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BLC Bank s.a.l.
Beirut, Lebanon

We have audited the accompanying consolidated financial statements of BLC Bank s.a.l. (the "Bank") and the subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement 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 consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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, within the framework of local banking laws. 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.

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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon
March 18, 2009

Deloitte & Touche



Consolidated Balance Sheet

December 31		2008	2007
		(LBP'000)	
ASSETS	Notes		
Cash and Central Bank	5	466,947,333	339,061,072
Deposits with banks and financial institutions	6	166,969,533	235,337,035
Trading securities	7	17,142,330	17,756,365
Loans and advances to customers	8	415,346,781	287,854,070
Available-for-sale investment securities	9	1,368,050,383	1,097,566,144
Held-to-maturity investment securities	9	391,958,405	498,515,236
Customers' liability under acceptances	10	21,677,733	16,340,966
Assets acquired in satisfaction of loans	11	76,881,667	77,730,765
Property and equipment	12	35,547,668	20,256,318
Intangible assets	13	3,992,847	4,285,494
Other assets	14	7,531,059	17,154,850
Total Assets		2,972,045,739	2,611,858,315

FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS

Letters of guarantee and stand-by letters of credit	32	52,360,336	62,401,042
Letters of credit		43,297,992	42,367,888
Forward exchange contracts		24,047,429	33,917,818

Consolidated Balance Sheet (contd.)

December 31		2008	2007
		(LBP'000)	
LIABILITIES	Notes		
Deposits and borrowings from banks	15	36,140,772	23,695,600
Customers' accounts at amortized cost	16	2,610,509,127	2,230,415,715
Customers' accounts designated at fair value through profit or loss	16	2,255,708	-
Liability under acceptances	10	21,677,733	16,340,966
Other borrowings	17	11,845,723	112,426,267
Other liabilities	18	26,478,051	16,612,235
Provisions	19	26,329,209	18,863,768
Total Liabilities		2,735,236,323	2,418,354,551

EQUITY

Capital	20	152,700,000	152,700,000
Reserves	21	32,044,215	6,218,878
Reserve for assets acquired in satisfaction of loans	21	8,574,485	8,402,630
Retained Earnings		12,120,415	15,628,578
Cumulative change in fair value of available-for-sale securities	22	(3,630,413)	(12,106,603)
Net profit for the year (attributable to equity holders of the Bank)		34,501,144	22,424,270
Total equity attributable to the equity holders of the Bank		236,309,846	193,267,753
Minority interest		499,570	236,011
Total equity		236,809,416	193,503,764

Total Liabilities and Equity		2,972,045,739	2,611,858,315
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Consolidated Income Statement

Year Ended December 31		2008	2007
		(LBP'000)	
CONTINUING OPERATIONS			
	Notes		
Interest income	23	196,406,716	191,356,818
Interest expense	24	(130,599,938)	(142,768,831)
Net interest income		65,806,778	48,587,987
Fee and commission income	25	12,071,089	9,722,242
Fee and commission expense	26	(2,295,643)	(1,392,993)
Net fee and commission income		9,775,446	8,329,249
Net interest and other gain/(loss) on trading portfolio	27	(486,381)	1,235,946
Other operating income	28	4,608,461	4,263,052
Net financial revenues		79,704,304	62,416,234
Allowance for impairment of loans and advances	8	(1,966,219)	(5,088,932)
Write-back of impairment loss on loans and advances	8	8,886,760	11,859,390
Write-off of loans		(30,384)	(1,113)
Write-back of discount on loan portfolio purchased	8	6,248,077	832,300
Net financial revenues after impairment charge for credit losses		92,842,538	70,017,879
Gain on disposal of property and equipment and properties acquired in satisfaction of loans		859,566	634,076
Write-back provisions (net)	19	60,300	4,181,250
Staff costs	29	(31,117,227)	(25,882,624)
Administrative expenses		(16,631,383)	(17,304,566)
Depreciation and amortization	12,13,14	(4,729,436)	(10,309,085)
Profit before income tax		41,284,358	21,336,930
Income tax expense		(6,562,567)	(4,729,808)
Net profit for the year from continuing operations		34,721,791	16,607,122

Consolidated Income Statement (contd.)

Year Ended December 31		2008	2007
	Notes	(LBP'000)	
DISCONTINUING OPERATIONS			
	30		
Net profit for the period from discontinuing operations		-	2,384,940
Gain on disposal of subsidiary		-	3,913,682
Income tax expense		-	(391,368)
		-	5,907,254
Net profit for the year		34,721,791	22,514,376
ATTRIBUTABLE TO:			
Equity holders of the Bank		34,501,144	22,424,270
Minority interest		220,647	90,106
		34,721,791	22,514,376
EARNINGS PER SHARE			
From Continuing and Discontinuing operations:			
Basic earnings per share for the year	31	LBP227	LBP170
From Continuing Operations:			
Basic earnings per share for the year	31	LBP227	LBP126

