b>C- Cash Flows from Financing Activities</b>			
– Increase / decrease in account of compulsory cash reserve on deposits			
– Increase / decrease in unpaid installments			
– Increase / decrease in Central Bank of Syria Account	69,065,378	69,065,378	
– Increase / decrease in Bankers' Accounts (except current accounts)			
– Increase / decrease in deposit certificates accounts			
– Increase / decrease in borrowed funds	662,412	825,921	163,509
– Increase / decrease in assessment differences	234,451	189,536	(44,915)
– Increase / decrease in supporting special funds	0		
– Increase / decrease in capital, reserves, and allowances	105,312,950	108,237,801	2,924,851
– Cash dividends paid			
– Other accounts	9,808,638	7,081,611	(2,727,027)
	3,824,035	3,826,388	2,353
	(15,976,501)	(1,063,947)	14,912,554
– Net funds resulting (in use) from financing activities (Total C)	173,042,645	188,318,295	15,275,650
– Net funds resulting (in use) from all activities D= (total A+B+C)	219,672,479	224,579,713	4,907,234

Description	Period ending on 31.12.2012		Difference
	31.12.2011	31.12.2012	
– Cash and cash equivalent and current accounts with banks at end of previous period*	227,086,631	233,272,111	
	7,414,152	8,692,398	
<b>Total</b>	<b>219,672,479</b>	<b>224,579,713</b>	<b>4,907,234</b>

**Commercial Bank of Syria**  
**Clarification on Consolidated Financial Statements**  
**Fiscal Year Ending 31.12.2012**

**1. General**

The Commercial Bank of Syria is rightly considered one of the oldest banking institutions in Syria. It was licensed and duly registered with the Ministry of Economy and Foreign Trade in Commercial Register No. 2755 dated 04.06.1956. At the beginning of 1967 it was re-instituted following the nationalization of five banks to serve Syrian economic and commercial activity. On 18.12.2002 CBS was included in the Banks Register with the Directorate of the Government Commission on Banks at the Central Bank of Syria under No. 1.

Additionally, CBS is one of the largest banking institutions in Syria, boasting a capital of seventy billion Syrian Pounds, capturing a wide sphere of the total banking activity in Syria. Its share in the general balance sheet of the banking sector as a whole is about 80%, while it records over 70% of deposit and lending activity in the domestic market.

However, CBS main activity which has been so for long decades rests with its being the sole finance provider for all foreign and domestic trade activities through the facilities it is used to provide as exemplified in:

Investment loans, debit current accounts, discount of bills, documentary letters of credit for import and export in diverse currencies, letter of guarantee of various types and in diverse currencies.

Added to this are other banking services such as: sight deposits in all currencies, time deposits in all currencies, saving accounts, inward and outward bound transfers; cheques certified, sold, or travellers; cheques clearing, and leasing safes.

All such services are provided by CBS through its centre and branches inside the Syrian Arab Republic which count 66 branches, 45 service offices, free-zone branches that count 5 and its subsidiary companies, namely the Syrian-Lebanese Commercial bank.

- The consolidated financial statements were initially endorsed by CBS board of directors at its session No. 102 dated 30.06.2013, as the final endorsement is to be made by the Central State Comptroller.

## **2. Accounting Policies:**

### **- Principles of Compiling Financial Statements**

The consolidated financial statements for CBS and its subsidiaries have been compiled in line with the standards published by the International Accounting Standards Council and the interpretations published by the International Financial Reporting Interpretations Committee stemming from the International Accounting Standards Council, as well as operative local laws and the Instructions and Decisions issued by the Money and Credit Council. The consolidated financial statements have been prepared also in accordance with the principle of historical cost, as the Syrian Pound is the currency by which the consolidated financial statements are visible. As such the clarifications have been made in thousands of Syrian Pounds concerning CBS only.

### **Basics of Consolidating Financial Statements**

- The financial statements have been consolidated in compliance with Decision No. 439 MN B4 dated 25.11.2008 issued by the Money and Credit Council as follows:
- Consolidated financial statements are compiled for all CBS branches operating on the territory of the Syrian Arab Republic.
- Consolidated financial statements are compiled for all branches in Syria as well as those of Free Zones, and the Syrian-Lebanese Commercial Bank after reconciling their accounts with CBS accounts.

