

Translation

Commercial Bank of Syria

Annual Report 2013

Address

General Management

Syrian Arab Republic

Location: Damascus – Yousef Al-Azmeh Square

P.O.Box: 933

SWIFT” CMSYSYDA

Telex: 411002 – 411206

Reuters: CMDA

Fax: +963-11-2228524 / 2216975

Tel: +963-11-2218891 / 2218890 / 2222481

E-mail: cbos@mail.sy

Internet: www.cbs-bank.sy

Contents:

	<u>Page</u>
From the General Manager	3
2013 financial performance at a glance	6
Basic financial Indicators	7
Significant events in 2013	8
About CBS	10
CBS Organizational Structure	13
Members of the Board of Directors	14
CBS General Management	15
CBS Performance in 2013	19
Human Resources	27
CBS status and growth plan for branches and service offices	29
Competition in the banking sector and market share	29
Consolidated balance sheet and consolidated income statement	31
Remarks on consolidated income statements	41
Consolidated financial lists (balance sheet, income statement, cash flows statement for CBS and Syrian – Lebanese bank.	67
General Management and Branches Addresses in Syria.	78

From the General Manager

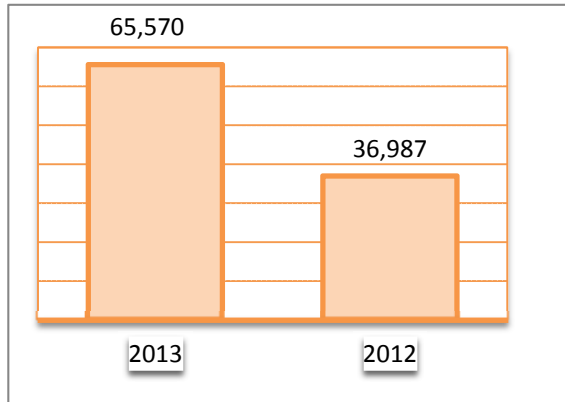
The Commercial Bank of Syria (CBS) is one of the establishments supporting the social and economic life in Syria. This is due to multi-dimensional effect it has on the structures of investment, finance and the stability of financial and monetary situations. Besides, CBS bears a considerable part of social responsibility towards building up the society and contributing to supporting the national economy from the point of view of its balanced and comprehensive concept since CBS efforts, combined with those of other public establishments, have worked collectively to stand firm in face of the challenges posed by the current crisis as well as its consequences on the socio-economic level. Thus, CBS managed in complete coordination with the Central Bank of Syria, and under the directives of the competent authorities to achieve the following:

- On the level of credits CBS managed to open up channels through which it was able to finance public sector establishments concerned with securing basic and necessary commodities and services. We, moreover, opened external channels, most important of which is the conclusion of a credit-line agreement with the Iranian side amounting to one billion dollars.
- CBS continued to provide banking services at excellent standards within the framework that serves our continued success and realizing meanwhile the government's aims and purposes towards facing up the challenges posed by the crisis.
- Redistribution of ATM services in respect of every governorate and every CBS branch taking into consideration their geographical spread and the feasibility of their branch affiliations and suitability in terms of services as well as technical aspects so that such ATM services should be ideal.

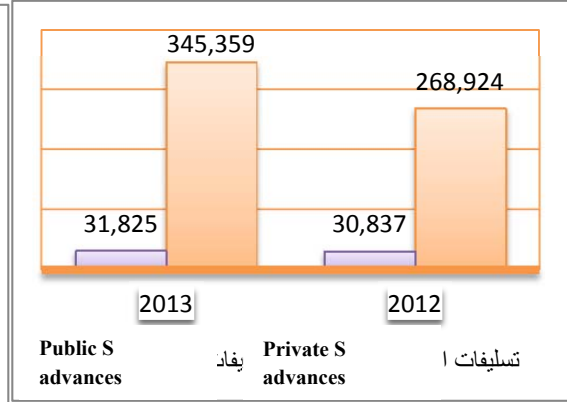
- Activating the role of risks, compliance and auditing for the purpose of pursuing procedures of internal control and double check over banking operations in a way that is as consistent as can be with the decisions issued by the Credit and Monetary Council and the Central Bank of Syria.

With Godspeed we proceed.

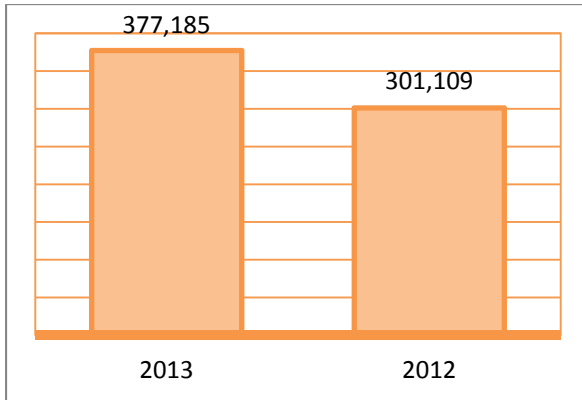
2013 Financial Performance at a Glance (S.P. million)



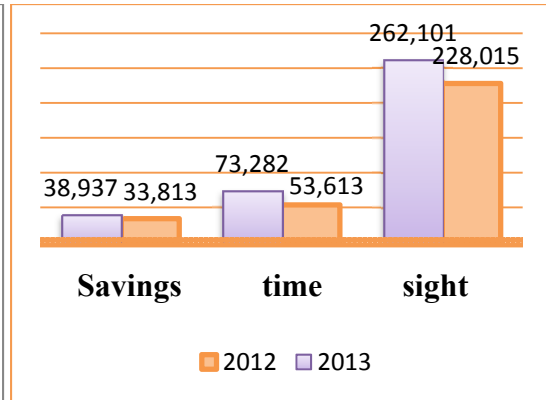
Net Revenues



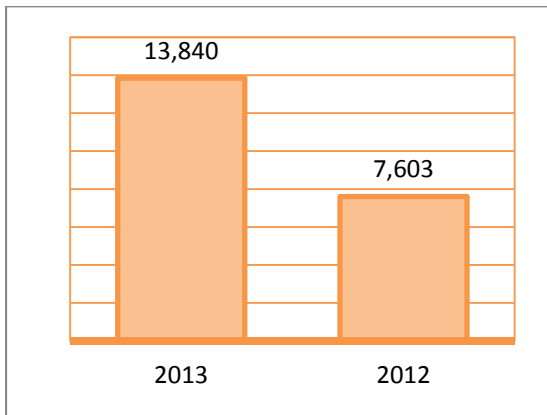
CBS Advance



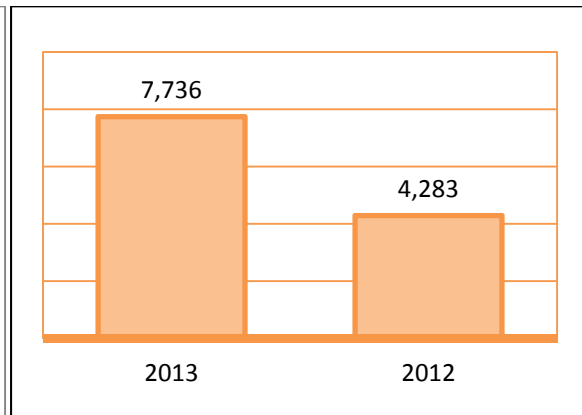
Interest-yielding advance



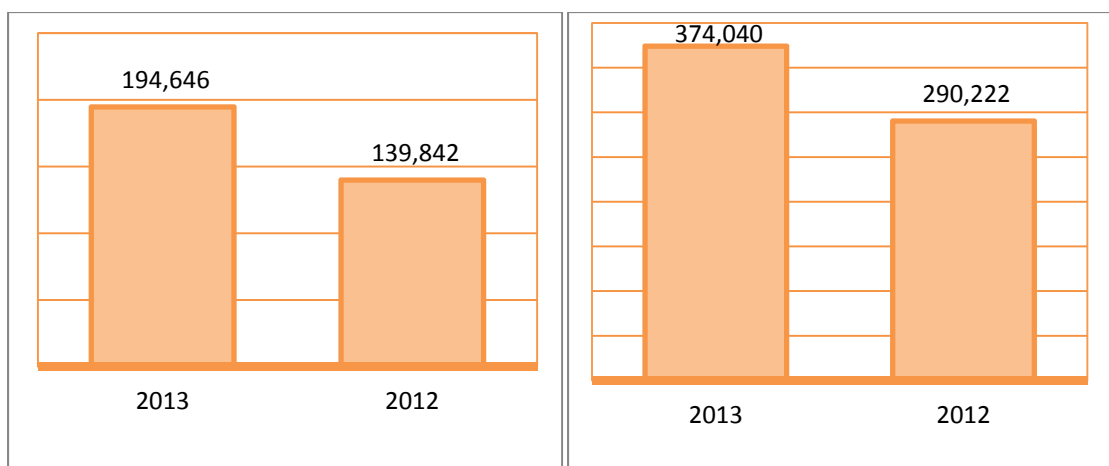
Deposits – all types



Gross profits



Net profits



Equities

Direct credit facilities

Basic Financial Indicators (S.P. billion)

Description	2012	2013	Change
Assets	717	940	31%
Banks & B. institutions deposit	7.5	11.8	47%
Customers deposits, blocked accounts	344	404	17%
Equities – shareholders rights	139	194.6	40%
Net profits (losses) for the period	4	7.7	67%
Unrealized, retained revenues (assessed)	27	49	81%
Current accounts with correspondents	119	204.5	76.90
Interest-yielding deposit with corresp.	51	59.5	16%
Direct credit facilities (net)	290	374	29%

Significant Financial Rates

Percentage	2012	2013	Change
Returns on Equities ROE	3%	4.63%	0.34
Returns on Assets ROA	0.59%	0.93%	0.57
Direct facilities to assets	40.45%	39.78%	(-)0.02
Direct facilities to deposits	82.5%	89.89%	0.1
Liquidity in all currencies	58.92%	32.90%	(-)0.44
Syrian Pound Liquidity	20.45%	31.47%	0.54

Significant Events in 2013

- CBS continued with its reserved policy in 2013 in order to mitigate the acute economic effects of the crisis through good management of its assets such as direct and indirect credit facilities. Yet, CBS continued to provide credit facilities to public sector entities, which is in line with CBS policy of contributing to supporting the national economy and countering the crisis-produced economic pressures.
- CBS upgraded its policy of attracting deposits. In this respect measures were taken to activate time deposits (for one month and three months) consequently the volume of Syrian currency deposits increased in 2013. Additionally, the volume of foreign currency deposits also scored good increase as customer's confidence reached new heights. Thus the volume of CBS deposits almost returned to its figures of 2010 before the crisis.
- Proceeding along the lines of the CBS geographic spread plan taking into consideration the security situation as regards starting work in the already approved services offices and branches in the safe places that are known as highly populous areas and the witness an increase of demand for drawing and depositing services. These are Shahba and Misiaf branches and the offices located in Annaza, Daher Safra, Dummar Project, Beit Yashout, Al-Jumhourieh.

- Proceeding on towards the improvement and development of CBS action and upgrading banking services, using up-to-date techniques in this regard through cooperation with specialized institutions. In this respect an agreement was signed on networking that aims at providing electronic payment and collection services (invoices, purchases ... etc.).
- Proceeding on with development and qualification of human resources through the holding of training courses aiming at achieving better quality in both individual as well as team performance. Thus CBS personnel can get to know the important up-to-date developments in banking operation.
- Conclusion of agreements with friendly international entities such as the Iranian Credit Line Agreement that was signed in 2013 between CBS and the Iranian Exports Bank (EDBI) aiming at financing imports, which is also part of CBS share in supporting the national economy.
- Pursuing a strategy regarding redistribution of ATM network that takes into consideration the requirements of the present phase in terms of placing ATM machines in safe places and protecting the CBS property from acts of sabotage.

* * *

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, especially as 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.
- Discount of bills.
- Import and export documentary letters of credit.
- Letters of guarantee of all types.

In addition to other banking services such as :

- Sight deposits.
- Time deposits.
- Savings accounts.
- Inward-and outward-bound transfers.
- Certified, sold, tourist and clearing cheques.
- Leasing of safes.
- Electronic cards of 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 secured its retaining the 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 along the following lines:

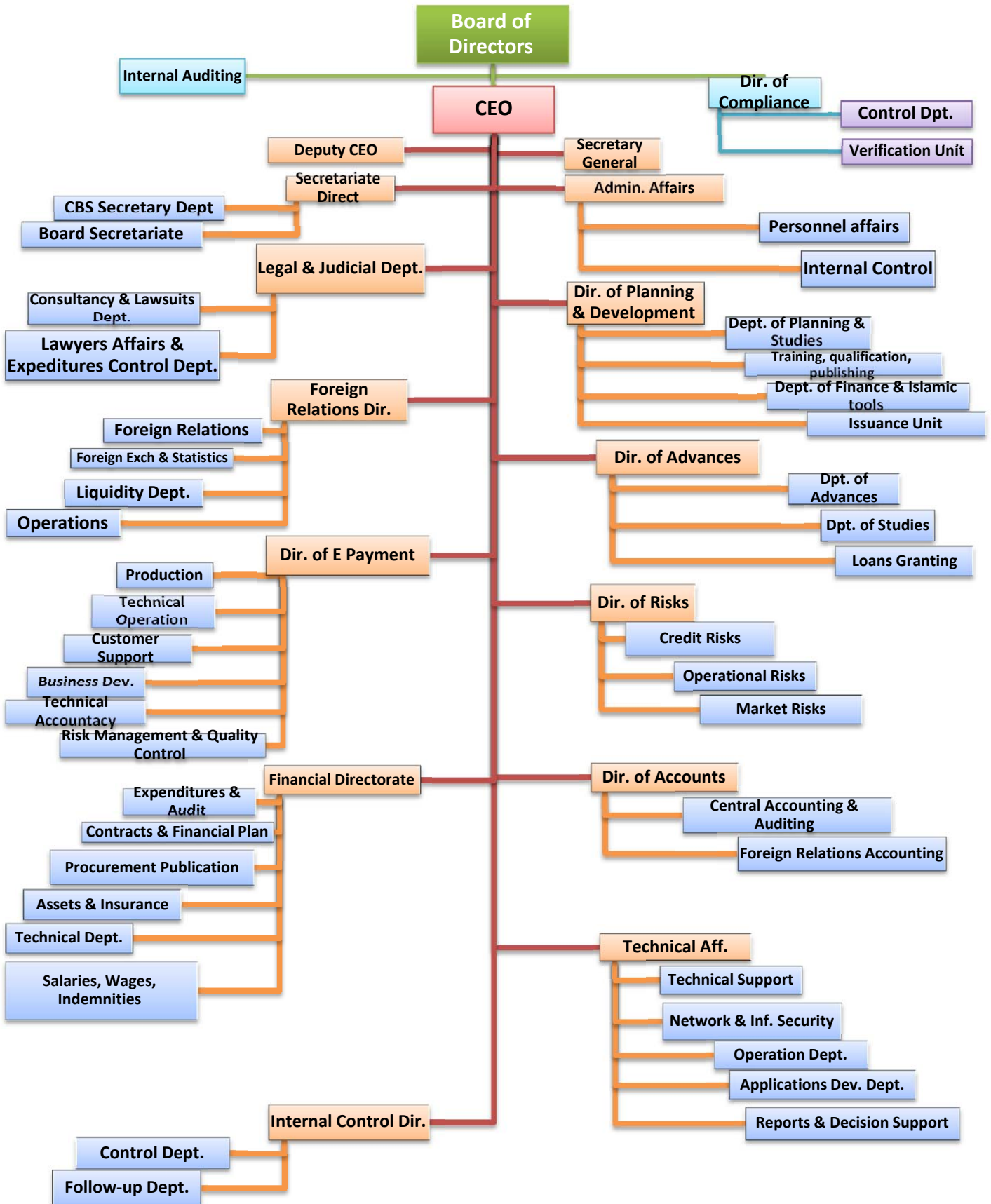
1. Development of the bank's infrastructure including the software imported from professional international companies specialized in this area, or those which were developed by CBS staff because of difficulties that sometimes stood in the way of getting the required softwares. Of such local softwares that proved excellent efficiency are the credit and advances 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 not to mention development of 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 current crisis brought about by terrorist acts that have stormed Syria, CBS has

evidently kept on with its well-known safety level compared to other banks that lack safety elements in the face of various extraordinary circumstances. Banks with good financial standings have demonstrated that they can prove their ability to continue providing services of various types even though circumstances 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:

- Continuing the process of modernizing and developing automation of banking operation through such procedures as, studying the upgrading of 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 decision, and with the new International Accounting Standards.
- Further development of the policy of e-payment and e-billing in service of the aims of simplifying procedures and reducing bank-note dealings.
- 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.
- Continuation of the programme of improving and developing staff skills through the organizing of specialized training courses (such as courses on follow-up of non-performing loans, courses on ways and methods of combatting money laundering and terrorism finance, courses on the treatment of forgery and counterfeiting, specialized courses on networks and soft wares).



