

AMEEN S.A.L.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED SEPTEMBER 30, 2009

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BT 32761/DTT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Ameen S.A.L.
Beirut, Lebanon

We have audited the accompanying financial statements of AMEEN S.A.L., which comprise the statement of financial position as at September 30, 2009, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Audit. Tax. Consulting. Financial Advisory.

Member of
Deloitte Touche Tohmatsu

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of AMEEN S.A.L. as of September 30, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon
November 10, 2008

Deloitte & Touche
Deloitte & Touche

AMEEN S.A.L.
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Notes</u>	<u>September 30</u>	
		<u>2009</u> USD	<u>2008</u> USD
Current Assets:			
Cash and Banks	5	2,285,585	1,847,586
Loans and advances to customers	6	1,654,744	937,272
Regularization accounts and other receivables	7	<u>79,682</u>	<u>18,602</u>
		<u>4,020,011</u>	<u>2,803,460</u>
Non-Current Assets:			
Property and equipment	8	197,528	196,732
Intangible assets		<u>27,249</u>	<u>16,560</u>
		<u>224,777</u>	<u>213,292</u>
Total Assets		<u>4,244,788</u>	<u>3,016,752</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accrued charges and other payables	9	146,279	131,093
Taxes payable	10	108,341	59,896
Loans from not-for-profit organizations	12	654,224	-
Due to parent company	11	<u>1,004,782</u>	<u>951,184</u>
		<u>1,913,626</u>	<u>1,142,173</u>
Non-Current Liabilities:			
Employees' provision for end-of-service indemnity		<u>53,423</u>	<u>31,083</u>
		<u>53,423</u>	<u>31,083</u>
Total Liabilities		<u>1,967,049</u>	<u>1,173,256</u>
<u>EQUITY</u>			
Capital	13	1,577,618	1,577,618
Legal reserve	14	48,013	19,814
Retained earnings		217,865	154,689
Income for the year		<u>434,243</u>	<u>91,375</u>
Total Equity		<u>2,277,739</u>	<u>1,843,496</u>
Total Liabilities and Equity		<u>4,244,788</u>	<u>3,016,752</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

AMEEN S.A.L.
STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	<u>Year Ended</u> <u>September 30</u>	
		<u>2009</u>	<u>2008</u>
		<u>USD</u>	<u>USD</u>
Interest on loans and advances to customers and revenue sharing on global loans portfolio	6	1,738,578	1,091,912
Interest on bank accounts	5	115,581	65,339
Commission and fee income	6	773,817	587,661
Commission and fee expense		(176,313)	(49,512)
Loan from not-for-profit organization transferred to grant	12	50,147	-
		<u>2,501,810</u>	<u>1,695,400</u>
Impairment allowance on non-performing loans (net of write-backs)	6	(3,092)	(13,876)
Net financial revenues		<u>2,498,718</u>	<u>1,681,524</u>
Depreciation and amortization		(33,277)	(18,506)
General and administrative expenses	15	(441,074)	(330,576)
Salaries and related charges	16	(1,552,419)	(1,226,299)
Other income (net)		53,724	8,379
		<u>(1,973,046)</u>	<u>(1,567,002)</u>
Profit before income tax		525,672	114,522
Provision for income tax	10	(91,429)	(23,147)
Net profit for the year		<u>434,243</u>	<u>91,375</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

AMEEN S.A.L.
STATEMENT OF CHANGES IN EQUITY

<u>Notes</u>	<u>Capital</u> <u>USD</u>	<u>Legal</u> <u>Reserve</u> <u>USD</u>	<u>Retained</u> <u>Earnings/</u> <u>(Accumulated</u> <u>Losses)</u> <u>USD</u>	<u>Income for</u> <u>the Year</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Balance as at September 30, 2007	1,329,644	15,416	(51,964)	134,986	1,428,082
Prior periods adjustment 17	-	-	76,065	-	76,065
Adjustment of legal reserve balance	-	4,398	(4,398)	-	-
Allocation of income for the year ended September 30, 2007	-	-	134,986	(134,986)	-
Capital increase	247,974	-	-	-	247,974
Profit for the year ended September 30, 2008	-	-	-	91,375	91,375
Balance as at September 30, 2008	1,577,618	19,814	154,689	91,375	1,843,496
Allocation of profit for the year ended September 30, 2008	-	28,199	63,176	(91,375)	-
Profit for the year ended September 30, 2009	-	-	-	434,243	434,243
Balance as at September 30, 2009	<u>1,577,618</u>	<u>48,013</u>	<u>217,865</u>	<u>434,243</u>	<u>2,277,739</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