### **Important Accounting Policies Employed**

The most important policies employed in the preparation of these consolidated financial statements are:

#### **Translation of Foreign Currencies**

- Transactions conducted in foreign currencies are entered during the year on the basis of the exchange rate ruling at the date of the transaction.

- Balances of financial assets and financial liabilities are converted at the average exchange rates ruling at the date of the balance sheet. For this purpose circular No. 266 dated 31.12.2012 issued by Central Bank of Syria is adopted.
- Profits and losses resulting from converting foreign currencies are entered in the Income Statement. Actual and assessed profits and losses are determined as stipulated by Decision No. 362 MN B1 dated 04.02.2008.

### **Classification of Debts and Establishment of Provisions and Reserves**

Debts of all types and establishment of provision for impairment of performing and non-performing debts are classified in compliance with Decision No. 597/MN B4 dated 09.12.2009 issued by the Money and Credit Council. No general reserve for finance risks is established as per the Money and Credit Council Decision No. 902 MN B4 of 13.11.2012.

### **Fixed Assets**

Tangible assets are initially entered on the basis of cost plus other directly associated costs, and afterwards they are measured according to the cost model (Cost minus accumulated depreciation). Depreciation of fixed assets is calculated using the method of steady installment employing the following percentage rates and production life expectancy:

<b>Name</b>	<b>Percent</b>	<b>Production Life Expectancy</b>
Buildings	5%	20 years
Equipment & Furniture	10%	10 years
Transport means	25%	4 years
Computers	15%	6 years
<b><u>Others</u></b>		
Foundation expenses	10%	10 years
Software	15%	6 years
Specified Property	10%	10 years

## Income Tax

Payable income tax is calculated on the basis of taxable profits according to set rates of taxes as stipulated by operative laws, regulations and instructions.

## Assets

### 3. Cash and Balances with central banks:

Details follow:

	<b>2012 Figures in SYP</b>	<b>2011 Compared figures SYP</b>
Cash in treasury	50,249,096	74,342,458
Balances with central banks:		
- Current accounts	64,747,173	34,101,182
<u>Other</u>		
Stamps	57	57
Agreements of Payments	60,784	60,784
Internal loans	<u>1,607,444</u>	<u>1,157,194</u>
<b>Total</b>	<b>116,664,554</b>	<b>109,661,675</b>

### 4. Balances with Banks and Banking Institutions

Details follow:

Description	Local Banks & Institutions		Foreign Banks & Institutions		Total	
	2012	2011 SYP	2012	2011 SYP	2012	2011 SYP
Sight current accounts			119,772,018	119,615,110	119,772,018	119,615,110
Deposits with 3-month maturity or less	—	—	—	—	—	—
<b>Total</b>			<b>119,772,018</b>	<b>119,615,110</b>	<b>119,772,018</b>	<b>119,615,110</b>



## 5. Deposits with Banks and Banking Institutions

Details follow

Description	Local Banks & Institutions		Foreign Banks & Institutions		Total	
	2012	2011 SYP	2012	2011 SYP	2012	2011 SYP
Deposits for plus 3-month maturity	1,044,877	—	50,022,254	36,999,806	51,067,131	36,999,806
<b>Total</b>	<b>1,044,877</b>	<b>—</b>	<b>50,022,254</b>	<b>36,999,806</b>	<b>51,067,131</b>	<b>36,999,806</b>

## 7. Direct Credit Facilities

Details follows :

	2012	2011
• Discounted bills of exchange	1,347,415	1,502,349
Debit current accounts		
• Loans and advances	299,761,695	329,242,176
Credit Cards		
Receivables Other loans for finance leasing		
Debts under settlement	<u>18,724,967</u>	<u>11,898,479</u>
<b>Total</b>	<b><u>319,834,077</u></b>	<b><u>342,643,004</u></b>
Less: Withheld interest	(20,154,438)	(17,033,379)
Less: Provision for impairment of direct credit facilities	<u>(9,456,728)</u>	<u>(5,714,298)</u>
<b>Net direct credit facilities</b>	<b>290,222,911</b>	<b>319,895,327</b>

- The total of non-performing direct credit facilities amounts to SYP 18,724,967 (thousand) or 5,85% of this year's balance of direct credit facilities against SYP 11,898,479 (thousand) or 3.47% of the balance granted last year.
- The credit facilities granted to the Syrian government or under the government guarantee amount to SYP 268,924,239 (thousand) or 84.08% of the total direct credit facilities earmarked for the current year against SYP 292,602,404 or 88.47% by the end of last year.

