

Loan Revolving Fund
Arab Center for Agricultural Development (ACAD)
Non-Profit, Non-Governmental Organization
Ramallah-Palestine

Financial Statements and
Independent Auditor's Report
For the Year Ended December 31, 2012

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Independent Auditor's Report

**To the General Assembly
Arab Center for Agricultural Development (ACAD)
Ramallah-Palestine**

Report on the financial statements:

We have audited the accompanying financial statements of the **Loan Revolving Fund** administered by the **Arab Center for Agricultural Development (ACAD) "Non – Profit, Non – Governmental Organization"**, which comprise the statement of financial position as of December 31, 2012, the statement of income, the statement of changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements:

The management of ACAD is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note (2), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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 about 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 Center'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 Center'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.



As mentioned in note (13) the accounts for lending activities were separated from the centers to inform users of financial statements of the results related to this activity, since it is the most important activity in the center and has different properties than the rest of other activities of the Arab Center of Agricultural Development, and it is not necessary to be prepared in accordance with International Financial Reporting Standards.

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 give a true and fair view of the financial position of the Loan Revolving Fund as of December 31, 2012, its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note (2).

Ramallah:
April 22, 2013



Deloitte & Touche

Deloitte & Touche (M.E)

Statement -A

Loan Revolving Fund
Arab Center For Agricultural Development (ACAD)
Ramallah-Palestine


Statement of Financial Position
For the Year Ended December 31, 2012

		December 31, 2012	December 31, 2011
	Note	USD	USD
ASSETS:			
Cash in Hand and at Banks	3	1,252,983	860,385
Loans Receivable-Net	4	4,622,278	4,210,156
Interest Receivable		109,285	95,780
Other Assets	5	285,745	206,076
Fixed Assets-Net	6	36,277	45,275
TOTAL ASSETS		6,306,568	5,417,672
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
Payables and Accruals	7	85,326	15,827
Loans Payable	8	2,428,985	1,883,382
Employees' Benefits	9	716,863	631,064
TOTAL LIABILITIES		3,231,174	2,530,273
NET ASSETS:			
Loan Revolving Fund		3,033,250	2,840,619
General Reserve for Loan Losses		42,144	46,780
TOTAL NET ASSETS - Statement (C)		3,075,394	2,887,399
TOTAL LIABILITIES AND NET ASSETS		6,306,568	5,417,672

The Accompanying Notes Constitute an Integral Part of These Financial Statements


Board Chairman




Board Member

Statement -B

Loan Revolving Fund
Arab Center For Agricultural Development (ACAD)
Ramallah-Palestine

Statement of Income
For the Year Ended December 31, 2012

	December 31, 2012	December 31, 2011
Note	<u>USD</u>	<u>USD</u>
Interest and Lending Revenues:		
Interest Received	992,658	893,544
Collections of Written Off Loans	14,923	25,870
Loans Service Fees and Commissions	37,505	15,803
Penalty Fees	46,270	50,647
Other Revenues	59,485	54,935
	<u>1,150,841</u>	<u>1,040,799</u>
Revenues before Loan Losses		
Provision for Loan Losses / Released	<u>(11,723)</u>	<u>28,902</u>
Total Revenues	<u>1,139,118</u>	<u>1,069,701</u>
Expenses:		
Operating Expenses	11 <u>(954,017)</u>	<u>(890,817)</u>
Total Expenses	<u>(954,017)</u>	<u>(890,817)</u>
Gain from currency fluctuation	<u>7,530</u>	<u>-</u>
Net Income for the Year- Statement (C)	<u>192,631</u>	<u>178,884</u>

The Accompanying Notes Constitute an Integral Part of These Financial Statements


Board Chairman




Board Member

Statement -C

Loan Revolving Fund
Arab Center For Agricultural Development (ACAD)
Ramallah-Palestine

Statement of Changes in Net Assets
For the Year Ended December 31, 2012

	<u>Loan Revolving Fund</u> <u>USD</u>	<u>General Reserve for Loan Losses</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Balance as of December 31, 2010	2,626,535	38,808	2,665,343
Net Income for the Year 2011	178,884	--	178,884
Additions to General Reserve	--	7,972	7,972
Prior Year Adjustments	35,200	--	35,200
Balance as of December 31, 2011	2,840,619	46,780	2,887,399
Net Income for the Year 2012	192,631	-	192,631
Deductions from General Reserve	-	(4,636)	(4,636)
Balance as of December 31, 2012	3,033,250	42,144	3,075,394

The Accompanying Notes Constitute an Integral Part of These Financial Statements

Statement -D

Loan Revolving Fund
Arab Center For Agricultural Development (ACAD)
Ramallah-Palestine