Board of Directors And Respective Reporting Departments

Dr Abdul Rahman Marei	Board Chairman Prof. at Economy Faculty – Damascus University	Chairman
Mr Firas Salman	CBS General Manager (CEO)	Vice-chairman
Ms Maysaa Kudaimi	Deputy General Manager	Member
Ms Jumana Kassar	Director of Accounts - CBS	Member
Mr Shaher Shammout	Former Director of Administrative Affairs	Member
Mr. Ghassan Falouh	Faculty of Mechanical & Electrical Engineering – Computer & Automation Dept., Damascus University	Member
Dr. Elias Haddad	Faculty of Law-Damascus University	Member
Mr Hosam Mansor	Labour Representative	Member
Ms Lina Ramadan	Labour Representative	Member

Directorates & Departments Reporting to the Board	Director
Directorate of Compliance	Ms Lina Atassi
Internal Audit Department	Ms Hunada Makari

The General Management

Directorate	Name	Tel	Fax	E-mail
General Manager	Mr Firas Salman	2459536	2249048	gm@cbs-bank.sy
Deputy General Manager	Ms Maysaa Kudaimi	2258344		mkudaimi-dep.manage@mail.sy
Secretariat	Ayman Najm	2258345	2216975 2228524	cbos@mail.sy
Administrative Affairs	Sahar Nahlawi	2259505	2222830	cbos@mail.sy
Loans & Credit	Mazen Hamzeh	2229559	2253371	credit@cbs-bank.sy
Foreign Relations	Amal Rihawi	2223916	2253796	foreign.manager@cbs-bank.sy
Technical Affairs	Kamal Atia	2226680	2251790	tech.manager@cbs-bank.sy
Internal Control	Gheyath Salman	2322069	2322067	cbos@mail.sy
Accounts	Jumanah Kassar	2216983	2250373	cbos@mail.sy
Planning & Development	Eyad Bashir	2240498	2240536	plan-dept@cbs-bank.sy
Financial Department	Yaarub Ali	2214298	2214298	finance@cbs-bank.sy
Legal Affairs	Eyad Al-Kafree	2322074	2325486	legal-dept@cbs-bank.sy

Risks	Haidar Ashqar	2236737 2245205	2241635	cbos@mail.sy
Electronic Payment	Bassem Al- Sa'eed	2242513	2242483	Eft.dir@cbs-bank

Credit & Payment Cards Issued by CBS

Active Card



Active card (1,000,000) and card (300,000) is a local card for all those who have professions, appropriate to weekly business size against commission of 0.002 paid weekly on the entire card value. It's interest-free.

Active Card



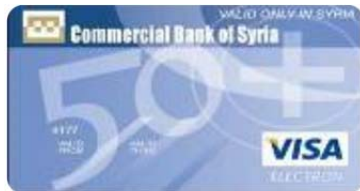
Active (500,000) is a local card for all those who have professions. The manner is appropriate to weekly business size against commission of 0.002 paid weekly on the entire card value. It's interest-free.

Active Card



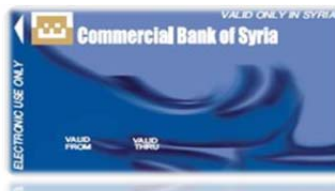
Active card (100,000) is a local credit card for all those who have professions. The manner is appropriate to weekly business size against commission of 0.002 paid weekly on the entire card value. It's interest-free.

50 above Salary Card



It is a local credit card for those whose salaries are domiciled at CBS. It allows holder to obtain whatever amount not exceeding fifty thousand S.P. This card supports your immediate expenses i.e. summer vacation, children's school enrolment, and others.

Local Card



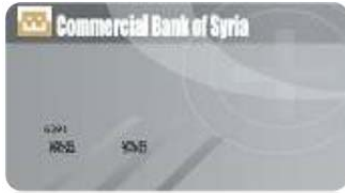
By having this card you can access your account and see the financial resources in it through a country-wide network available through ATMs and Electronic collection owned by CBS and other local banks.

Mothers Day



It's a prepaid card that can be obtained and charged with whatever amount you want at any of CBS branches, to be presented as a gift to your mother on her Day. You don't need to have an account to get it. Yet it is useful as through it you can get benefit from all CBS services.

100 above salary card



It is a local credit card for those whose salaries are domiciled with CBS. It allows holder to get any amount he needs not exceeding one hundred thousand S.P.

Border Card



It is a chargeable prepaid card that can be useful at border points, provided it is charged with a certain amount. You can charge it again with the amount you want at any CBS branch. It has no current account and is not nominal.

Umayyad Mosque Card



It is a chargeable prepaid card which can be obtained at any CBS branch. You can charge it with the amount you like. It has no current account. Through it you have the benefit of using all CBS services.

Gold Card



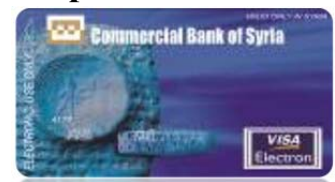
It's a local credit card awarded under special terms. It allows holder to get any amount not exceeding S.P. 300,000.- to support immediate expenses i.e. summer vacation, children's school enrolment and other needs.

Platinum Card



It's a local credit card awarded under special terms. It allows holder to get any amount not exceeding S.P. 500,000.- to support immediate expenses i.e. summer vacation, children's school enrolment and other needs.

Prepaid Local Card

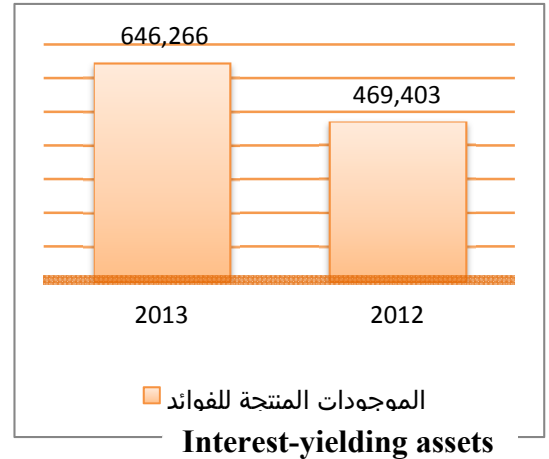


A prepaid local card can be used through a wide network of CBS e-collection machines or other local banks machines spread countrywide.

CBS Financial Performance in 2013

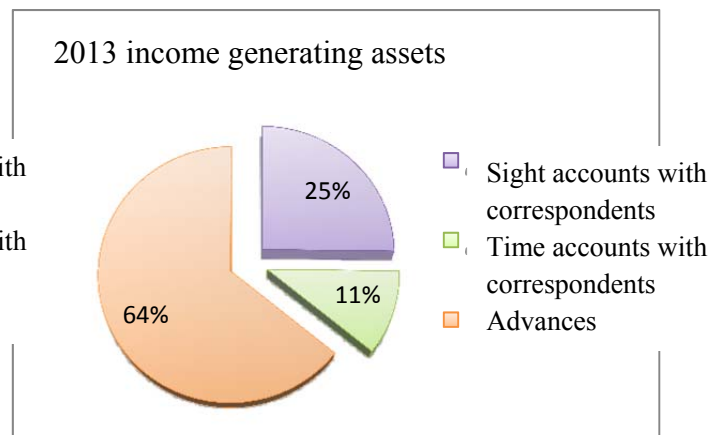
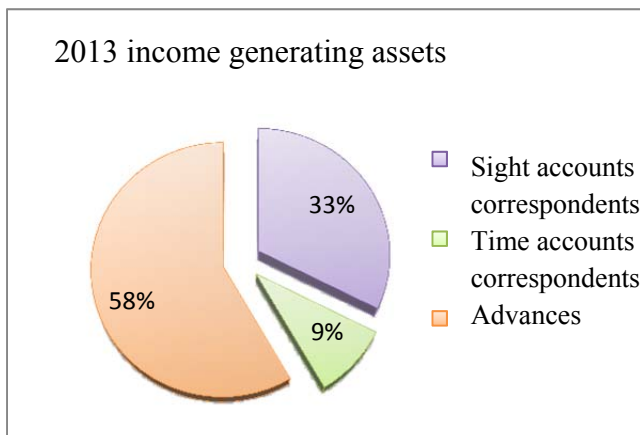
Assets

The volume of assets is rightly considered one of the important criteria used in evaluating a bank's standing and size as well as its role in the banking system. In the meantime, the increase in the volume of interest-yielding assets is considered an indicator showing the bank's ability of employing its money in profit-yielding activities, thereby the improvement in the rate of income-yielding assets to total assets reflects the bank's competency in selecting the area of investment.



The figure on the right shows an increase in the size of interest-yielding assets in 2013 over size of 2012 in consequence of the development of advances to both public and private sectors, and also CBS accounts with correspondents abroad, as the sight accounts with correspondents amount to S.P. 209,5 billion, whereas they were only in the region of 118 billion in 2012.

The figures hereunder show that CBS income-generating activity focuses mostly in the realm of advances

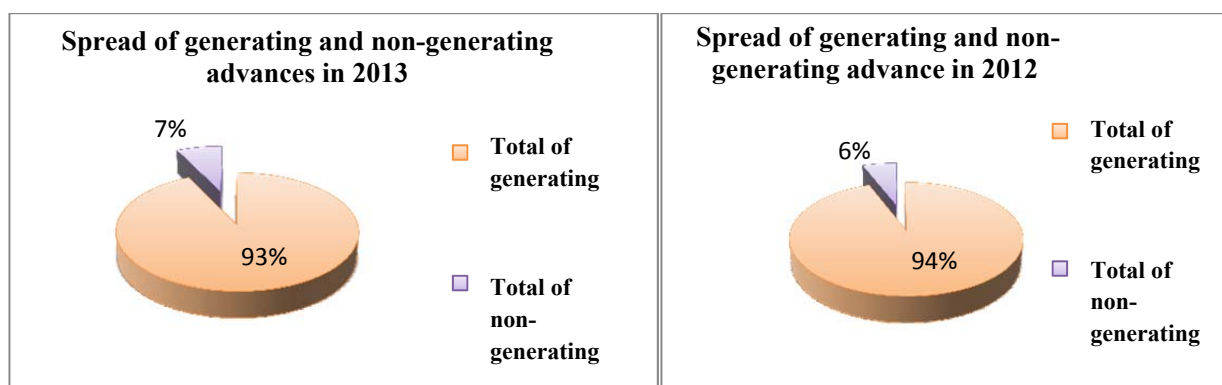


The following table shows advances as per currency and sector

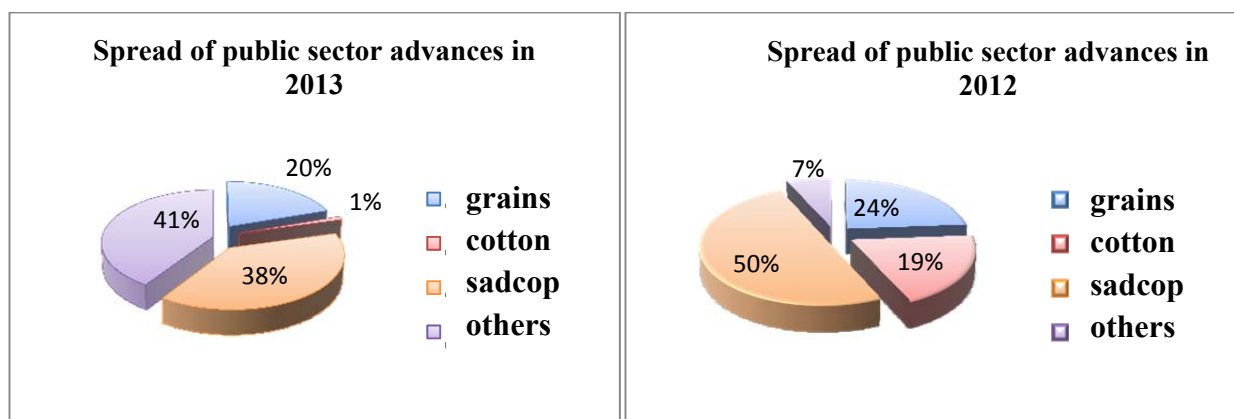
(S.P. million)

Sector	Currency	2012	2013	Change
Public Sector	Syrian currency	265,761	340,468	28.118%
	Foreign currency	3,162	4,891	54.64%
Total – Public Sector		268,924	345,359	28.42%
Private Sector	Syrian currency	27,645	24,944	(-)9.77%
	Foreign currency	3,191	6,881	115.60%
Total – Private Sector		30,837	31,825	3.21%
Debts not settled yet	Public	1,315	1,521	15.68
	Private	17,409	27,745	59.37
Total of Advances		319,834	406,452	27.08%

However the ratio of income generating advances to total of advances has retreated from 94.15% in 2012 to 92.80% in 2013 as shown in the following graphs:



On the other hand, advances given to economic public sector in 2013 have increased to almost 345 billion – recording 28.4 percentage points over that of 2012. Meanwhile CBS kept its advances to private sector at their level or rather they demonstrated a slight increase in 2013 of three point twenty one points to reach about 31.8 billion. The following graphs show the spread of advances to public sector which has the largest share of those advances:



The following table demonstrates Accounts with Correspondents in 2012 and 2013

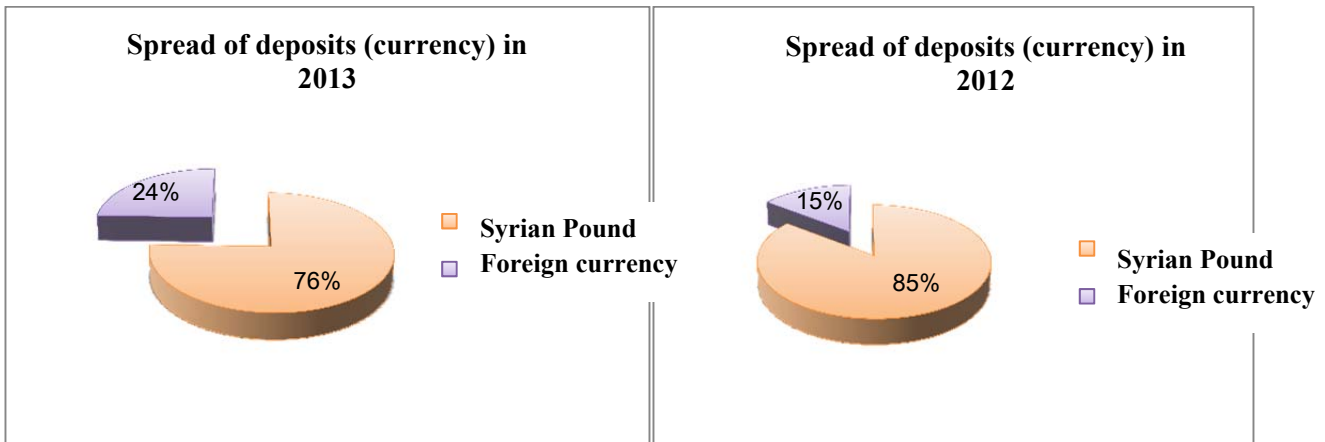
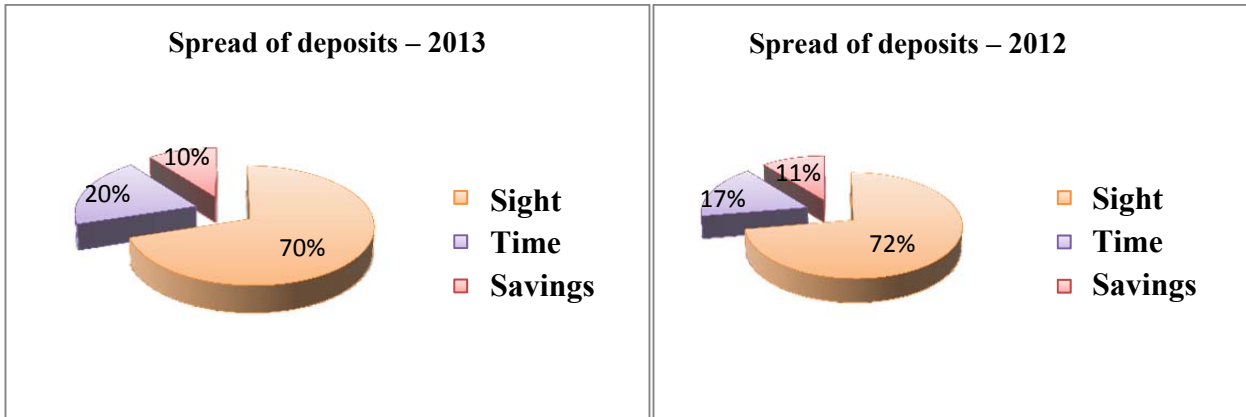
Correspondents abroad	2012	2013	Change
Sight accounts	118,272	209,551	77%
Time accounts	50,022	59,524	19%
Transactions not settled yet	1,483	3,790	156%
Total of sight and time accounts	168,294	269,081	60%
Total	169,778	272,871	61%

Deposits

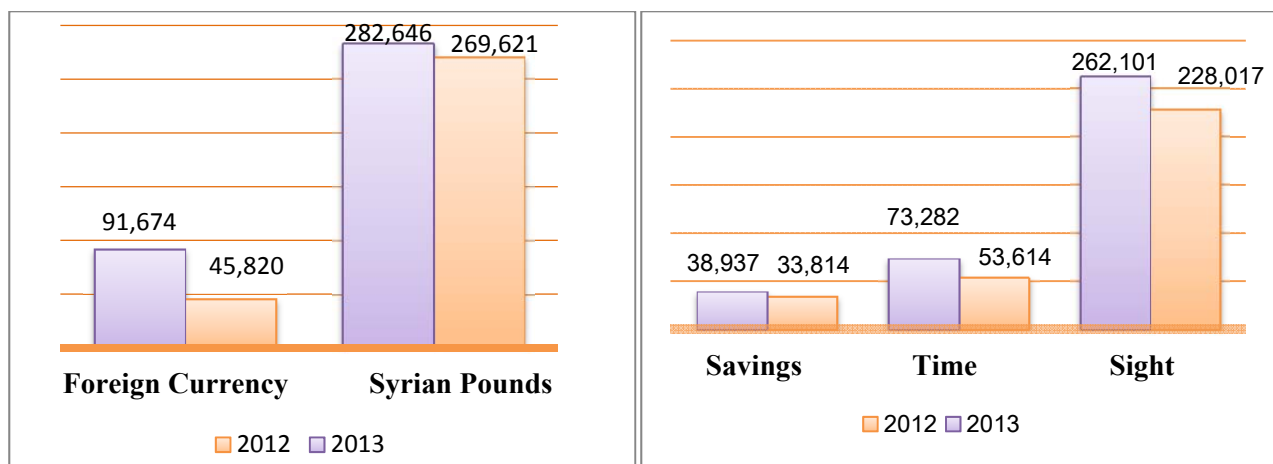
The following is a table showing details of deposits with CBS in 2012 and 2013

Items	2012	2013	Change
Sight deposits (Syrian currency)	193,371	198,204	2%
Sight deposits (Foreign currency)	34,644	63,897	84%
Total of sight deposits	228,016	262,101	15%
Time deposits (Syrian currency)	42,437	45,505	7%
Time deposits (Foreign currency)	11,176	27,777	149%
Total of Time deposits	53,613	73,282	37%
Savings deposit (Syrian)	33,814	38,937	15%
Total of deposits	315,444	374,321	19%

The following graphs show spread of deposits received by CBS according to type and currency in 2012 and 2013

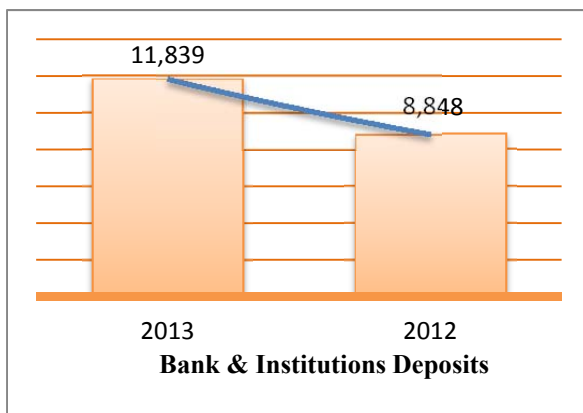


The following graphs show annual development of deposits according to type and currency

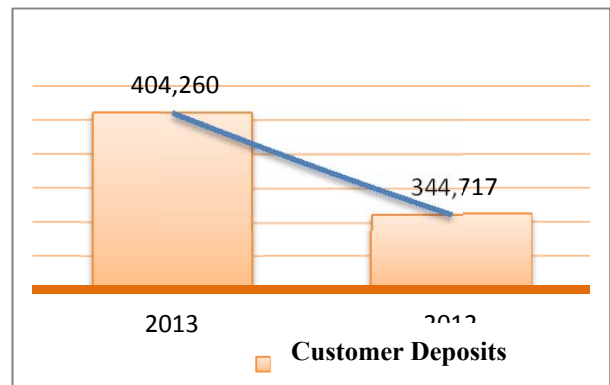


One may observe that the deposit balances of various types did increase in 2013 over those of 2012. Thus the growth rate of sight deposits recorded 15% for 2013, whereas the growth rate of time deposits rose to 37% and that of savings deposits is no more than 15%. But in regard to the currency of deposits it can be safely said that foreign currency deposits more than doubled since local currency deposits increased by 5%, only showing a lower growth rate than foreign currency deposits as customers have opted to use foreign currencies because of the crisis.

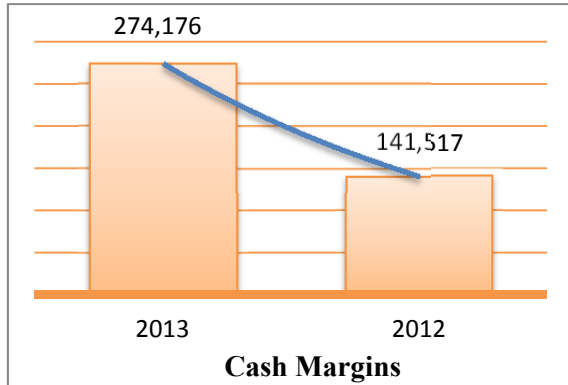
The figure below shows an increase in the volume of banks and banking institutions deposits over 2012 figures to register about 11.8 billion with a growth rate of 34%.



In this vein the volume of customers' deposits demonstrated a good increase from 344.17 billion in 2012 to 404.2 billion in 2013 (graph on right) which gives a growth rate of 17%. This in itself reflects CBS policy in terms of attracting deposits and keeping them safe in the current unstable conditions. This applies

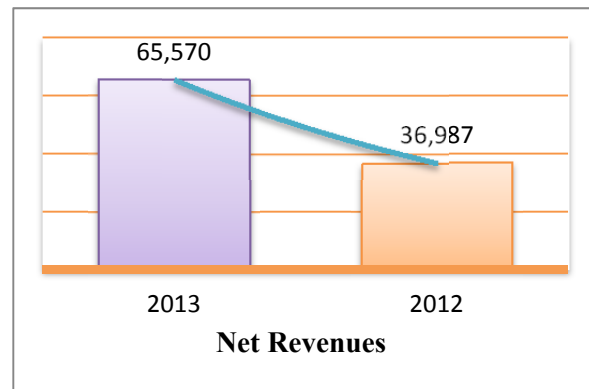


also to keeping up the CBS liquidity. As for the balance of cash margins, we have to point out that this balance has increased considerably registering 94% or almost 274 billion in 2013 as shown in the graph below.



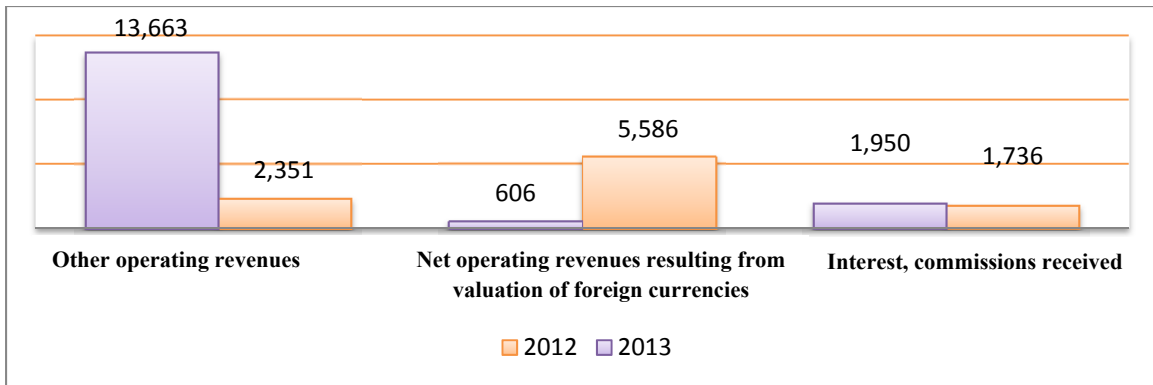
Assesment of CBS Net Revenues

CBS revenues in 2013 have increased considerably in general as has realized 65.5 billion pounds in revenues, that is a growth rate of 77% over that of 2012 which amounted to only 36.9 billion as shown in the graph on the right. This increase is concentrated in the item other operating revenues which

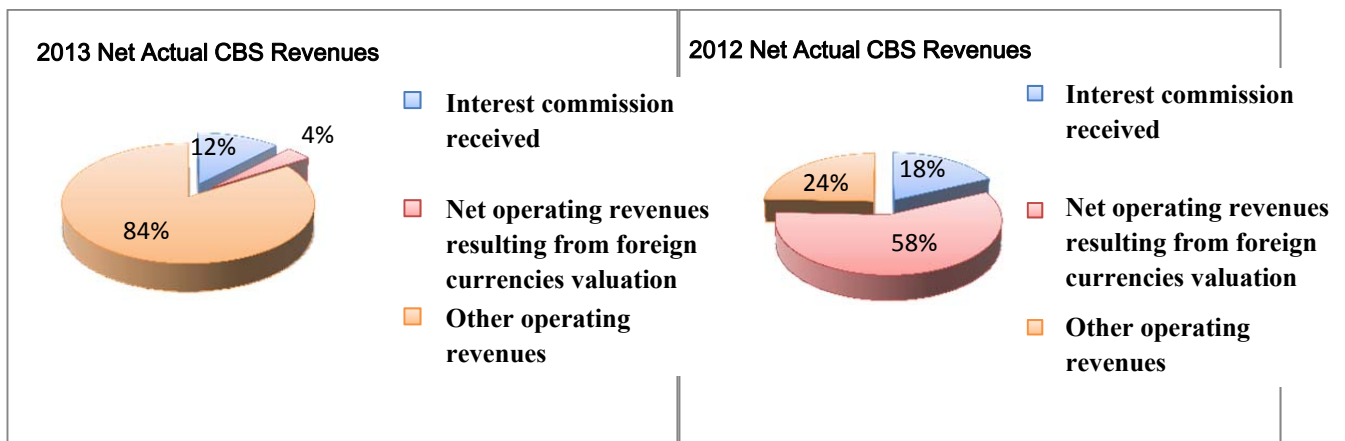


it net
of

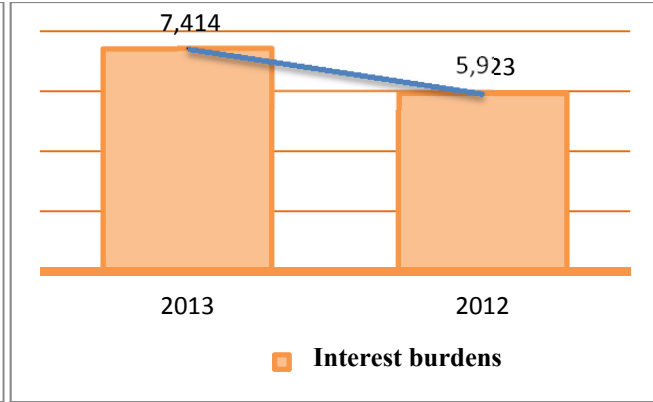
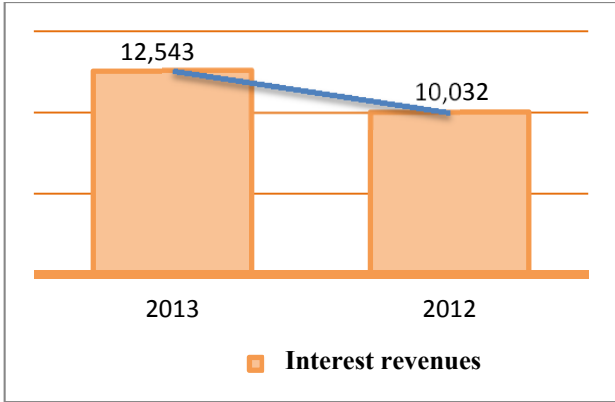
include previous years profits resulting from repayment of certain public sector entities' debts, and profits of free zone branches as well as revenues of certain CBS monies and e-payment card revenue. Also the revenues of the Exchange Structural position have increased. In the meantime the operating revenues resulting from revaluation of foreign currencies have retreated at the rate of 89% to register a mere 606 million pounds because of changes affecting foreign exchange. The graph hereunder illustrates the spread of net revenues.