- Provision for impairment of direct credit facilities

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Balance at year beginning	5,714,298	3,121,419
(Surplus deducted during the year from revenues)		
Used during the year from provision (for amortized debts)	3,742,430	2,592,879
<b>Balance at year end</b>	<b>9,456,728</b>	<b>5,714,298</b>

### **Outstanding Interest**

Following is movement on outstanding interest:

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Balance at year beginning	14,033,379	10,692,249
Plus: outstanding interest during year	3,121,059	6,341,130
Less: outstanding interest amortized	—	—
<b>Balance at year end</b>	<b>20,154,438</b>	<b>17,033,379</b>

### **10. Financial Assets held until maturity**

Details follow:

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
<b>Financial Assets for which no market price is available:</b>		
Government Treasury Bonds		
Government bonds and bonds guaranteed by government	62,187,187	60,810,931
Corporate bills and bonds		
Other financial notes	39,600	39,600
Corporate shares		
General Reserve for finance risks	878,896	—
<b>Total of financial assets for which no market price is available</b>	<b>63,105,683</b>	<b>60,850,531</b>

## 12. Investment in allied companies

Following are the amounts of shares in allied companies capital

	2012 (SYP)	2011 (SYP)
Shares in Opak Kira Sad capital	81,844	81,844
Shares in Industrial Bank	1,141	1,141
Shares in Arab World Bank	1,004	1,004
Our share in Abu Dhabi programme of financing Arab trade	106,038	76,336
Our share in longer term financing programme with Islamic Bank	86,165	62,030
Islamic Investment Security Organization	7,254	5,222
Islamic Organization for Private Sector Development	21,827	15,713
Lattakia Port Company	340	340
Syrian Spinning Company	66	66
Arab Bank	11	11
<b>Total</b>	<b>305,690</b>	<b>243,707</b>

## 13. Investment in subsidiary and allied companies (in unconsolidated statements only)

Our shares in subsidiary and allied companies remains with the Syrian-Lebanese Bank – Lebanon, where our share is 84.50%. The balance of those shares at the end of 2012 amounted to SYP 13,616 (thousand), against SYP 13,616 (thousand) at end of 2011.

## 15. Fixed Assets

Details follow:

2012 Figures (SYP) Cost	Property	Furniture	Transport Means	Computer	Others	Total
Balance at year beginning	1,586,388	1,720,204	129,664	—	378,849	3,815,105
Additions	40,197	—	257	1,134,928	67,029	1,242,411
Excluded		(1,187,146)				(1,187,146)
<b>Balance at year end</b>	<b>1,626,585</b>	<b>533,058</b>	<b>129,921</b>	<b>1,134,928</b>	<b>445,878</b>	<b>3,870,370</b>

<b>Accumulated Depreciation</b>						
At year beginning	631,572	1,028,087	101,165	—	122,147	1,882,971
During year Additions	76,343 1,844	41,108	12,006	145,058 661,951	30,786	305,301 663,795
Exclusions		(702,616)	(36)		(1951)	(704,603)
<b>At year end</b>	<b>709,759</b>	<b>366,579</b>	<b>113,135</b>	<b>807,009</b>	<b>150,982</b>	<b>2,147,464</b>
Value Impairment						
Net carrying amount of fixed assets						
Payments for purchase of fixed assets						
Projects underway						
<b>Net of fixed assets of year end</b>	<b>916,826</b>	<b>166,479</b>	<b>16,786</b>	<b>327,919</b>	<b>294,896</b>	<b>1,722,906</b>
=====	=====	=====	=====	=====	=====	=====
<b>2011 Figures</b>						
<b>Cost</b>	<b>Property</b>	<b>Furniture</b>	<b>Transport Means</b>	<b>Computer</b>	<b>Others</b>	<b>Total</b>
Balance at year beginning	1,512,184	1,690,036	127,490	—	357,977	3,687,687
Additions	74,204	30,168	2,174	—	20,872	127,418
<b>Balance at year end</b>	<b>1,586,388</b>	<b>1,720,204</b>	<b>129,664</b>	<b>—</b>	<b>378,849</b>	<b>3,815,105</b>
<b>Accumulated Depreciation</b>						
At year beginning	557,432	838,420	85,724	—	94,629	1,576,205
During year Additions	74,091 49	189,972	15,542	—	27,570	307,175 49
Exclusions	—	(305)	(101)	—	(52)	(458)
<b>At year end</b>	<b>631,572</b>	<b>1,028,087</b>	<b>101,165</b>	<b>—</b>	<b>122,147</b>	<b>1,882,971</b>