AMEEN S.A.L.
CASH FLOW STATEMENT

	<u>Notes</u>	<u>Year Ended</u> <u>September 30</u>	
		<u>2009</u>	<u>2008</u>
		<u>USD</u>	<u>USD</u>
Cash flows from operating activities:			
Net profit for the year		434,243	91,375
Adjustments for:			
Depreciation and amortization		33,277	18,506
Provision for income tax		91,429	23,147
Interest income		(1,854,159)	(1,157,251)
Impairment allowance on non-performing loans net of write-back		3,092	13,876
Provision for end-of-service indemnity/(write-back) (net)		27,228	(2,500)
(Increase)/decrease in loans and advances to customers		(730,991)	592,780
Increase in regularization accounts and other receivables		(3,198)	(11,315)
Increase in accrued charges and other payables		15,186	91,554
Increase/(decrease) in taxes payable		10,607	(18,799)
Income tax paid		(53,591)	(23,747)
Interest received		1,804,928	1,109,746
Settlement of provision for employees' end-of-service indemnity		(4,888)	-
Net cash (used in)/provided by operating activities		<u>(226,837)</u>	<u>727,372</u>
Cash flows from investing activities:			
Acquisition of property and equipment		(29,082)	(114,259)
Acquisition of intangible assets		(15,680)	(1,567)
Net cash used in investing activities		<u>(44,762)</u>	<u>(115,826)</u>
Cash flows from financing activities:			
Increase in due to parent company		53,598	949,158
Increase in loans from not-for-profit organizations		<u>654,224</u>	-
Net cash provided by financing activities		<u>707,822</u>	<u>949,158</u>
Net increase in cash and banks		436,223	1,560,704
Cash and banks -- Beginning of year		<u>1,847,586</u>	<u>286,882</u>
Cash and banks -- End of year	5	<u>2,283,809</u>	<u>1,847,586</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

AMEEN S.A.L.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2009

1. COMPANY FORMATION AND ACTIVITIES OF THE COMPANY

AMEEN S.A.L. is a Lebanese joint-stock company initially registered in the Register of Commerce of Beirut on May 2003 under number 10001173. On September 25, 2007, the Governor of the Bank of Lebanon approved the transfer of the company to a financial institution and the inclusion of the name of AMEEN S.A.L. on the list of the Financial Institutions under number 49. As a result of this change, the company has been given a new registration certificate in the Register of Commerce of Baabda on January 23, 2008 under number 2011825. The Company is owned by Cooperative Housing Foundation (CHF) to the extent of 99.99%.

The Cooperative Housing Foundation (CHF) has established the micro-finance program "The Access to Microfinance and Enhanced Enterprise Niches" (AMEEN) in Lebanon to provide micro-loans and saving services to low-income micro-entrepreneurs in Lebanon. In order to expand the Company's activities in Lebanon, the Company has signed agreements with four Lebanese banks to cooperate for the purpose of providing services in order to jointly manage the micro-finance lending portfolio.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Company has early adopted new and revised International Financial Reporting Standards and interpretations which are effective for annual reporting periods beginning on or after October 1, 2009. The adoption of these standards and interpretations has not led to any changes in the company's accounting policies.

At the date of authorization of these financial statements, new International Financial Reporting Standards and Interpretations were in issue but not yet effective. The directors anticipate that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on the historical cost basis.

The Company has early adopted the IAS 1 (Revised) presentations of financial statements (effective for accounting periods beginning on or after January 1, 2009). This amendment resulted in the adoption of new terms to some of the financial statements components in addition to changes in presentations and disclosure requirement.

B. Foreign Currencies:

The financial statements are presented in US. Dollars which is the Company's functional currency.

Transactions in currencies other than the reporting currency of the entity are initially recorded at the rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary assets and liabilities denominated in such currencies are retranslated to the reporting currency of the entity at the rates prevailing at that date. Exchange differences are recognized in profit or loss in the period.

C. Property and Equipment:

Property and equipment are stated at cost less accumulated depreciation and impairment losses if any.

Depreciation is charged to the income statement over the estimated useful lives of the related assets using the straight-line method at the following annual depreciation rates:

Furniture and office equipment	8
Vehicles	10
Installations	8
Computer equipment	20

D. Employees' end-of-service indemnities:

The provision for staff end-of-service indemnities is based on the liability that would arise if the employment of all the staff were terminated at the balance sheet date. The provision for end-of-service indemnities is calculated on the basis of employees' number of years of service multiplied by the monthly average salary of the last 12 months earnings, less contributions settled by the Company to National Social Security Fund.

E. Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and advances are disclosed at amortized cost net of unearned interest and after provision for credit losses where applicable.

Bad and doubtful debts are carried on a cash basis because of doubts and the probability of non-collection of principal and/or interest.