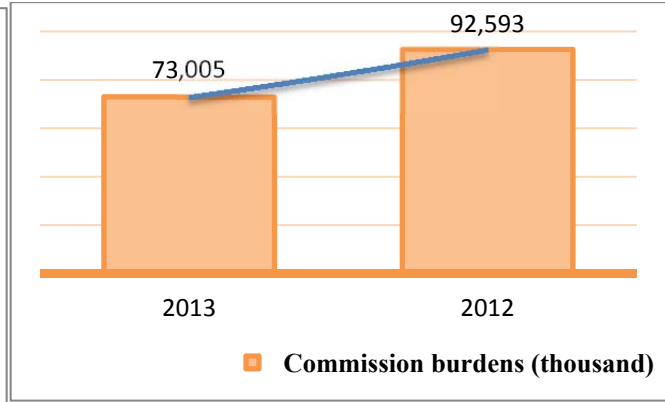
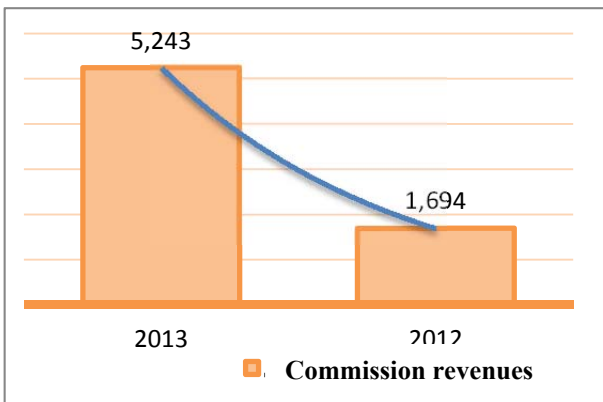
The two graphs hereunder show the spread of CBS actual revenues for 2012 and 2013 after excluding the revenues of exchange structural position.



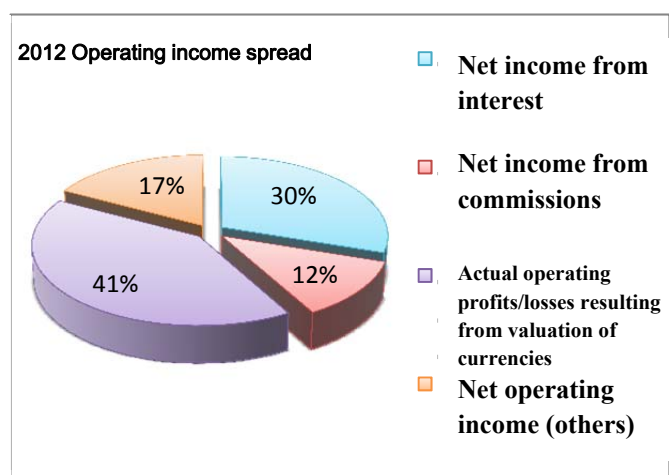
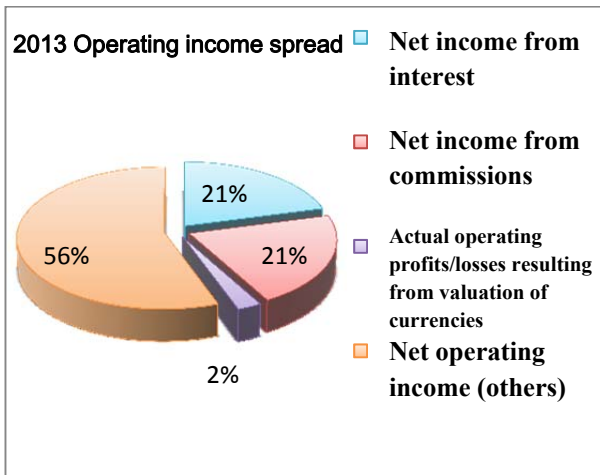
As regards interest revenues we have to say that generally speaking they have remained stable with a 25% increase in 2013 to reach about 12.5 billion. But the revenue burdens have increased by about 25% in 2013 to reach 7.4 billion. The graphs hereunder illustrate this



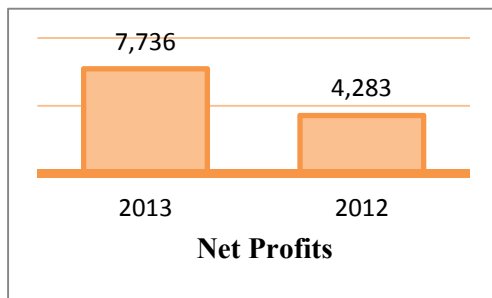
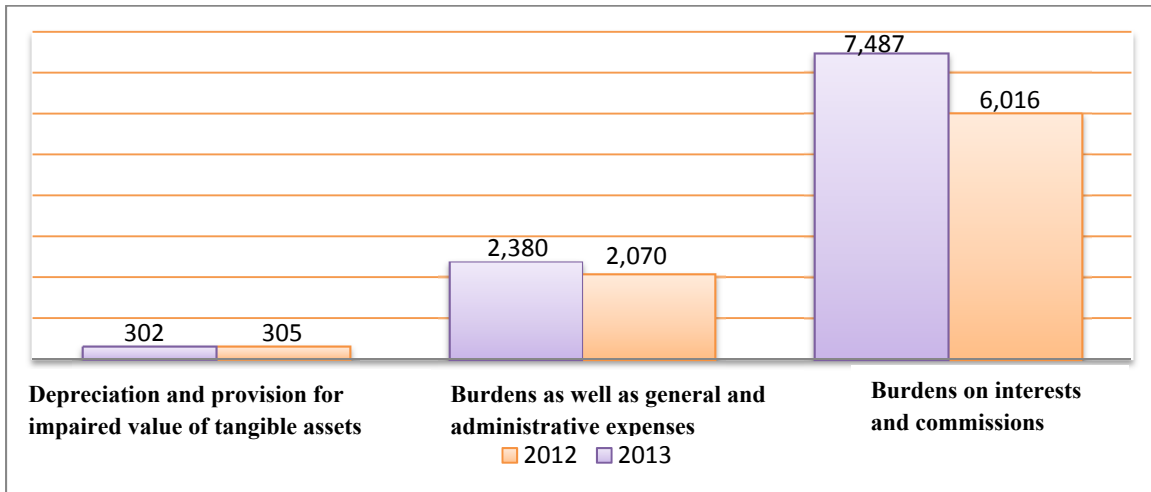
On the other hand, revenues from commissions have improved considerably and recorded good increase in 2013 of 209% to become over 5 billion. In the meantime, commission burdens dropped by 21% to reach 73 million as the following graphs show:



The following figures show spread of CBS operating income items in 2012 and 2013.



Meanwhile general and administrative expenses in 2013 rose by 15%, while the salaries and wages expenses rose by 12% but depreciation expenses have retreated as the value of fixed assets have dropped by only 1%. The below graph illustrates comparative figures for each type of expenditure. Nevertheless CBS has tried its best to contain the negative effects of the crisis and to reduce expenses especially in the current circumstances.



With regard to net profits (the state’s share in profits) it is to be noted that profits have improved considerably in 2013 as they amount to 7.7 billion, at a growth rate of 81% over those of 2012 (4.2 billion). This in itself proves CBS very good capability of confronting the crisis effects and improving realized net profits.

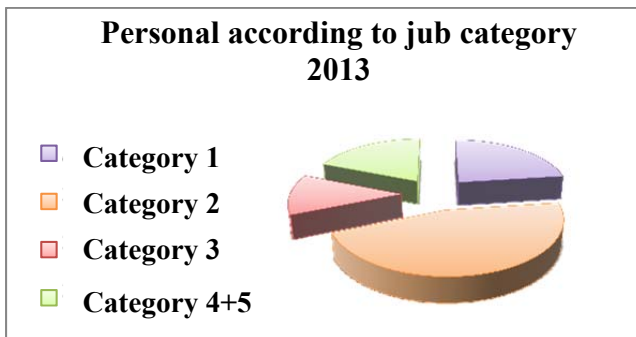
Human Resources

The following table draws comparison between the figures of CBS personnel in 2012 and 2013 for both the permanent and temporary workers who are on job distributed in the meantime according to gender and category.

Personnel	Permanent		Temporary		Total	
	2012	2013	2012	2013	2012	2013
Males	1992	1934	123	120	2115	2054
Females	2150	2071	10	31	2160	2102
Total	4142	4005	133	151	4275	4156

Breakdown according to category

	2012	2013
Category 1	960	953
Category 2	1951	1904
Category 3	555	513
Category 4+5	809	786
Total	4275	4156



CBS Status and Growth Plan in Branches and Offices

CBS has pursued a reserved policy with regard to the establishment of new branches and offices which have already been included in previous plans. The reason is CBS constant focus on the emerging general conditions that have made it necessary, rather obligatory, to protect its own monies, avoid waste, or exposing CBS properties to any act of aggression or sabotage. In this respect CBS carried out a plan for redistribution of the ATM network, opting for safe areas, delay the opening of new machines in hot areas where the hazards of those machine being exposed to damage are greater. However, CBS proceeded in 2013 to operate two new branches: one in Shahba town – Sweida Governorate, and the other in Misyaf – Hama Governorate, which come in implementation of already approved previous plans for the purpose of providing excellent banking services to a larger slice of customers, and enabling citizens to get greater benefit from the diverse CBS services.

In respect to offices CBS turned to more secure and safer governorates, where it opened and put in operation a number of new offices: in Tartous – two offices one in Annaza and the other in Dahr Safra; in Damascus – at Dummar Project, and a third and fourth ones in Lattakia: Beit Yashout and Al-Jumhourya Office.

However, CBS carries out a comprehensive revision every year of the branches, offices, and ATMs plans and adjust them as appropriate to changing conditions. It keeps in mind that when security conditions improve, it will resume its wide spread to all governorates, increase the number of branches and service offices, which stems from CBS constant care to see the various banking services cover all areas with the least amount possible of time, effort and money.

Competition within the Banking Sector and Market Share

CBS is reckoned the largest banking institution in Syria according to various criteria considering its assets volume, equities and profits. Comparatively speaking, we note that CBS assets count 40% of the total banking sector assets. According to the criterion of deposits, its share amounts to 35% of the total banking sector, and in regard to capital, it has 45% share. This shows evidently

the great CBS economic importance, not to mention the very wide geographical spread covering all governorates in the Syrian Arab Republic where it has installed 470 ATMs, of which 216 are actually operating whereas the others are out of service which is due to the crisis and its various repercussions.

* * *

CBS Consolidated Balance Sheet As of 31.12.2013

	Ref.	2013 figures	2012 figures
Assets			
Cash/balances with Central Banks	3	138,254,172,603.98	116,664,553,633.08
Balances with banks, bank institutions	4	213,429,938,094.36	119,772,018,258.18
Deposits with banks, bank institutions	5	60,669,857,252.40	51,067,131,268.37
Financial Assets at Fair Value from Income Statement			
Financial Instruments			
Derivatives			
Direct Credit Facilities (net)	7	374,040,479,789.57	290,222,910,953.47
Loans, advances to banks			
Financial assets available for sale			
Financial investments held until maturity	10	65,342,006,480.76	63,105,682,899.63
Pledged financial assets			
Investments with allied companies	12	495,696,554.10	305,689,989.42
Investments with allied & affiliated companies (in unconsolidated financial statements)	13	13,615,725.00	13,615,725.00
Real Estate investments			
Fixed assets	15	1,657,309,394.88	1,757,806,418.29
Goodwill			
Intangible assets	17	26,077,500.79	
Deferred tax assets			
Other assets	18	86,258,381,141.79	74,109,988,766.85
Blocked deposit with Central Bank of Syria			
Total of Assets		940,187,534,537.63	717,019,397,912.29

Liabilities & Equities	Ref.	2013 figures	2012 figures
Liabilities			
Banks, institutions deposits	20	11,839,363,771.11	8,848,004,275.97
Customers deposits	21	404,260,699,734.96	344,717,514,694.64
Cash margins	22	274,176,884,554.69	141,517,030,815.60
Financial instruments derivatives			
Borrowed cash	23	36,419,642,380.29	69,891,299,493.79
Bonds			
Sundry provisions	25	6,271,630,828.21	4,989,051,170.38
Income tax provision	26	4,016,709,190.98	2,092,559,861.78
Deferred tax liabilities			
Other liabilities	27	8,555,936,229.39	5,121,877,027.92
Total of liabilities		745,540,866,689.63	577,177,337,340.32
Equity rights			
CBS Shareholders rights			
Subscribed capital	28	70,000,000,000.00	70,000,000,000.00
Allowance / (discount) on issue (Treasury shares)			
Donations	30	27,933,400.00	15,306,000.00
Legal reserve	30	17,900,545,988.40	16,933,503,587.40
Special reserve	30	17,899,127,699.51	16,932,085,298.51
Others	30	4,605,254,521.76	4,548,966,128.76
General reserve for finance risks		878,895,797.98	878,895,797.98
Differences of foreign currencies translation			
Accrued change in fair value of financial assets available for sale			
Shareholders' share in bonds and borrowings convertible to shares			
Profit (loss) for period after tax	34	7,736,339,211.92	4,283,822,223.78
Realized profits retained (accumulated loss)			
Unrealized retained profits (accumulated loss)	33	75,598,571,228.43	26,249,481,535.54
Total equities – CBS shareholders		194,646,667,848.00	139,842,060,571.97

	Ref.	2013 figures	2012 figures
Minorities rights			
Total equities			
Total of Liabilities and equities		940,187,534,537.63	717,019,397,912.29