**Impairment of value**

Net carrying amount of fixed assets  
 Payments for purchase of assets  
 Projects underway

	_____	_____	_____	_____	_____	_____
<b>Net at year end</b>	<b>954,816</b>	<b>692,117</b>	<b>28,449</b>	<b>—</b>	<b>256,702</b>	<b>1,932,134</b>
	=====	=====	=====	=====	=====	=====

**17. Intangible Assets**

Details follow:

Description	2012 (SYP)		2011 (SYP)	
	Computer Systems & Software	Others (specify)	Computer Systems & Software	Others (specify)
Balance at year beginning				
Additions	34,899			
Amortization				
Impairment during year				
<b>At year end</b>	<b>34,899</b>			
	=====	=====	=====	=====

**18. Other Assets**

Details follow:

	2012 (SYP)	2011 (SYP)
Interest, revenues receivable	549,171	549,171
advances on expenses	199,527	171,800
<u>Others</u>		
Cheques and drawings	3,437	3,437
Various debtors	43,680,671	42,513,211
Paid securities and CBS-owned advances	1,670,301	2,949,486
Bankers Liquidation accounts	16,078	16,078
Advances on expenditure in liquidation	1,779	2,073
Interest on mature bills	669	667
Transitional accounts	27,988,356	17,479,667
<b>Total</b>	<b>74,109,989</b>	<b>63,685,590</b>
	=====	=====

## Liabilities

### 20. Bankers & Institutions Deposits

Description	2012 Figures			2011 Figures		
	in Syria	Abroad	Total	in Syria	Abroad	Total
Current accounts	7,544,158	1,303,846	8,848,004	6,226,152	1,299,283	7,525,436
Time deposits						
Deposit Certificates						
<b>Total</b>	<b>7,544,158</b>	<b>1,303,846</b>	<b>8,848,004</b>	<b>6,226,152</b>	<b>1,299,283</b>	<b>7,525,436</b>

### 21. Customers Deposits

Details follow

	2012 (SYP)	2011 (SYP)
Current accounts	228,015,446	234,752,415
Saving deposits	33,813,570	35,811,157
Time deposits at notice	53,613,811	53,905,777
Deposit certificates	—	—
Blocked accounts	29,274,687	29,073,244
<b>Total</b>	<b>344,717,514</b>	<b>353,542,593</b>

- Both deposits by the Syrian government and public sector inside Syria totalled SYP 167,569,996 (thousand) or 73.49% of deposit total against last year figures of SYP 172,655,883 (thousand) or 73.55%. Whereas the blocked deposits for the current year rose to SYP 29,274,687 (thousand) from last year figures of 29,073,244 (thousand).

The blocked deposits are actually customers deposits amounting in 2012 to SYP 1,805,596 (thousand) against last year's SYP 1,604,154.- (thousand) in addition to differences in adjustment of exchange rate for the state and public sector. This account is created in implementation of Legislative Decree No. 35 relative to the CBS reinstatement. The balance of this account amounts to SYP 27,469,090 (thousand) at the end of 2012 and 2011.