Statement of Cash Flows
For the Year Ended December 31, 2012

	December 31, 2012	December 31, 2011
	USD	USD
Operating Activities:		
Net Income for the Year	192,631	178,884
Adjustments:		
Depreciation	14,755	14,844
General Reserve for Loan Losses	(4,636)	7,972
Prior Year Adjustments	-	35,200
Increase in the Provision for Employees' Benefits	163,181	109,481
Cash Flow from Operating Activities before Changes in Operating Assets and Liabilities	365,931	346,381
(Increase) Decrease in Operating Assets:		
Loans & Interest Receivable	(425,627)	(747,043)
Other Assets	(79,669)	(16,613)
Increase (Decrease) in Operating Liabilities		
Payables and Accruals	69,499	(55,598)
Net Cash (Used in) Operating Activities before Payments of Employees' Benefits	(69,866)	(472,873)
Payments of Employees' Benefits	(77,382)	(58,173)
Net Cash (Used in) Operating Activities after Payments of Employees' Benefits	(147,248)	(531,046)
Investing Activities:		
Procurement of Fixed Assets	(5,757)	(5,209)
Cash (Used in) Investing Activities	(5,757)	(5,209)
Financing Activities:		
Long Term Loans	545,603	555,550
Cash Flow from Financing Activities	545,603	555,550
Net Increase in Cash	392,598	19,295
Cash and Cash Equivalent, Beginning of the Year	860,385	841,090
Cash and Cash Equivalents, End of the Year	1,252,983	860,385

The Accompanying Notes Constitute an Integral Part of These Financial Statements

Loan Revolving Fund
Arab Center for Agricultural Development (ACAD)
Ramallah-Palestine

Notes to the Financial Statements
For the Year Ended December 31, 2012

1. **General:**

a. **The Center:**

The Arab Center for Agricultural Development (ACAD) is a Palestinian non-profit, non-governmental organization that has been officially registered in Jerusalem since 1993, and also registered by the Palestinian National Authority since 2001 according to the Palestinian Charitable Institutions Law no.1 for year 2000. ACAD is specialized in Micro-Credit and offers Business Support Services to the poor and low-income Palestinian producers. The Board of Directors is comprised of 9 members elected every two years by the General Assembly that governs ACAD.

b. **ACAD Mission:**

ACAD as a development institution was established to encourage micro entrepreneurship through small income generating activities among the poor and low-income individuals. ACAD provides financial and business support services concentrating on rural and/or high poverty rate in the Palestinian areas that are particularly affected by the difficult political situation. Economic independence and consequently food security for the poor and disadvantaged, is an effective tools towards empowerment and active participation in the economic, social and political spheres of the life in Palestine.

c. **ACAD Goals and Objectives:**

- Promotion of self-sustaining employment-and income-generating projects in the Palestinian poor and low-income rural and urban communities.
- Expanding geographical access of financial resources.
- Graduating poor and small scale producers into capital lending markets, by shifting the balance of power towards those needing credit.
- Mobilizing saving.
- Empowering poor communities.

d. **Target Group:**

ACAD's target group includes low-income Palestinians in rural and urban areas who are willing to develop their small projects in order to improve their standard of living and income, also includes the poor who are willing to get out from the poverty cycle, through integrating in economic investment activities.

e. **Branches and Offices:**

ACAD provides services for small and poor producers through its headquarter in Ramallah and 8 field branches and offices in Gaza, Jericho, Bethlehem, Hebron, Nablus, Jenin, Ramallah and Tulkarem.

f. **Financial Credit Services:**

ACAD provides financial credit services to small-scale and poor Palestinian producers in the Palestinian Territories through the following kinds of credit products:

- Woman loan based on cycling.
- Micro loans to finance existing project.
- Small loans to finance capital investment or start up businesses.
- Loans to cooperatives to finance cooperative credit and saving funds.

2. **Significant Accounting Policies:**

Summary of Significant Accounting Policies are as follows:

A- The accompanying financial statements have been prepared in accordance with the historical cost principle and in conformity with the covenants of the agreements signed with donors and lenders and relevant prevailing laws and regulations in the Palestinian Territories.

B- **Fixed Assets:**

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is calculated using the straight-line method based on their estimated useful lives as follows:

Furniture and Fixtures	7%
Office Equipment	15%
Safes	3%
Computers and Printers	30%
Cars	20%

When the expected recoverable amount is less than the net book value, the fixed assets amount is reduced to the lower of cost or net realizable value and the difference (if any) is included in the statement of income.

C- **Loans:**

Loans receivable are stated at cost net of provision for impairment losses. A provision for impairment of non-performing loans is taken when there is evidence that these loans cannot be recollecting in part or in full. Such a provision is calculated based on the following criteria:

<u>Time Period</u>	<u>Provision</u>
1- 30 Days	--
31- 60 Days	10%
61- 90 Days	20%
91- 120 Days	30%
121- 180 Days	40%
181- 360 Days	50%
More than 360 Days	100%

2. Significant Accounting Policies (Cont):

The resultant provision is recorded in the statement of income.