CBS Consolidated Income Statement

For Year Ending on 31.12.2013

	Ref.	2013 figures	2012 figures
Interest received	35	12,543,709,574.35	10,032,075,638.11
Interest paid	36	(7,414,283,269.04)	(5,923,562,142.98)
<u>Net income from interest</u>		<u>5,129,426,305.31</u>	<u>4,108,513,495.13</u>
Commissions & fees received	37	5,243,964,368.64	1,694,400,075.91
Commissions & fees paid	38	(73,005,013.30)	(92,593,397.64)
<u>Net income from commissions and fees</u>		<u>5,170,959,355.34</u>	<u>1,601,806,678.27</u>
<u>Net income from interest, fees and commissions</u>		<u>10,300,385,660.65</u>	<u>5,710,320,173.40</u>
Operational profit (loss) resulting from valuation of foreign currencies	39	606,939,969.38	5,586,526,712.33
Profit (loss) exchange revaluation of structural position	39	49,349,089,692.89	27,313,429,427.83
Profits (losses) financial assets available for trading			
Profit (loss) of financial assets defined for measurement by fair value through income statement			
Profit (loss) financial assets available for sale			
Other operational revenues + (free zones)	44	13,678,777,563.96	2,435,227,823.28
<u>Total operational income</u>		<u>73,935,192,886.88</u>	<u>41,045,504,136.84</u>
Employees expenses	45	(1,732,543,953.03)	(1,553,090,499.00)
Depreciation of tangible fixed assets	15	(302,238,779.13)	(305,300,483.15)
Impairment of intangible assets			
Losses from impairment of direct credit facilities			

	Ref.	2013 figures	2012 figures
Losses from impairment of financial investments held until maturity			
Sundry provisions			
Other operational expenses	46	(9,013,157,461.91)	(4,575,316,292.05)
<u>Total operational expenses</u>		<u>(11,047,940,194.07)</u>	<u>(6,433,707,274.23)</u>
Profit (loss) from operation		<u>62,887,252,692.81</u>	<u>34,611,796,862.61</u>
CBS share in profit (loss) of allied companies			
Profits distributed by affiliated & allied companies			
(Unconsolidated only in financial statements)			
Profit (loss) before tax			
<u>The year's profit (loss)</u>			
Income tax		3,867,738,986.00	1,943,589,657.00
Legal reserve		967,042,401.00	535,477,777.00
Special reserve		967,042,401.00	535,477,777.00
General reserve for finance risks			
Unrealized retained profits (assessed profit)		49,349,089,692.89	27,313,429,427.83
State's share in profits		7,736,339,211.92	4,283,822,223.78
Grand Total		62,887,252,692.81	34,611,796,862.61

CBS Cash Flow Statement
For Period Ending on 31.12.2013 (Final)

(S.P. Thousand)

Description	2012 figures	2013 figures	Difference
A. Cash flows from operational activities			
- Net result before tax	34,611,797	62,887,252	28,275,455
- Adjustments on net result before tax to reconcile with cash resulting from operational activities:			
Add:	365,127	509,285	144,158
- Net provisions on debts			
- Depreciation and provisions for fixed assets impairment			
- Differences of negative assessment of financial investments held for trading			
- Provision for impairment of financial investment			
- Provision for impairment of shares + contributions to banks and institution			
- Provision for impairment in disputed banks' accounts			
- Net provisions on off-balance sheet accounts			
- Sundry provisions			
- Capital losses			
- Realized interest payable			
- Unpaid due expenses	365,127	509,285	144,158
Net result before tax after addition	34,976,924	63,396,537	28,419,613
Deduct:	549,171	549,171	0
- Differences of positive assessment of financial assets held for trading			
- Capital profits			
- Receivable interest & commissions	549,171	549,171	0
- Total carried forward	34,427,753	62,847,366	28,419,613

CBS Cash Flow Statement
For Period Ending on 31.12.2013 (Final)

(S.P. Thousand)

Description	2012 figures	2013 figures	Difference
Total brought forward	34,427,753	62,847,366	28,419,613
Changes in assets and liabilities			
- (Increase) / decrease in state bills and treasury notes for trading and deposit certificates bought for trading.			
- (Increase) / decrease in G. M. and branches accounts in Syria and abroad	1,805,888,207	2,891,450,888	(1,085,502,681)
- (Increase) / decrease in the account of drawings and bought shipping documents			
- (Increase) / decrease in the L/C provisions, blocked accounts and unsettled operations	1,499,613	3,821,255	(2,321,642)
- (Increase) / decrease in the account of financial instruments held for trading			
- (Increase) / decrease in the account of credit facilities	290,222,911	372,757,900	(82,534,989)
- (Increase) / decrease in the account of different debtors	43,680,671	15,581,229	28,099,442
- (Increase) / decrease in payments advanced on public banks profits in favor of the Public Debt Fund (budget surplus)			
- (Increase) / decrease in different assets	4,307,130	10,538,969	(6,231,839)

CBS Cash Flow Statement
For Period Ending on 31.12.2013 (Final)

(S.P. Thousand)

Description	2012 figures	2013 figures	Difference
- (Increase) / decrease in the account of G.M. and branches	1,780,187,916	2,831,684,570	1,051,496,654
- (Increase) / decrease in deposits account	344,717,514	404,260,700	59,543,186
- (Increase) / decrease in received securities acc.	104,283,659	153,937,087	49,653,428
- (Increase) / decrease in the account short time payable values.	2,166,023	2,827,758	661,735
- (Increase) / decrease in the account of different creditors	35,067,348	117,412,040	82,344,692
- (Increase) / decrease in transactions on financial instruments			
- (Increase) / decrease in the account of other revenues received in advance	740,826	1,168,751	427,925
- End of service indemnities			
- Other credit accounts			
- Net cash resulting (used) from operational activities before tax	155,992,507	279,988,031	123,995,524
- Tax paid	1,943,590	3,867,739	(1,924,149)
- Net cash resulting (used) from operational activities after tax (Total A)	154,048,917	276,120,292	122,071,375

CBS Cash Flow Statement
For Period Ending on 31.12.2013 (Final)

(S.P. Thousand)

Description	2012 figures	2013 figures	Difference
B. Cash flows from Investment Activities			
- (Increase) / decrease in Central Bank account (excluding current accounts and compulsory cash reserve on deposits)	1,668,228	3,048,470	(1,380,242)
- (Increase) / decrease in the account of state bills and treasury notes (excluding public bonds and treasury bills held for trading)	63,066,083	65,302,406	(2,236,323)
- (Increase) / decrease in banks accounts (excluding current accounts and deposit certificates bought for trading)	51,067,131	60,669,857	(9,602,726)
- (Increase) / decrease in the account of state bills and treasury notes (except public bill & Treasury notes) held for trading)			
- (Increase) / decrease in revaluation			
- (Increase) / decrease in shares and contributions to banks and institutions	319,306	509,312	(190,006)
- (Increase) / decrease in intangible assets	34,900	26,077	8,823
- (Increase) / decrease in tangible assets	1,631,851	1,516,251	115,600
- (Increase) / decrease in financial assets			
- (Increase) / decrease in revaluation			
- (Increase) / decrease in real values designated for sale			
- (Increase) / decrease in profits or (losses) resulting from change in the fair value of financial instruments available for sale			
- Other accounts			
- Received cash dividends			

CBS Cash Flow Statement

For Period Ending on 31.12.2013 (Final)

(S.P. Thousand)

Description	2012 figures	2013 figures	Difference
C. Cash flows from Financing Activities			
- Increase / (decrease) in the account of compulsory cash reserve on deposits		18,229,075	(18,229,075)
- Increase / (decrease) in unpaid subscribed installments			
- Increase / (decrease) in the Central Bank account	69,065,378	35,065,378	(34,000,000)
- Increase / (decrease) in banks' accounts (excluding current accounts)	155,607	292,822	137,215
- Increase / (decrease) in deposit certificates account			
- Increase / (decrease) in borrowed cash	825,921	1,354,264	528,343
- Increase / (decrease) in revaluation	189,536	936,866	747,330
- Increase / (decrease) in supporting cash		0	
- Increase / (decrease) in indemnities, reserves capital	108,237,801	109,377,674	1,139,873
- Paid cash dividends			
- Other accounts	7,081,611	9,005,760	1,924,149
	3,826,388	5,941,034	2,114,646
	(1,063,947)	26,249,481	27,313,428
- Net cash resulting (used) from financing activities (Total C)	188,318,295	169,994,204	(18,324,091)
- Net cash resulting (used) from all activities D = total of (A + B + C)	224,579,713	315,042,123	90,462,410
Cash Flows as of 31.12.2013			
Cash and cash equivalent account and current accounts with banks at end of previous Syria	233,272,111	326,588,665	
	8,692,398	11,546,542	
Total	224,579,713	315,042,123	90,462,410

Remarks on the Consolidated Financial Statements for the Fiscal Year Ending on 31.12.2013

1. General

The Commercial Bank of Syria is considered one of the oldest banking institutions in Syria. It was licensed thereby registered in the Commercial Register of the Ministry of Economy and Foreign Trade under No. 2755 dated 4.6.1959. Its establishment took place early in 1967 following the nationalization of five banks for the purpose of serving the Syrian commercial and economic activities. On 28.12.2002 it was entered in the Banks Register with the Government's Commission of Bank at the Central Bank of Syria under No. 1.

CBS is, moreover, considered among the largest banking institutions in Syria as its capital is 70 billion Syrian Pounds. Therefore it occupies a considerable position in the total Syrian banking activities as its share in the total banks assets combined is almost 40%, and acquires about 35% of the total banking sector's deposits, and 45% of the Syrian banks' capital put together. CBS main activity has concentrated for long decades on its being the only finance house for commercial operations, domestic and external, in Syria which has been achieved through the facilities it is used to providing, and which are: investment loans, debit current accounts, bills discount, documentary letters of credit for import and export in various currencies, letters of guarantee of various types and currency.

This is in addition to other banking services such as:

Sight deposits in all currencies, time deposits in all currencies, savings accounts, incoming and outgoing money transfers, certified cheques, sold or travellers cheques, cheque clearance, as well as safe leasing.

Such services are provided by CBS at its main center and branches inside the Syrian Arab Republic. CBS branches now count 68 while CBS offices are 50, Free Zone branches are only five, whereas the company affiliated to it is The Syrian – Lebanese Commercial Bank.

However, we have to point out that the establishment of the final balance sheet is made according to the account numbers mentioned in the accountancy system issued by Legislative decree No. 419 dated 28.9.2010, mentioning meanwhile the old accounting number just for easy reference and clarification.

Accounting Policies

- Principles of Preparing Financial Statements:

The consolidated financial statements of CBS and its affiliated companies have been prepared in line with the standards issued by the Council of International Accounting Standards IAS and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in compliance with local laws in force, the instructions as well as the decisions of the Money and Credit Council. The consolidated financial statements have been prepared according to the principle of historical cost and that the Syrian pound is the currency used for demonstrating the consolidated financial statements, whereas the clarifications have been prepared in thousand Syrian Pounds, concerning the Commercial Bank of Syria only.

- Basics of Consolidating Financial Statements

- CBS financial statements have been consolidated in implementation of the Money and Credit Council's decision No. 439/MN/B4 dated 25.11.2008 as follows:
- The consolidated financial statements are prepared for all CBS branches operating on the territories of the Syrian Arab Republic.
- The consolidated financial statements are prepared for all CBS branches in Syria as well as CBS branches in the Free Zones, and the

Syrian Lebanese Commercial Bank Accounts after reconciling these accounts with CBS accounts.

- **The Most Important Accounting Policies Used:**

The most important policies used in the preparation of the present consolidated financial statements are:

• **Foreign Currencies Translation**

- Transactions carried out in foreign currencies during the year are recorded according to exchange rate current on the respective transactions dates.
- Balances of financial assets and financial liabilities are converted according to the average foreign currency rates current on the date of the balance sheet. For this purpose reliance is made on circular No. 289 dated 31.12.2013 issued by the Central Bank of Syria.
- Profits and losses resulting from the converting of foreign currencies are recorded in the Income Statement whereas the actual profits and losses are duly set independently from the assessed profits and losses which is in line with the Money and Credit Council's decision No. 362/MN/B1 of 4.2.2008.

• **Debts Classification and Creating Provisions, Reserves**

Debts of all types and creation of provision for impairment of interest yielding, or non-yielding assets are clarified or created in compliance with the instructions contained in Money and Credit Council Decision No. 597/MN/B4 of 9.12.2009. But general reserve for finance risks is not created as provided for by Money and Credit Council decision No. 902/MN/B4 of 13.11.2012.

Fixed Assets

The tangible fixed assets are first recorded according to cost added to it other costs directly connected with it. Then they are measured according to the cost model i.e. Cost minus accumulated depreciation.

Depreciation of fixed assets is calculated according to the method of fixed installment, using the following percentage rates and productive life:

Description	Percent	Productive life
Buildings	5%	20 years
Machines, equipment, furniture	10%	10 years
Means of transport	25%	4 years
Computers	15%	6 years

Others ;

Description	Percent	Productive life
Establishment costs	10%	10 years
Software	15%	6 years
Designated properties	10%	10 years

Income tax:

The due income tax is calculated on the basis of taxable profits and in accordance with the operative rates approved by the laws, regulations and instructions in force.

Assets

3. Cash and Balances with Central Banks

Details are as follows:

(S.P. Thousand)

	2013 figures	2012 figures
Cash in treasury	20,689,619	50,249,096
Balances with central banks:		
- Current accounts	96,286,927	64,747,173
Others		
- Stamps	82	57
- Agreements of payments	60,784	60,784
- Internal Loans	2,987,686	1,607,444
- Compulsory reserve on deposits	18,229,075	—
Total	138,254,173	116,664,554

However, in implementation of the Prime Minister's decision No. 5938 of 2.5.2011, concerning the institution of the compulsory reserve on deposits, and amendments under the Money and Credit Council's decision No. 933/MN/B4 of 6.12.2012, and decision No. 1016/MN/B4 of 15.8.2013 CBS did calculate this reserve on deposits at the rate of 5% on the average daily deposit balances. Thus the balance of the compulsory reserve on deposits on 31.12.2013 amounted to S.P. 18,229,075,000, out of which S.P. 13,567,315,000.- and S.P. 4,661,760,000.- equivalent to foreign currencies, represent the loans account amounting to S.P. 2,987,686,000.- as the value of foreign currencies whose equivalent is USD 20,768,000.- delivered to Central Bank of Syria at the directives of the Minister of Economy and Foreign Trade. It has not yet been repaid.