## 22. Cash Margins

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Margins against direct facilities	98,029,710	111,670,007
Margins against indirect facilities	1,197,811	1,407,764
Other	5,056,138	4,014,463
Third party foreign exchange for import purpose	22,657,466	20,062,117
Short-term payable values	14,575,905	13,972,265
<b>Total</b>	<b>141,517,030</b>	<b>151,126,616</b>

## 23. Borrowings

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Borrowed from Central Bank of Syria	69,065,378	69,065,378
Borrowed from foreign banks / institutions		
- Bank		
- Bank		
Borrowed from other entities (specify)	825,921	662,412
<b>Total</b>	<b>69,891,299</b>	<b>69,727,790</b>

## 25. Varied Provisions

Details follow

<b>2012 Figures</b>	<b>Year beginning</b>	<b>During year</b>	<b>Used</b>	<b>Revenues returned</b>	<b>Year end balance</b>
End of service indemnity provision	9409				9409
Security impairment provision	184				184
Agriculture delay interest	115				115
Agriculture debts interest	21				21
Various provisions	4,979,322				4,979,322
<b>Total</b>	<b>4,989,051</b>				<b>4,989,051</b>

<b>2011 Figures</b>	<b>Year beginning</b>	<b>During year</b>	<b>Used</b>	<b>Revenues returned</b>	<b>Year end balance</b>
End of service indemnity provision	9409				9409
Security impairment provision	184				184
Agriculture delay interest	115				115
Agriculture debts interest	21				21
Various provisions	4,979,322		(311)		4,979,322
<b>Total</b>	<b>4,989,362</b>		<b>(311)</b>		<b>4,989,362</b>

## 26. Income Tax

### A. Income Tax Provision

Movement on income tax provision:

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Year-beginning balance	148,970	148,970
– Income tax paid		
– income tax due	1,943,590	4,670,617
<b>Year-end balance</b>	<b>2,092,560</b>	<b>4,819,587</b>

## 27. Other liabilities

Details follow :

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Payable interest (due but unpaid)	76,897	76,797
Revenues received in advance	740,825	754,068
Expenses due but unpaid	288,229	534,871
<u>Others (Specify)</u>		
Previous bank liquidation	48,966	48,966
Taxes, fees to be paid	258,263	178,759
Social security & pensions	50,464	8,548
Interim, transitional accounts	3,658,232	3,822,213
<b>Total</b>	<b>5,121,876</b>	<b>5,424,222</b>



=====

**28. Capital**

Paid up capital: 70,000,000 (thousand) Syrian Pounds.

**30. Reserves**

- **Legal reserve**

The amounts aggregated in this account represent 10% of the profits transferred to this account during the current year and previous years which totalled SYP 16,933,503 (thousand) at end of 2012, against SYP 16,398,026 (thousand) at end of 2011.

- **Special reserve**

The amounts aggregated in this account represent 10% of the profits transferred to this account during the current year and previous years which totalled SYP 16,932,085 (thousand) at end of 2012, against SYP 16,396,607 (thousand) at end of 2011.

- **Other reserves**

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Other reserves	200,080	200,080
Provisions for Investment enterprises	2,348,886	4,255,190
Donations	15,306	11,187
General provision for finance risks	878,896	878,896
<b>Total</b>	<b>5,443,168</b>	<b>5,345,353</b>

=====

Donations until 31.12.2012 amounted to SYP 15,306 (thousand) representing a sum of SYP 600 thousand donated by Ramez Attassi being differences for first level flat and second level flat of the building in Homs as per Finance Ministry approval No. 4659 dated 22.12.2010, and a sum of SYP 14706 (thousand), the equivalent of USD 190 (thousand), being the country's contribution to the Islamic Organization for Private Sector Development, which account was

created by Decision No. 525 M/2010 taken by the Board of Directors on 14.10.2010. No general reserves was initiated concerning finance risks as per the Money and Credit Council's Decision No. 902 MN/B4 of 23.11.2012 and amendments related to debts classification and creation of provisions and reserves as well as the amounts provided for CBS expended on investment projects during 2012.

### **33. Unrealized carried over profits:**

These represent profits resulting from exchange valuations that must be separated from profits and losses of operating (actual) exchange in accordance with Money and Credit Council Decision No. 362 MN/B4 dated 04.02.2006. The unrealized profits at the end of 2012 amounted to SYP 27,313,429 (thousand) against unrealized losses at the end of 2011 which amounted to SYP 1,063,907 (thousand). Thus, by processing the unrealized losses of the previous year with the unrealized profits of the present year, the result gives a balance of SYP 26,249,481 (thousand) at the end of 2012.