A general reserve for loans against unforeseen future losses is computed at 1.5% of performing loans. This reserve is reflected in the statement of financial position as part of net assets.

Interests on non-performing loans are suspended, in addition, uncollectible loans are written off by decreasing the provision for loan losses. Any surplus in the provision as well as any amount collected from loans previously written off is taken to the statement of income.

D- Foreign Currency Translation:

The Center's reporting currency is the U.S. Dollar. However, transactions in currencies other than U.S. Dollar are converted to U.S. Dollar equivalent at the exchange rates prevailing at the date of each transaction. Monetary Assets and Liabilities denominated in other currencies are translated to U.S. Dollar using the exchange rates prevailing at the year end. The resultant difference on exchange is taken to the statement of income.

The rates of exchange of certain currencies against the U.S Dollar as of December 31, 2012 and 2011 were as follows:

	<u>U.S Dollar</u> <u>2012</u>	<u>U.S Dollar</u> <u>2011</u>
Euro	1.3197	1.3251
NIS	0.2680	0.2808
JOD	1.4124	1.4064

E- Loan Revolving Fund:

Loan revolving fund represents net assets which are subject to donors' imposed restrictions and to be maintained permanently by ACAD and is composed of all grants received and provided for lending. This fund is charged by provisions for impairment losses if the agreements with the donors stipulated such condition.

F- Severance Pay:

End of service indemnity is computed in accordance with the prevailing labor law in the Palestinian Territories accruing for one-month compensation for each year of service based on the last salary paid during the year. The provision is charged to the statement of income, while indemnities actually paid to staff are booked against related provision account.

G- Provident Fund:

ACAD has a defined provident fund scheme by which the employees and the Center contribution is 7.5% from basic monthly salaries.

H- Accounting Estimates:

The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the statement of financial position date, and the reporting of revenues, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by the ACAD's management.

2. Significant Accounting Policies (Cont):

Management, through applying the accounting policies, uses assumptions and estimates with material impacts on the recognition of the balances recorded in the financial statements. Some of these assumptions are as follows:

- Management periodically reassesses the economic useful lives of tangible assets for the purpose of calculating annual depreciation based on the general status of these assets and the assessment of their useful economic lives expected in the future. Impairment loss (if any) is taken to the statement of income.
- A provision for performing and non-performing loans is taken on the bases and estimates approved by management. These provisions represent allowances for uncollectable loans.
- Estimates used in the preparation of the financial statements are provision for end of service indemnity.

3. Cash in Hand and at Banks:

	December 31, 2012 USD	December 31, 2011 USD
Cash in Hand	34,045	15,466
Cash at Banks- Current Accounts:		
U.S Dollar	653,986	337,883
Jordanian Dinar	4,971	1,742
Israeli Shekel	46,421	28,339
	<u>705,378</u>	<u>367,964</u>
Cash at Banks- Fixed Deposits:		
Short-Term Deposits for Employees' Benefits	511,300	474,873
	<u>511,300</u>	<u>474,873</u>
Checks Under Collection- Short Term	2,260	2,082
	<u>1,252,983</u>	<u>860,385</u>

4. Loans Receivable-Net:

	December 31, 2012 USD	December 31, 2011 USD
Loan Portfolio *	4,648,886	4,466,455
Cooperatives Portfolio **	246,050	--
Provision for Impairment	(272,658)	(256,299)
	<u>4,622,278</u>	<u>4,210,156</u>

* The number of performing loans as of December 31, 2012 was 3,264 loan (comparing with 3,410 loan as of December 31, 2011).

** The balance represents amounts transferred from donors to support cooperatives, saving and credit funds in Palestine. Interest was not calculated on those loans granted before 2008, while interest is calculated on those loans granted from the years 2008 to 2012. The center would recover these loan amounts from the Associations for the benefit of the center.

The movement in the provision for impairment was as follows:

	December 31, 2012	December 31, 2011
	USD	USD
Balance at Beginning of the Year	256,299	293,173
Transferred from (to) General Reserve for Loan Losses	4,636	(7,972)
Recoveries During the Year	--	(28,902)
Additions During the Year	11,723	--
Balance at End of the Year	272,658	256,299

5. **Other Assets:**

	December 31, 2012	December 31, 2011
	USD	USD
Receivable From PMA	30,000	30,000
Prepaid Expenses	21,127	22,930
Loans to Employees*	189,090	9,406
Participation Loans Funded from UNDP**	18,675	25,350
Other Receivables (Cooperatives) from Sidi	26,853	118,390
	285,745	206,076

* Loans to employees are not subject to interest rates.