4. Balances with Banks and Banking Institutions

Details are as follows:

(S.P. Thousand)

Description	Local Banks & Institutions		Foreign Banks & Institution		Total	
	2013	2012	2013	2012	2013	2012
Current and sight accounts	57,000		213,372,938	119,772,018	213,429,938	119,772,018
Deposits with 3 months maturity or less						
Total	57,000		213,372,938	119,772,018	213,429,938	119,772,018

5. Deposits with Banks and Banking Institutions

Details are as follows:

(S.P. Thousand)

Description	Local Banks & Institutions		Foreign Banks & Institution		Total	
	2013	2012	2013	2012	2013	2012
Deposits (maturity date due after 3 months)	1,140,493	1,044,877	59,539,364	50,022,254	60,669,857	51,067,131
Total	1,140,493	1,044,877	59,539,364	50,022,254	60,669,857	51,067,131

7. Direct Credit Facilities

Details are as follows

(S.P. Thousand)		
Description	2013 Figures	2012 figures
• Discounted promissory notes	424,510	1,347,415
Debit current accounts:		
• Loans and advances	376,760,890	299,761,695
Credit cards		
Receivable, and other financing rent loans		
<u>Debts under settlement</u>	<u>29,267,013</u>	<u>8,724,967</u>
Total	<u>406,452,413</u>	<u>319,834,077</u>
Deduct: outstanding interests (retained)	(16,443,681)	(20,154,438)
Deduct: provision for impairment of direct credit facilities	<u>(15,968,252)</u>	<u>(9,456,728)</u>
Net direct credit facilities	374,040,480	290,222,911

- The non-yielding credit facilities amount to S.P. 29,267,013,000.- or 7,20 % of the balance of direct credit facilities for the current year against S.P. 18,724,967,000.- or 5.85% of the balance of facilities provided at the end of the previous year.
- The credit facilities provided to the Syrian government or under its guarantee amounted to S.P. 345,359,443,000.- or 84.97% of the total facilities provided in the present year against S.P. 268,924,239,000.- or 84.08% by the end of the previous year.

- Provision for Impairment of Direct Credit Facilities

(S.P. Thousand)		
Description	2013	2012
Balance at year beginning	9,456,728	5,714,298
Surplus deducted during the year from revenues used during the year from provision (for written off debts)	6,511,524	3,742,430
Balance at year end	15,968,252	9,456,728

Outstanding Interests

The following table shows movement of outstanding interests

	(S.P. Thousand)	
Description	2013	2012
Balance at year beginning	20,154,438	17,033,379
Add: outstanding interest during the year		
Deduct: Interest transferred to revenues	3,710,757	
Deduct: outstanding interests written off	–	–
Balance at year end	16,443,681	20,154,438

10. Financial Assets held until Maturity Date

Details are as shown in the following table

	(S.P. Thousand)	
Description	2013	2012
Financial assets for which no market prices are available		
Government Treasury Notes		
Government financial bills and under its guarantee	64,423,510	62,187,187
Company bills and loan bonds		
Other financial bills	39,600	39,600
Company shares		
General reserve for finance risks	878,896	878,896
Total of financial assets for which no market prices are available	65,342,006	63,105,683

12. Investment in Allied Companies

The following table shows balance of contribution to allied companies capital

(S.P. Thousand)

Description	2013	2012
Contribution to Opak Kirasad capital	81,844	81,844
Subscription to Industrial Bank shares	1,141	1,141
Subscription to Arab World Bank shares	1,004	1,004
CBS contributions to the Program of Arab Trade Finance, Abu Dhabi	197,088	106,038
CBS contribution to the Programme of Arab Trade Finance (longest term) with Islamic Bank	160,152	86,165
Islamic Foundation for Investment Insurance	13,481	7,254
Islamic Foundation for Private Sector Development	40,569	21,827
Lattakia Port Company	340	340
Syrian spinning company	66	66
Arab Bank	11	11
Total	495,696	305,690

13. Investments in affiliated and allied companies (in unconsolidated financial statements only).

CBS contribution to affiliated and allied companies is a contribution to the capital of the Lebanon-based Syrian Lebanese Bank – CBS contribution amounted to 84.50%, and its balance at 2013 year end amounted to S.P. 13,616,000.- against S.P. 13,616,000.- at the end of year 2012.

15. Fixed Assets:

Details are shown in below table

(S.P. thousand)

2013 Figures	Properties and Equipment					
	Buildings	Equipment & furniture	Transport means	Computer	others	total
Costs						
Balance at year beginning	1,626,585	533,058	129,921	1,134,928	445,878	3,870,370
Additions	44,439	45,683		66,993	69,806	226,921
Exclusion			(10)			(10)
Balance at year end	1,671,024	578,741	129,911	1,201,921	515,684	4,079,281
Accumulated Depreciation						
Accum. Depre. at year beginning	709,759	366,579	113,135	807,009	150,982	2,147,464
Current year depreciation	78,473	33,980	11,175	135,181	34,084	292,893
Additions				5,107		5,107
Exclusions		(5,393)	(10)			5,403
Accum. Depre at year end	788,232	395,166	124,300	947,207	185,066	2,439,971
Impairment in value						
Net book value of fixed assets						
Payments on account of purchasing fixed assets						
Projects being executed						
Net fixed assets at year end	882,792	183,575	5,611	254,714	330,618	1,657,310

(S.P. thousand)

2012 Figures	Properties and Equipment					
	Buildings	Equipment & furniture	Transport means	Computer	others	total
Costs						
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
Exclusion		(1,187,146)				(1,187,146)
Balance at year end	1,626,585	533,058	129,921	1,134,928	445,878	3,870,370
Accumulated Depreciation						
Accum. Dept. at year beginning	631,572	1,028,087	101,165		122,147	1,882,971
Current year depreciation	76,343	41,108	12,006	145,058	30,786	305,301
Additions	1,844			661,951		663,795
Excluded		(702,616)	(36)		(1951)	(704,603)
Accum. Dept. at year end	709,759	366,579	113,135	807,009	150,982	2,147,464
Impairment in value						
Net book value of fixed assets						
Payments on account of purchasing fixed assets						
Projects being executed						
Net fixed assets at year end	<u>916,826</u>	<u>166,479</u>	<u>16,786</u>	<u>327,919</u>	<u>294,896</u>	<u>1,722,906</u>

17. Intangible Assets

Details as per the table hereunder

(S.P. thousand)

Description	2012 figures		2013 figures	
	Computer Systems & software	Other	Computer Systems & software	Other
Balance at year beginning				
Additions	26,077		34,899	
Impairment in the year				
Sinking during year				
Balance at year end	26,077		34,899	

18. Other Assets

Details as per the table hereunder

(S.P. thousand)

	2013 figures	2012 figures
Receivable interest, revenues	549,171	549,171
Prepaid expenses	152,258	199,527
Others		
Cheques and drawings	3,437	3,437
Different debtors	15,581,229	43,680,671
Securities paid and CBS advances	4,039,095	1,670,301
Banks settlement accounts	16,078	16,078
Advances on expenses under settlement	352	1,779
Interests on due bills	667	669
Interim and transitional accounts	65,916,094	27,988,356
Total	86,258,381	74,109,989

The difference appearing in the balance of “different debtors” i.e. S.P. 34 billion is the result of settling the loan of the General Cotton Establishment under Law No. 34 dated 10.12.2012.

Besides, the balance of “different debtors” does not represent operations of actual advance payment, accounts of barter operations against foreign exchange concerning the Kuwaiti loan to the Popular Credit Bank amounting to S.P. 152 million and the Industrial Bank amounting to S.P. 230 million, as well as differences in the foreign exchange values accrued against the Central Bank of Syria amounting to S.P. 2,368 million, and balance of differences arising from the transfer of USD 7 million to the World Bank which is done at the request of the Prime Minister being due on Mahroukat company and repayment of differences in oil prices and other accounts of accidental and temporary nature.

Liabilities

20. Banks and Institutions Deposits:

(S.P. thousand)

	2013 Figures			2012 Figures		
	In Syria	Abroad	Total	In Syria	Abroad	Total
Current accounts	10,760,563	1,078,801	11,839,364	7,544,158	1,303,846	8,848,004
Time Deposits						
Deposit Certificate	-	-	-	-	-	-
Total	10,760,563	1,078,801	11,839,364	7,544,158	1,303,846	8,848,004

21. Customers Deposits

Details as per table hereunder

(S.P. thousand)

	2013 figures	2012 figures
Current accounts	262,101,637	228,015,446
Savings deposits	38,937,412	33,813,570
Time deposits under notice	73,282,344	53,613,811
Deposit Certificates		
Blocked accounts	29,939,307	29,274,687
Total	404,260,700	344,717,514

- Syrian government deposits as well as those of the Syrian public sector inside Syria amount to S.P. 173,839,017,000 or 66.32 % of the total deposits of 2013 against S.P. 167,569,996,000 or 73.49 % in 2012.
- Blocked deposits in the current year are S.P. 29,939,309,000 against S.P. 29,274,687,000 in the previous year.

Those are blocked customers accounts in the value of S.P. 2,470,216,000 in 2013 against 2012 figures of S.P. 1,805,596,000.- in addition to differences accruing from adjustment of exchange price of the state and the public sector. This account is created by Legislative decree No. 35 that had created CBS in the first place. Its balance amounted to S.P. 27,469,090,000 at the end of 2013 and 2012.

22. Cash Margins

Details as per table hereunder

	(S.P. thousand)	
	2013 figures	2012 figures
Margins against direct facilities	143,481,874	98,029,710
Margins against indirect facilities	1,071,874	1,197,811
Others	9,383,339	5,056,138
Third party foreign exchange accounts for imports	96,854,010	22,657,466
Payable short term values	23,385,787	14,575,905
<u>Total</u>	<u>274,176,884</u>	<u>141,517,030</u>

23. Borrowed Cash

	(S.P. thousand)	
	2013 figures	2012 figures
Cash borrowed from Central Bank of Syria	35,065,378	69,065,378
Borrowings from foreign banks / institution		
- Bank		
- Bank		
Borrowings from other entities (mention)	1,354,264	825,921
<u>Total</u>	<u>36,419,642</u>	<u>69,891,299</u>

- The difference appearing in the balance of cash borrowed from the Central Bank amounting to S.P. 34 billion is after settlement of the General Cotton Establishment's loan under law No. 34 of 10.12.2012.
- Borrowings from other entities amounting to S.P. 1,354,264,000 at the end of 2013, or the equivalent of USD 9,414,000 against S.P. 825,921,000 at the end of 2012, or the equivalent of USD 10,670,000, comprising:

1. USD 9,086,000 against what is used from the Kuwaiti loan provided to the Popular Credit Bank and the industrial Bank, in equivalent amount of S.P. 1,307,119,000.
2. USD 328,000 against amounts used from the loan provided by the Kuwaiti Economic Development Fund (financial facility) through the United Bank of Kuwait, or the equivalent of S.P. 47,145,000.

25. Sundry Provisions:

Details as per table hereunder

2013 figures	S.P. thousand				
	Balance at year beginning	Established during year	Used during year	Returned to revenues	Balance at year end
End of service indemnities	9,409				9,409
Sinking of securities	184				184
Delay interest – agricultural	115				115
Debt interest – agricultural	21				21
Various	4,979,322	1,282,580			6,261,902
Total	4,989,051	1,282,580			6,271,631
2012 Figures					
End of service indemnities	9,409				9,409
Sinking of securities	184				184
Delay interest – agricultural	115				115
Debt interest – agricultural	21				21
Various	4,979,322				4,979,322
Total	4,989,051				4,989,051

26. Income Tax

A. Provision for income tax

Movement Concerning the income tax provisions as follows

(S.P. thousand)

	2013 figures	2012 figures
Balance at year beginning	2,092,560	148,970
(-) paid income tax		
(+) due income tax	1,924,149	1,943,590
Balance at year end	4,016,709	2,092,560

27. Other Liabilities

Details as per table hereunder:

(S.P. thousand)

Description	2013 figures	2012 figures
Payable interests (due & unpaid)	76,825	76,897
Revenues received in advance	1,168,751	740,825
Expenses due & unpaid	432,457	288,229
Others (details to be mentioned)		
Previous bank settlement	48,966	48,966
Taxes & fees payable	247,796	258,263
Social security and pensions	12,146	50,464
Interim, transitional accounts	6,568,993	3,658,232
Total	8,555,937	5,121,876

28. Capital

Paid up capital is S.P. 70 billion.

30. Reserves

- Legal Reserve

The amounts of money accumulated in this account constitute the profits already transferred to it at the rate of 10% during the year and previous years. This total amounted at the end of 2013 to S.P. 17,900,546,000 against S.P. 16,933,503,000 at the end of 2012.

- **Special Reserve**

The amounts accumulated in this account constitute the profits already transferred to it at the rate of 10% during the year and previous years. This total amounted at the end of 2013 to S.P. 17,899,128,000 against S.P. 16,932,085,000 at the end of 2012.

- **Other Reserves**

Details are shown in the table hereunder

(S.P. thousand)		
Description	2013 figures	2012 figures
Other reserves	200,080	200,080
Designated for investment projects	4,405,174	4,348,886
Donations	27,933	15,306
Reserve for finance risks	878,896	878,896
Total	5,512,083	5,443,168

Donations at year end 2013 amounted to 27,933,000. This includes a donation from Ramez Atassi amounting to S.P. 600,000 covering differences concerning the technical and second levels in the building in Homs as per the Finance Ministry approval No. 4659 dated 22.12.2010. And the amount of S.P. 27,333,000 or the equivalent of USD 190,000, which is Qatar's contribution to the Islamic Foundation for Private Sector Development. This account is created by the Board of Director's decision No. 525/M/2010 dated 14.10.2010. But no general reserve has been made regarding finance risks, according to the Money and Credit Council decision No. 902/MN/B4 dated 23.11.2012 and amendments concerning classification of debts and the establishment of provisions, reserves, and amounts designated for CBS and expended on investment projects carried out in 2013.

33. Retained unrealized earnings

The earnings resulting from valuations of exchange that must be quite independent from the profits and losses of the (actual) operating exchange as

per the Money and Credit Council decision No. 362/MN/B4 of 4.2.2006. The unrealized profits amounted to S.P. 49,349,090,000 at the end of 2013, against unrealized earnings of S.P. 26,249,481,000 at the end of 2012. After remedying the previous year's unrealized earnings with those of the current year the balance becomes S.P. 75,598,571,000 at the end of 2013.

34. Net Profits

Net profits amounted to S.P. 7,736,339,000 at the end of 2013 against S.P. 4,283,822,000 at the end of 2012. Those net profits comprise the gross profits after deducting the assessed exchange profits, the income tax, and reserves, and represent the state's share in the profits which is transferred to the Finance Ministry (The Public Debt Fund) and are to be remedied account-wise during the upcoming year.