### **34. Net profits**

Net profits at the end of 2012 amounted to SYP 4,283,822 (thousand) against SYP 8,666,124 (thousand) at the end of 2011. These figures represent total profits after excluding the profits resulting from exchange valuation, income tax, and reserves, also representing the state share from profits that are to be transferred to the Finance Ministry (Public Debt Fund) and to be accounting-wise processed.

## Income Statement

### 35. Interest Received

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
<b>Direct credit facilities</b>		
- Debit current accounts		
- Loans and advances	8,156,011	11,523,082
- Discounted bills of exchange (bonds)	114,100	120,145
- Credit cards		
<b>Bankers loans and advances</b>		
- Assets with central banks		
- Assets and deposits with banks & institutions	677,834	2,247,229
<b>Others</b>		
- Management and branches accounts	775,429	775,429
- Letter of credit documents	158,932	170,408
- Delay interest	90,422	172,355
- Interest received in advance	59,348	35,534
<b>Total</b>	<b>10,032,076</b>	<b>15,044,182</b>
	=====	=====

### 36. Interest Paid

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
- Bankers & institutions deposits	12	7,812
Customers deposits		
- Current accounts	123,299	32,512
- Saving deposits	2,432,065	1,716,542
- Time deposits and at notice	2,592,757	2,682,655
- Management and branches accounts	775,429	775,429
<b>Total</b>	<b>5,923,562</b>	<b>5,214,950</b>
	=====	=====

### 37. Commissions and Charges Received

Details follow

	2012 (SYP)	2011 (SYP)
Letters of guarantee and acceptances	304,863	444,273
Commissions on direct facilities	344	1,170
Commissions on indirect facilities	864,070	3,164,709
Commissions on bought cheques	17,806	15,008
Commissions on sold cheques & drafts	87,555	254,086
Commissions on current accounts	4,524	2,977
Commissions on leasing safes	2,392	3,160
Commissions on exchange operations	182,633	234,111
Various commissions	230,213	343,993
<b>Total</b>	<b>1,694,400</b>	<b>4,463,487</b>

### 38. Commissions and Charges Paid

Details follow

	2012 (SYP)	2011 (SYP)
Commission on document collection	1	2
Commission paid to Central Bank	794	406
Commissions on drafts	11	41
Commissions on reverse valuation of property	395	1,216
Commissions, charges paid to correspondents	690	926
Commission on paid insurance premium	90,702	118,026
<b>Total</b>	<b>92,593</b>	<b>120,653</b>

### 39. Profits (losses) from foreign currency / exchange revaluations

Details follow

	2012 (SYP)	2011 (SYP)
Daily exchange revaluation	5,586,527	5,072,767
Exchange structural revaluation	27,313,429	14,912,594
<b>Total</b>	<b>32,899,956</b>	<b>19,985,361</b>

#### 44. Other Returns

Details follow

	2012 (SYP)	2011 (SYP)
Interest on Public Debt Bonds	1,033,947	1,033,874
Interest on shares and securities	—	898
Stationary	11,376	13,070
Post, telegraph, telephone	26,415	45,641
Stamps	29	40,
Profits from sale of fixed assets	19	19
Commission on property valuation	1,878	1,299
Various recoveries	666	1,200
Rents	2694	5,826
Commission on installments payments	355,755	423,272
Revenues on e-payment cards	555,120	306,066
Profits from free zones	30,407	38,757
Previous years revenues	416,916	514,772
<b>Total</b>	<b>2,435,228</b>	<b>2,384,715</b>

#### 45. Staff expenditures

Details follow

	2012 (SYP)	2011 (SYP)
Salaries, benefits, allowances	1,226,447	1,260,486
CBS contribution to social security	177,585	153,968
Expenses on mail distribution	3	4
Transport allowances	134	209
End of service indemnities	5,500	4,617
Janitors, attendants clothing	5,592	5,104
Medical expenditure	88,740	70,933
Staff training	31,099	26,632
Travel bonuses	2,250	4,237
Social projects provisions	15,740	13,740
<b>Total</b>	<b>1,553,090</b>	<b>1,539,930</b>

## 46. Other operating expenses

Details follow

	<b>2012 (SYP)</b>	<b>2011 (SYP)</b>
Publicity, marketing expenses	8,779	22,920
Rents under operating lease contracts	225,037	237,911
Varied stationery, administrative expenses	44,291	64,881
<u>Other (Specify)</u>		
Repair and maintenance of furniture	8,720	8,628
Repair and maintenance of machines, tools	88,938	100,022
Transport charges	5,080	8,067
Transport means fuel	10,345	12,329
Fees, chamber of commerce	25	25
Government Commission charges	15,000	20,000
Various fees	4,441	3,784
Subscription fees in banking unions	105	454
Post, Telegraph, Telephone	57,174	49,147
Complimentary, hospitality expenses	300	667
Donations	3	12
Stamps	625	751
Cleaning	28,934	31,020
Judicial expenses	10,137	25,816
Varied expenses	9,825	4,431
Provision for non-performing debts	3,974,112	2,980,613
Fiscal fees, taxes	1,853	2,843
Previous years expenses	81,586	44,356
<b>Total</b>	<b>4,575,316</b>	<b>3,618,683</b>
	=====	=====

## 52. Risk Management

### - Liquidity risks

**Firstly:** The following table is a summary of the spread of the liability (undiscounted) on the basis of the period remaining until contractual maturity of contracts on the date of the following statements:

<b>2012 figures</b>	<b>Less than 8 days</b>	<b>8-30 days</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-9 months</b>	<b>Above 1 year</b>	<b>Total</b>
<b><u>Liabilities</u></b>							
<b>Central Bank</b>	72,481,112						72,481,112
<b>Local banks</b>	4,128,425						4,128,425
<b>Management + branches</b>	1,780,187,916						1,780,187,916
<b>Deposits</b>	82,712,786	55,358,487	55,894,625	59,111,450	39,274,357	52,365,809	344,717,514
<b>Sight deposits</b>	45,603,055	34,202,323	34,202,323	34,202,323	34,202,323	45,603,098	288,015,446
<b>Time deposits</b>	1,072,320	16,084,130	16,620,267	19,837,093			53,613,811
<b>Saving deposits</b>	6,762,724	5,072,034	5,072,034	5,072,304	5,072,034	6,762,712	33,813,570
<b>Blocked accounts</b>	29,247,687						29,274,687
<b>Received securities</b>	61,530,679	1,042,893	9,386,036	1,037,265	19,814,965	11,471,822	104,283,659
<b>Values payable on short-term</b>	2,166,023						2,166,023
<b>Various creditors</b>	35,067,348						35,067,348
<b>Borrowings</b>	825,921						825,921
<b>Varied provisions</b>	7,081,611						7,081,611
<b>Transitional accounts</b>	4,932,341						4,932,341
<b>Total</b>	2,051,114,162	56,401,380	65,280,660	60,148,715	59,089,322	63,837,631	2,355,871,870
<b>Total of assets according to maturity</b>	2,101,065,174	27,726,865	51,390,181	34,380,881	52,651,779	239,211,881	2,506,426,761

### Thirdly, Off-balance sheet items

2012 figure	Up to one year	One up to five years	Total
Documentaries and acceptances	87,186,101.0	2,696,242.0	89,882,343.0
Ceilings unused	2,096,444.0		2,096,444.0
Letters of Guarantee	66,509,052.0	17,833,103.0	84,342,155.0
Total	155,791,596.0	20,529,346.0	176,320,942.0

### 54. Capital Adequacy

Decision No. 253/MN/B4 of 24.01.2007 and amendments issued by the Money and Credit Council concerning the capital adequacy rate is applied only to the Commercial Bank of Syria as per the following table :

Account Name	2012 figures	2011 figures
A. Net private monies	138,208,950	107,874,189
B. Risk-weighted assets	277,671,290	220,420,559
C. Accounts off risk-weighted balance sheet	39,484,567	25,105,085
D. Market risk for total exchange positions	92,031,796	111,369,714
E. Operating risks	29,613,077	39,771,904
Security rate $A/(B+C+D+E)\%$	31,50	27.20
=====	=====	=====