Income Statement

35. Interest Received

Details of this item are shown as follows:

Description	2013 figures	2012 figures
Direct credit facilities		
- Debit current accounts		
- Loans & advances	10,903,475	8,156,011
- Discounted promissory notes (bills)	55,921	114,100
- Credit cards		
Bank loans & advances		
Balances with central banks		
Balances & deposits with other banks & institutions	537,888	677,834
Branches & G.M. accounts	775,429	775,429
Documentary credit papers	172,429	158,932
Delay interests	53,630	90,422
Interest received in advance	44,938	59,348
Total	12,543,710	10,032,076

(S.P. thousand)

36. Interest Paid

Details of this item are shown as follows:

(S.P. thousand)

Description	2013 figures	2012 figures
Banks & Institutions deposits	90	12
Customer deposits		
- Current accounts	144,035	123,299
- Savings deposits	2,410,582	2,432,065
- Time deposits under notice	4,084,147	2,592,757
- Branches & G.M. accounts	775,429	775,429
Total	7,414,283	5,923,562

37. Commission & Fees Received

Details of this item are shown as follows

(S.P. thousand)

Description	2013 figures	2012 figures
Commissions on L/Gs & acceptance	520,486	304,863
Commissions on direct facilities	160	344
Commissions on indirect facilities	3,170,046	864,070
Commissions on purchased cheques	13,974	17,806
Commissions on sold cheques & drafts	209,286	87,555
Commissions on current accounts	7,575	4,524
Commissions on leasing safes	2,015	2,392
Commissions on exchange operations	212,856	182,633
Sundries	1,107,566	230,213
Total	5,243,964	1,694,400

38. Commissions & Fees Paid

(S.P. thousand)

Description	2013 figures	2012 figures
Commission on bills collection	707	1
Commission paid to Central Bank	2	794
Commission against drafts	–	11
Commission on counter valuation of property	465	395
Commission & expenses paid to correspondents	71,931	690
Commission paid on insurance	–	90,702
Total	<u>73,005</u>	<u>92,593</u>

39. Profit (loss) of Foreign Currency / Exchange Differences

Details are as follows

(S.P. thousand)

Description	2013 figures	2012 figures
Daily exchange differences (actual)	606,939	5,586,527
Exchange Structural position (assessed)	49,349,090	27,313,429
Total	<u>49,956,029</u>	<u>32,899,956</u>

44. Other Revenues

Details are as follows

(S.P. thousand)

Description	2013 figures	2012 figures
Public Debt Bonds interest	1,033,833	1,033,947
Stationery	27,566	11,376
Post, telephone, telegraph	25,245	26,415
Stamps	36	29
Profits from fixed assets sold	18	19
Commission on property valuation	263	1,878
Various draw-backs	770	666
Rents	2,166	2,694
Commission on paid up installments	308,254	355,755
Earnings from e-payment cards	479,604	555,126
Free Zones profits	25,209	30,407
Previous years earnings	11,775,813	416,916
Total	<u>13,678,777</u>	<u>2,435,228</u>

45. Employees Expenditures

Details of this item are shown in the table hereunder

(S.P. thousand)

Description	2013 figures	2012 figures
Salaries, benefits, allowances	1,366,932	1,226,447
CBS contribution to social security	193,685	177,585
Expenses on mail distribution	–	3
Transport indemnities	62	134
End of service indemnities	9,000	5,500
Janitors' clothing	9,001	5,592
Medical expenses	88,781	88,740
Employees training	36,800	31,099
Travel allowances	2,812	2,250
Amounts designated for social projects	25,471	15,740
Total	<u>1,732,544</u>	<u>1,553,090</u>

46. Other Operational Expenses

Details of this item are shown in the table hereunder

(S.P. thousand)

Description	2013 figures	2012 figures
Advertising + marketing	13,358	8,779
Rent under operational lease contracts	252,967	225,037
Stationery + other administrative expenses	81,196	44,291
<u>Others (mention details)</u>		
Reparation + maintenance of furniture	12,896	8,720
Reparation + maintenance of equipment	112,713	88,938
Transport means expenses	5,246	5,086
Transport means fuels	13,317	10,345
Fees + chamber of commerce fees	25	25
Government Commission charges	20,000	15,000
Diverse expenses	5,202	4,441
Subscription fees to bank federations	105	105
Post, Telephone, Telegraph	75,354	57,174
Hospitality	300	300
Donation	–	3
Stamps	895	625
Cleaning	29,437	28,934
Judicial	3,234	10,137
Various	21,863	9,825
Allowance for impairment of loans	8,349,467	3,974,112
Taxes & fiscal fees	2,519	1,853
Previous years expenses	13,063	81,586
Total	9,013,157	4,575,316

52. Risk Management

- Liquidity Risks

- I. The following table presents a summary of liability spread (undiscounted) on the basis of the remaining period of contractual maturity on the dates of the following statements:

2013 figures	Less than 8 days	8-30 days	1-3 months	3-6 months	6-9 months	Above 12 months	Total
Liabilities	37331959						37331959
Central Bank of Syria							
Local banks	8493982						8493982
G.M. & branches	2831684570						2831684570
Deposits	91585284	49470355	98586014	51494780	48871272	64252995	404260700
Sight deposits	52420327	39315246	39315246	39315246	39315246	52420327	262101637
Time deposits	1438166	4314498	53430157	6338923	3715415	4045185	73282344
Savings deposits	7787482	5840612	5840612	5840612	5840612	7787482	38937411
Blocked Acc.	29939308						29939308
Securities received	-	-	16490584	135777463	1669040	-	153937087
Values under short term payment	28277658						2827758
Different debtors	117412040						117412040
Borrowed cash	1354264						1354264
Diverse provisions	9005760						9005760
Interim Accounts	7619070						7619070
Total	3108393488	49470355	115076598	187272243	50540312	64252995	3575005991
Total of Assets according to maturity	3058105764	18567109	265481187	79744803	53413080	297811796	3773123739

III. Off-Balance Sheet Items

2013 figures	Up to one year	1-5 years	Total
Credits & Acceptances	286342865	–	286342865
Unused ceilings	2096444	–	2096444
Guarantees	139726199	–	139726199
Total	428165508	–	428165508

54. Capital Adequacy

Money and Credit Council Decision No. 253/MN/B4 of 24.1.2007 and amendments concerning the rate of capital adequacy of the Commercial Bank of Syria has been applied as per the following table:

(S.P. thousand)

Account	2013 figures	2012 figures
A. Net special assets	200,808,542	138,208,950
B. Risk-weighted assets	335,853,474	277,671,290
C. Risk-weighted off-balance sheet accounts	87,498,742	39,484,567
D. Market risks concerning total exchange positions	55,185,748	92,031,796
E. Operational risks	24,857,748	29,613,077
Adequacy rate A/(B+C+D+E)%	39,89	31,50

Computation of Profits and Losses

In view of the above it appears that the gross profits of the Commercial Bank of Syria for 2013 amount to S.P. 62,887,253,000 against S.P. 34,611,797,000 for 2012, which gives an increase of S.P. 28,275,456,000.-

According to the rules of operative laws the ordinary provisions and reserves have been deducted from the above profits. Thus the balance of net profits in

2013 becomes S.P. 7,736,339,000 against S.P. 4,283,822,000 for 2012, which means an increase of S.P. 3,452,517,000 as shown below:

Description		S.P.
Gross Profits		62,887,252,692.81
<u>Deducts</u>		
Legal Reserve at 10%	967,042,401.00	
Special Reserve at 10%	967,042,401.00	
Income tax provision	3,867,738,986.00	
(assessed) Unrealized retained profits	49,349,089,692.89	
		55,150,913,480.89
Net profits (government share in profits)		7,736,339,211.92

About computation of surplus available for development

The surplus available for development as per CBS financial planning for 2013 after deducting what is estimated to be spent on investment projects is estimated at S.P. 5,793,984,000.-. And in view of the results referenced in Profits and Losses Account, the amount of surplus actually available for development after deduction of what is expended on investment projects becomes S.P. 9,915,951,000.-, which shows an increase of S.P. 4,121,974,000 over and above the said figures, as shown below:

Estimated Surplus		Actual Surplus
4,463,987,000.00	Balance sheet surplus	7,736,339,211.92
1,442,997,000.00	Liquidity surplus	2,236,323,581.13
5,906,984,000.00	Total	9,972,662,793.05
113,000,000.00	(-) Expended on investment projects	56,288,393.00
5,793,984,000.00		9,916,374,400.05

This surplus will be transferred to the Finance Ministry – Public Debt Fund during the year in installments according to available liquidity.

The Result

Now that the real results of the 2013 fiscal year activities have been well explained and made clear through a summary analysis of the Balance Sheet computations and duly compared with those of 2012.

The consolidated financial statements have been initially approved and adopted by CBS Board of Directors at its session held on 2.6.2014 as per the Board decision No. 75/M/2014, as the final endorsement thereof will be given by the Central State Comptroller.

**Consolidated Balance Sheet of
the Commercial Bank of Syria, the Syrian Lebanese Bank
and Free Zones
As of 31.12.2013**

	2013 figures	2012 figures
<u>Assets</u>		
Cash & balances at central banks	158,389,363,977.06	126,767,074,017.31
Balances at banks and institutions	217,472,993,928.48	124,425,925,281.10
Deposits with banks and institutions	60,669,857,252.40	51,067,131,268.37
Financial assets at fair value in income statement	–	–
Financial instruments derivatives	–	–
Direct credit facilities (net)	382,170,436,589.01	295,880,657,924.92
Loans & advances to banks	–	–
Financial assets held for sale	–	–
Financial investments held until maturity	65,342,006,480.76	63,105,682,899.63
Pledged financial assets	–	–
Investments in allied companies	495,696,554.10	305,689,989.42
Investments in allied and affiliated companies (Unconsolidated in financial statements)	13,615,725.00	13,615,725.00
Real Estate investments	–	–
Fixed assets	2,429,542,421.63	2,183,838,876.02
Goodwill	–	–
Intangible assets	26,077,500.79	–
Deferred tax assets	–	–
Other assets	102,509,250,292.92	82,369,383,633.02
Deposit blocked with Central Bank of Syria	–	–
Total of assets	989,518,840,722.15	746,118,999,614.79

**Consolidated Balance Sheet of
the Commercial Bank of Syria, the Syrian Lebanese Bank
and Free Zones
As of 31.12.2013**

	2013 figures	2012 figures
<u>Liabilities and Equities</u>		
<u>Liabilities</u>		
Banks & institutions deposits	29,638,578,501.96	20,922,166,172.13
Customers deposits	415,581,958,986.80	350,763,604,843.30
Cash margins	278,815,941,909.24	144,329,136,942.39
Financial instruments derivatives	–	–
Borrowed cash	36,419,642,380.29	69,891,299,493.79
Debt bonds	–	–
Diverse provisions	7,073,117,249.34	5,114,511,445.17
Income tax provisions	4,016,709,190.98	2,092,559,861.98
Deferred tax liabilities	–	–
Others	8,985,627,321.12	5,458,314,269.51
Total Liabilities	780,531,575,539.73	598,571,593,028.27
<u>Equities</u>	–	–
<u>CBS shareholders rights</u>	–	–
Subscribed capital	82,239,551,542.29	76,562,056,716.42
Issue Allowance / (discount)	–	–
(Treasury shares)	–	–
Donations	27,933,400.00	15,306,000.00
Legal reserve	19,360,156,678.49	17,716,019,761.17
Special reserve	17,899,127,699.51	16,932,085,298.51
Other reserves	5,221,479,825.65	4,879,332,486.21
General reserve for finance risks	878,895,797.98	878,895,797.98
Difference concerning foreign currency translation	–	–
Accumulated change in fair value of financial assets available for sale	–	–
Shareholders rights in bonds and loan convertible to shares	–	–
Profit / (loss) for period after tax (only in interim statements)	7,761,549,010.07	4,314,228,990.69

**Consolidated Balance Sheet of
the Commercial Bank of Syria, the Syrian Lebanese Bank
and Free Zones
As of 31.12.2013**

	2013 figures	2012 figures
Realized profits retained (accum. losses)	–	–
Unrealized profits retained (accum. losses)	75,598,571,228.43	26,249,481,535.54
Total equities – CBS share holders	208,987,865,182.42	147,547,406,586.52
Minorities rights	–	–
Total equities	–	–
Total liabilities and equities	989,518,840,722.15	746,118,999,614.79

**Consolidated Income Statement of
the Commercial Bank of Syria, the Syrian-Lebanese Bank
and Free Zones
As of 31.12.2013**

	2013 figures	2012 figures
Interest received	13,961,189,001.00	10,757,700,441.00
Interest paid	(7,559,276,702.64)	(5,995,276,413.04)
<u>Net income from interest</u>	<u>6,401,912,298.36</u>	<u>4,762,424,028.76</u>
Fees, commissions received	5,867,329,421.38	1,894,864,557.71
Fees, commissions paid	(87,759,405.31)	(105,434,379.77)
<u>Net income from fees & commissions</u>	<u>5,779,570,016.07</u>	<u>1,789,430,177.94</u>
<u>Net income from interest, fees, commissions</u>	<u>12,181,482,314.43</u>	<u>6,551,854,206.70</u>
Operational profit / (loss) resulting from foreign currency valuations	651,663,290.21	5,602,317,361.32
Profit (loss) of exchange structural position valuations	49,349,089,692.89	27,313,429,427.83
Profit (loss) of financial assets held for trading		–
Profit (loss) of financial assets defined for fair value measuring through Income statement		–
Profit (loss) of financial assets available for sale		
other operational revenues	13,662,204,440.75	2,649,638,331.04
<u>Total operational income</u>	<u>75,844,439,738.28</u>	<u>42,117,239,326.89</u>

**Consolidated Income Statement of
the Commercial Bank of Syria, the Syrian-Lebanese Bank
and Free Zones
As of 31.12.2013**

(S.P. thousand)

	2013 figures	2012 figures
Employees expenditures	(2,298,497,350.84)	(1,810,867,460.40)
Depreciation of tangible fixed assets	(343,083,316.96)	(326,416,113.29)
Impairment of intangible assets		
Losses resulting from sinking direct credit facilities		
Losses resulting from sinking financial assets held until maturity		
Diverse provisions		
Other operational expenses	(10,315,608,377.67)	(5,368,157,890.59)
Total Operational Expenditures	(12,957,189,045.47)	(7,505,442,464.28)
Profit (loss) from operation	62,887,250,692.81	34,611,796,862.61
CBS share in profit (loss) of allied companies		
Declared profits of allied, affiliated companies (unconsolidated in financial statements only)		
Profit (loss) before tax		
Profit (loss) of the year		
Income tax	3,867,738,986.00	1,943,589,657.00
Legal reserve	967,042,401.00	535,477,777.00
Special reserve	967,042,401.00	535,477,777.00
General reserve for finance risks	–	–
Unrealized loss retained (assessed loss)	49,349,089,692.89	27,313,429,427.83
State share in profits	7,736,339,211.92	4,283,822,223.78
Grand Total	62,887,252,692.81	34,611,796,862.61

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
A. Cash flows from operational activities, net result before tax	34,611,797	62,887,252	28,275,455
<u>Adjustment on net result before tax to reconcile with cash resulting (used in) from operational activities</u>			
Add:	384,938	572,929	187,991
- Net provision on debts			
- Depreciation and provisions for sinking value of fixed assets			
- Differences of negative valuation of financial investment held for trading			
- Provision for sinking value of financial investment			
- Provisions for sinking value of shares and contributions to banks & institutions			
- Provisions for impairment of disputed bank accounts			
- Net provisions on off-balance sheet accounts			
- Sundry provisions			
- Capital losses			
- Payable undue realized interests			
- Unpaid due expenses	384,938	572,929	187,991
Net result before tax after additions	34,996,735	63,460,181	28,463,446
Deduct	613,371	549,171	64,199
- Differences of positive valuation of financial assets held for trading			
- Capital profits			
- Realized interest, commissions, receivable	613,371	549,171	64,199
Total carried forward	34,383,364	62,911,010	28,527,646