**Consolidated Balance Sheet**  
**for**  
**Commercial Bank of Syria**  
**and**  
**Syrian-Lebanese Commercial Bank**

Assets	Figures (SYP) as of 31.12.2012	Figures (SYP) as of 31.12.2011
Cash and Balances with Central Banks	126,767,074,017.31	118,512,028,099.39
Balances with banks and banking institutions	125,470,801,993.42	132,108,672,102.96
Financial assets at fair value through Income statement	—	—
Financial instruments derivatives	—	—
Direct Credit facilities (net)	295,880,657,924.92	325,007,687,989.52
Loans and advances to banks	—	—
Financial assets available for sale	—	—
Financial investments withheld until maturity	63,105,682,899.63	60,850,531,065.01
Pledged financial assets	—	—
Investment in allied companies	305,689,989.42	243,707,709.52
Investment in allied companies and subsidiaries	13,615,725.00	13,615,725.00
(unconsolidated in financial statements)	—	—
Real estate investment	—	—
Fixed assets	2,183,838,876.02	2,251,022,018.47
Goodwill	—	—
Intangible assets	—	—
Postponed tax assets	—	—
Other assets	82,369,383,633.02	67,777,195,333.00
Blocked deposit with Central Bank of Syria	—	—
<b>Total of assets</b>	<b>746,118,999,614.79</b>	<b>743,764,265,671.65</b>

## Liabilities and Equities

<b>Liabilities</b>	<b>2012 Figures</b>	<b>2011 Figures</b>
Deposits, banks, banking institutions	20,922,166,172.13	19,954,220,334.90
Customers deposits	350,763,604,843.30	360,899,710,869.23
Cash margins	144,329,136,942.39	152,745,880,574.62
Financial instruments derivatives	—	—
Borrowed monies	69,891,299,493.79	69,727,790,533.57
Bonds	—	—
Diverse provisions	5,114,511,445.17	5,235,644,501.43
Income tax provision	2,092,559,861.98	4,819,587,035.98
Postponed tax liabilities	—	—
Other liabilities (44)	5,458,314,269.51	9,075,308,530.19
Total of Liabilities	598,571,593,028.27	622,458,142,379.92
<b>Equities</b>		
<b>Shareholders rights</b>		
Paid up capital	76,562,056,716.42	74,724,002,587.06
Additional / (discount) on issuance	—	—
(Treasury shares)	—	—
Donations	15,306,000.00	11,186,800.00
Legal reserve	17,716,019,761.17	16,961,356,575.29
Special reserve	16,932,085,298.51	16,396,607,521.51
Other reserves	4,879,332,486.21	4,693,099,949.52
General reserve for finance risks	878,895,797.98	878,895,797.98
Differences in translation of foreign currency	—	—
Accumulated change in fair value for financial assets available for sale	—	—
Shareholders rights share in bills and loans convertible to shares	—	—
Profit (loss) for the period after tax (interim statements only)	4,314,228,990.69	8,704,880,912.66
Realized carried over profits (accumulated losses)	—	—
Unrealized carried over profits (accumulated losses)	26,249,481,536.00	(1,063,906,852.29)
Total of equities – shareholders, minority rights	147,547,406,586.52	121,306,123,291.73

<b>Total of liabilities + equities</b>	<b>746,118,999,614.79</b>	<b>743,764,265,671.65</b>
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**Commercial Bank of Syria**

**No. S/2123/080110/1**

**Date 3.12.2012**

**Circular**

**To all Directorates, Branches, Service Offices**

**Subject: Strict Observance in Implementation of Instructions and Texts Governing System of Cash Operations**

Reference is made to letter No. 572/60 dated 20.11.2013 issued by the Directorate of Internal Control based on the General Manager's consent dated 19.11.2013 to the Internal Control Directorate memorandum No. S/560/600110/1 dated 19.11.2013, concerning strict observance in implementation of instructions and texts governing the system of cash operations with particular direction to key holders', duties, an obligation that confers on them the responsibility of keeping them safe, eventually warding off dangers and taking utmost care and precaution.

This is to inform you of the need for strict observance of the texts and rules governing cash operations especially the key holders compliance, which holds them responsible for keeping the keys safe and to take utmost care and precaution in order to ward off dangers, and guard against any incident that might cause damage to the bank, holding them accountable for any such violations.

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**True Translation**  
**Damascus: 4.12.2012**

**Sworn translator**  
**Walid Shehadeh**