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
Total brought forward	34,383,364	62,911,010	28,527,646
Changes in Assets and Liabilities			
- (Increase)/decrease in bonds on state, Treasury notes for trading, deposit certificates			
- (Increase)/decrease in G.M. & branches accounts in Syria and abroad	1,810,177,594	2,907,151,941	(1,096,974,346)
(Increase)/decrease in drawings account and bought shipping docs.			
- (Increase)/decrease in documentary credit securities, blocked accounts, operations under settlement	1,499,613	3,821,256	(2,321,643)
- (Increase)/decrease in financial instruments for trading account			
- (Increase)/decrease in credit facilities account	295,947,672	381,006,378	(85,058,706)
- (Increase)/decrease in different debtors account	43,714,419	15,628,663	28,085,756
- (Increase)/decrease in payments advanced on profits of public banks favour the Public Debt Fund (balance sheet surplus)			
- (Increase)/decrease in sundry assets	9,045,880	20,699,453	(11,653,573)
- (Increase)/decrease in G.M. & branches account	1,781,142,533	2,841,527,406	1,060,384,874
- (Increase)/decrease in deposits account	350,770,763	415,595,519	64,824,757

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
- (Increase)/decrease in received securities account	105,474,814	155,745,121	50,270,307
- (Increase)/decrease in account of values set for short term payment	2,170,048	2,827,757	657,709
- (Increase)/decrease in account of different creditors	36,718,381	120,253,944	83,535,563
- (Increase)/decrease in operations on financial instruments account			
- (Increase)/decrease in account of other revenues received in advance	941,806	1,436,867	495,061
- End-of-service indemnity paid			
- Other credit accounts			
- Net cash resulting (used) from operational activities before tax	151,216,531	271,989,934	120,773,403
- Tax paid	1,943,590	3,867,739	(1,924,149)
- Net cash resulting (used) from operational activity after tax (Total A)	149,272,941	268,122,195	118,849,254
B. Cash Flows from Investment Activities			
- (Increase)/decrease in accounts with Central Bank of Syria (except current accounts, compulsory cash reserve on deposits)	1,668,228	3,048,470	(1,380,242)

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
- (Increase)/decrease in account of state bonds & Treasury notes (except public bonds & treasury notes held for trading)	63,066,083	65,302,406	(2,236,323)
- (Increase)/decrease in banks accounts (except current accounts, deposit cert. bought from banks for trading)	52,570,160	60,669,857	(8,099,698)
- (Increase)/decrease in accounts of state bonds & treasury notes (except public bonds & treasury notes for trading)			
- (Increase)/decrease valuation differences			
- (Increase)/decrease in shares and contributions to banks & institutions	319,306	509,312	(190,007)
- (Increase)/decrease in intangible fixed assets	34,899	26,078	8,822
- (Increase)/decrease in tangible fixed assets	2,057,884	2,288,483	(230,599)
- (Increase)/decrease in financial fixed assets			
- (Increase)/decrease in valuation differences			
- (Increase)/decrease in real values set for sale			

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
- (Increase)/decrease in profits or (losses) resulting from change in fair value of investments in financial instruments held for sale			
- Other accounts			
- Cash dividends received			
- Net cash resulting (used) from investment activities (Total B)	(119,716,560)	(131,844,607)	(12,128,047)
C. Cash Flows from financing activities			
- Increase/(decrease) in the account of compulsory reserve on deposits		18,229,075	(18,229,075)
- Increase/(decrease) in unpaid subscribed installments			
- Increase/(decrease) in Central Bank of Syria account	69,065,378	35,065,378	(34,000,000)
- Increase/(decrease) in banks accounts (except current accounts)	155,607	292,822	137,215
- Increase/(decrease) in deposit certif. accounts			
- Increase/(decrease) in borrowed cash	825,921	1,354,264	528,343
- Increase/(decrease) in valuation differences	189,717	934,519	744,802
- Increase/(decrease) in special supportive cash		0	

**Consolidated Cash Flows Statement of
Commercial Bank of Syria, Syrian – Lebanese Bank, Free Zones
As of 31.12.2013 (Final)**

Description	31.12.2012	31.12.2013	Difference
- Increase/(decrease) in capital of reserves & allowances	115,912,740	123,693,061	7,780,321
- Paid cash dividends			
- Other accounts	7,207,071	9,807,247	2,600,175
	3,908,928	5,973,506	2,064,578
	(1,063,947)	26,249,481	27,313,428
- Net cash resulting (used) from financing activities (Total C)	196,201,415	185,141,203	(11,060,212)
- Net cash resulting (used) from all activities (D = Total A+B+C)	225,757,796	321,418,791	95,660,995

*Consolidated Cash Flows Statement of Commercial Bank of Syria,
Syrian – Lebanese Bank, Free Zones As of 31.12.2013 (Final)*

Description	31.12.2012	31.12.2013	Difference
	246,524,355	350,767,547	
Cash and cash equivalent, current accounts with banks at end of previous period	20,766,559	29,345,756	
Total	225,757,796	321,418,791	95,660,995

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	cbos@mail.sy
Branch No.1	Moawiya Street Manager: Rema Al- Maghrabi	2228728	2225870 2225871 2455768	2222597	2231	dam1.cbs@mail.sy
Branch No.2	Al Nasr Street Manager: Jihad Bitar	2222898	2243142 2222456 2210445	2218590	314	dam2.cbs@mail.sy
Branch No.3	Harika Square Manager: Hanaa Al-Khatib	2216912	2210555 2210556 2210557	2215347	183	dam3.cbs@mail.sy
Branch No.4	Moawiya Street Manager: Nada Sa'dy	2224685	2211900 2211553 2214820	2211554	246	dam4.cbs@mail.sy
Branch No.5	Saadallah Jabri Street Manager: Mazenah Gamall Aldin	2225699	2212901 2212902 2212903	2216102	1	dam5.cbs@mail.sy
Branch No.6	Yousef Azmeh Square Manager: Abdul Rahman Al-Rifai	2214222	2225102 2225100 2225101	2227154	2655	dam6.cbs@mail.sy
Branch No.7	29 Ayyar Street Manager: Mhd Ali Jokhadar	2318030	2314659 2318033 2318034	2318038	3179	dam7.cbs@mail.sy
Branch No.8	Port Said Street Manager: Ghada Haddad	2323106	2312777 2311522	2319258	1178	dam8.cbs@mail.sy
Branch No.9	Kouatli Street Manager: Hanan Issa	2240909	2228132 2226451 2216141	2228132	5972	dam9.cbs@mail.sy
Branch No.10	Borj El-Rouss Manager: Faiz Shar	5422896	5422895 5422897	5423305	22241	dam10.cbs@mail.sy
Branch No.11	Osman Bin Affan Street Manager: Samia Anas	2127855	2126302 2138265	2123790	6305	dam11.cbs@mail.sy
Branch No.12	Jisr ELAbiad Manager: Wafaa Saadeh	3320356	3342912 3320662	3320579	12081	dam12.cbs@mail.sy

3349552

Branch No.13	Mazzah Jabal Manager: Yahia Ramadan	6610645	6615986 6669386 6615987	6624196	16005	dam13.cbs@mail.sy
Branch No.14	AL Thaura Street Manager: Najwa Nukkari	2312850	2312851 2312852 2312531	2312853	11972	dam14.cbs@mail.sy
Branch No.15	Yarmouk Street Manager: Yaser Masri	6313107	6313101 6313103	6313102	29072	dam15.cbs@mail.sy
Branch No.16	Meysat Street Manager: Rima Rihawi	2757950	2758083 2758084	2757979	11893	dam16.cbs@mail.sy
Branch No.17	Bab Touma Street Manager: Maher Al-Zubi	5415697	5415736 5415734	5415686	2041	dam17.cbs@mail.sy
Rawdah Branch	Rawda Area-Zuhair Bin Abi Salma St. Manager: Suhair Halabi	3317197	3317334 3328001 3328002	3317093	3857	cbos@mail.sy
Branch in Damscus department of finance	Arnous Sq. Manager: Malak Dakak	3341263	3341276 3341249	3341269	933	cbos@mail.sy
Barzeh Branch	Barzeh Housings – behind Hamish hosp. Manager: Hiam Abbas	5144959	5144924 5144943 5144947	5144993	933	cbos@mail.sy
Free Zone	Osman Bin Affan Street Manager: Samia Anas	2119601	2127855	2129222	5528	damfzlcbs@mail.sy
Douma Branch	Jamal Abdalnaser Street Manager: Nada Mourad	5743010	5743018 5743019	5743033	561	damdomal.cbs@mail.sy
AL-TAL Branch	Main Street Manager: Khaled Sabbagh	5942133	5942055 5942130 5943070	5942112	933	cbos@mail.sy
Al-Zabadani Branch	Manager: Mahmoud Belal	7119410	7119430 7119440	7119420	933	cbos@mail.sy
Dair Atieh	Ahmed Showki St. Manager: Ryda Tarboush	7836412	7837252	7836413	933	cbos@mail.sy
Al- Assad District Branch - Harasta	Commercial Complex Manager: Rajaa Sulieman	5352265	5353132 5957261	5355593	933	cbos@mail.sy

Zablatani Branch	Souk alhal Manager: Muetaz Saleh	4630906	4630150	933	cbos@mail.sy
Almaza Branch	Almaza street Manager: Amal Sarakbe	6610340	6614975 6619192	933	cbos@mail.sy
Jdaidet Artouz Branch	Housing Area Manager: Suhair Atmeh	6817855	6817288	933	cbos@mail.sy

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’s Office	Branch 7 Damascus	4473012	4414973
Dummar Project	Sham Central Market	Branch 6 Damascus	3124571 3123930	3121643

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
Departures New Terminal	Cash Center	Damascus International Airport
Airport Customs	Cash Center	Damascus International Airport
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
Branch No.1	Kastal Hajjarin Street Manager: Adnan Hanan	3315622	3315602 3315606 3315220	3315630	2	alp1.cbs@mail.sy
Branch No.2	EL-Azmeh Street Manager: Riad Abiad	2122904	2112218 2125741 2119107	2119836	887	alp2.cbs@mail.sy
Branch No.3	Khan Al-Harir, behind the mosque Manager: Shaza Attar	3622550	3620150 3620151 3620152	3620157	449	alp3.cbs@mail.sy
Branch No.5	Kastal Hajjarin Street Manager: Rumeza Al-Soubai	2216201	2216439	2216430	6760	alp5.cbs@mail.sy
Branch No.6	Ugarit Street Manager: Sheik Mohamed	2114865	2115547 2119358 2123784	2120671	363	alp6.cbs@mail.sy
Branch No.7	Zahra Street. Manager: Ziad Zeitoni	4643805	4643801 4643802 4643803	4643804	1410	alp7.cbs@mail.sy
Branch No.8	Kastal Hajjarin St. Manager: Randa Mulke	3315525	3315518 3315519 3321710	3315504	9588	alp8.cbs@mail.sy
Free Zone	Kastal Hajjarin St. Manager: Riad Abiad	3315622	3315711	3315712	2	alpfz.cbs@mail.sy

Aleppo Service Offices

Office	Address	Supervised by	Tel	Fax
Aleppo University	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
Mousalmieh	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)

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

Lattakia Service Offices

Office	Address	Supervised by	Tel	Fax
Lattakia Port	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
Jumhuriya	Jumhuriya Str.	Branch 1 Lattakia	333481 333482	333483
Beit Yashout	B-Yashout	Jableh	866271	866272

Lattakia Exchange Points

Point	Branch	Address
Port Point	Branch 4 Lattakia	Port 354130
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@m ail.sy
Branch No.2	Al-Walid Street Manager Abdul Aziz Al-Subai	2485501	2478897 2478798 2483719	2478799	132	hom2.cbs@m ail.sy
Branch No.3	AL-Abbas Street Manager: Nawal Boider	2467839	2475215 2464505 2464439	2475103	203	hom3.cbs@m ail.sy
Branch No.4	Kouatli Street Manager: Mahmoud Ali	2481231	2482270 2482271 2477185	2481232	4745	hom4.cbs@m ail.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 3 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 3 Homs	Near Museum

Hama Branches Area Code (033)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Branch No.1	Kouatli Street Manager: Mamdouh Esmaeel	2510919	2510917 2510918	2515726	16	hama1.cbs@mail.sy
Branch No.2	Kouatli Street Manager: Talal Milli	2210641	2210961 2210962 2210964	2210641	229	hama2.cbs@mail.sy
Branch No.3	Dabagha Street Manager: Amal Al- Haiba	2518822	2518821 2518823 2517824	2523445	5	hama3.cbs@mail.sy
Branch No.4	Manager: Ibrahim Kosheje	2519544	2520780	2520780	85	cbos@mail.sy
Mouharda Branch	main Street Salam Garden Manager: Rima Sarofeen	4741615 8843302	4741612 4741613 8843302	4741611 8811691	-	hama1.cbs@mail.sy
Salamieh Branch	Secondary School Street Manager: Amal Hamoudeh	8811724	8843302	8811691		hama1.cbs@mail.sy
Misiaf Branch	Opposite Municipality Manager Riad Abiad	7703515 7703513	7703515 /16/17	7703514		

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
Tartous Port	Tartous Port	Branch 2 Tartous	325163	325163
Free Zone Tartous	Free Zone	Branch 1 Tartous	310721	310720
Madina	Hanano Street	Branch 2 Tartous	328983	323806
Mashta Al-Hilou	Inside the Spa	Safita	586357	586077
Annaza Office	Annaza	Banias	640000	-
Dahr Safra	Dahr Safra	Bmalkeh	614003	-

Tartous Exchange Points

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

Daraa Branches Area Code (015)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Branch No.1	AL-Mahatta Street Manager: Amal Jarjoura	234665	231410 230582	231250	933	dara1.cbs@m ail.sy
Free Zone	AL-Mahatta Street Manager: Amal Jarjoura	234665	480002	231250	933	darafzl.cbs@ mail.sy

Daraa Service Offices

Office	Address	Supervised by	Tel	Fax
Sheikh Miskeen Office	Main Circle	Daraa Branch	812473	859875
Sanamein Office	Shamali Street Damascus Road	Daraa Branch	861311	231250

Daraa Exchange Points

Point	Branch	Address
Old Daraa Border Point	Daraa Branch	Ramtha Street 231644
Nasseeb Point for Trucks	Cash Center	Nasseeb Border Point 251391
Nasseeb Point for Cars	Cash Center	Nasseeb Border Point 251408
Arrivals – Immigration for Coaches	Cash Center	Nasseeb Border Point
Arrivals – Immigration for car	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 Branches (Area Code 016)

	Address	Tel	Operator	Fax	P.O.Box	E-mail
Al- Sweida Branch	Sultan Atrach Street Manager: Wafa Al Massri	233920	231860 231791 234704	241960	21	sweda1.cbs@mail.sy
Shahba Branch	Shahba Manager: Mufeed Abu Hamdan	716396		716398		

Deir Ezzor Branches (Area Code 051)

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

Deir Ezzor Exchange Points

Point	Branch	Address
Deir Ezzor Airport	Deir Ezzor Branch	Airport

Al-Hassakeh and Qamishli Branches (Area Code 052)

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

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: Riad Sattoff	241363	239522 239580	238420	2	edilb1.cbs@mail.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 Branch (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

True Translation
Damascus: 02.02.2015

Sworn translator
Walid Shehadeh