** During the month of September 2010, ACAD has signed an agreement with the UNDP – PAPP (The United Nations Development Program / Program of Assistance to the Palestinian People); by which, the UNDP has allocated U.S. Dollar 100,000 and make the sum available to ACAD in order to target and serve the low-income families with an average loan size not exceeding U.S. Dollar 7,000 and a maximum loan size not exceeding U.S. Dollar 15,000. The fund is restricted for use in the declining Musharakeh for a period of 4 years and then ACAD has the right to use the money as lending capital for Islamic microfinance products only. The term of the agreement commence on Sept 1, 2010 and terminate on December 31, 2014.

6. **Fixed Assets-Net:**

	January 1, 2012	Additions	Disposals	December 31, 2012
	USD	USD	USD	USD
Cost:				
Furniture and Fixtures	68,331	2,204	--	70,535
Office Equipment	76,730	2,116	--	78,846
Safes	1,127	-	--	1,127
Cars	46,936	-	--	46,936
Computers and Printers	69,529	1,437	--	70,966
	262,653	5,757	--	268,410
Accumulated Depreciation:				
Furniture and Fixtures	52,259	1,628	--	53,887
Office Equipment	67,725	4,659	--	72,384
Safes	500	34	--	534
Cars	22,588	8,214	--	30,802
Computers and Printers	74,306	220	--	74,526
	217,378	14,755	--	232,133
Net Fixed Assets	45,275			36,277

7. Payables and Accruals:

	December 31, 2012	December 31, 2011
	USD	USD
Deferred Revenues	10,938	--
Due to Saving Program Related to Cooperatives Loans	64,637	--
Other Payables & Accruals	9,751	15,827
	<u>85,326</u>	<u>15,827</u>

8. Loans Payable:

	December 31, 2012	December 31, 2011
	USD	USD
Agency France De Development (AFD)	906,773	538,944
UNDP – DEEP	1,122,212	944,438
Due to SIDI	400,000	400,000
	<u>2,428,985</u>	<u>1,883,382</u>

a) On March 3, 2010, ACAD signed a no interest loan agreement with Agence Francaise De Development (AFD), in which the two parties agreed to initiate a loan portfolio for an amount of EURO 673,000 which is subject to ACAD credit procedures & bounded only for farmers cooperatives & women economic projects. According to the agreement, ACAD is exempted from paying any interest or fees. The duration for the loan is eight years which includes a grace period of four years. ACAD will pay the loan amount divided on eight quarterly equal payments starting from September 30, 2013.

b) On July 28, 2008, ACAD signed an agreement with the Islamic Development Bank – Jeddah – Saudi Arabia through UNDP/PAPP, the agreement was to establish a Credit Fund amounted U.S Dollars 700,000 to be used to support small projects of poor Palestinians people through granting small loans ranging between U.S Dollars 3,500 and U.S Dollar 7,500. The duration of the loan will be for three years from the date of the agreement. ACAD will pay the loan amount with interest rate of 2 % divided on nine quarterly equal payments starting from September 1, 2010.

On May 11, 2010, ACAD signed an additional agreement with the Islamic Development Bank – Jeddah – Saudi Arabia through UNDP/PAPP which considered a continuation of the previous agreement, the agreement was to establish a Credit Fund amounted U.S Dollars 400,000 to be used to support existing businesses or to start new businesses for those poor families through granting small loans ranging between U.S Dollars 3,500 and U.S Dollar 7,000. The duration of the loan will be for three years from the date of the agreement. ACAD will pay the loan amount with interest rate of 2 % divided on nine quarterly equal payments starting from June 1, 2011.

On May 05, 2012, ACAD signed an additional agreement with the Islamic Development Bank – Jeddah – Saudi Arabia through UNDP/PAPP which considered a continuation of the previous agreements, the agreement was to establish a Credit Fund amounted U.S Dollars 500,000 to be used to support existing businesses or to start new businesses for those poor families through granting small loans up to a maximum amount of U.S Dollars 10,000. The duration of the loan will be for three years starting from June 01, 2012. This loan is interest free and will be paid into nine installments ending June 01, 2015.

c) On April 10, 2010, ACAD signed an agreement with SIDI to establish a Credit Fund amounted U.S Dollars 400,000. The duration of the loan will be for five years from the date of the agreement. ACAD will pay the loan amount with an interest rate of 5% divided on six semi annual equal installments starting from December 31, 2011.

9. **Employees' Benefits:**

	December 31, 2012	December 31, 2011
	USD	USD
Provident Fund	353,978	309,610
End of Service Indemnity	337,609	296,328
Annual Leaves	25,276	25,126
	<u>716,863</u>	<u>631,064</u>

The movements in the provident fund, end of service indemnity and annual leaves were as follows:

A- **Provident Fund:**

	December 31, 2012	December 31, 2011
	USD	USD
Opening Balance	309,610	266,768
Additions	91,837	72,923
Payments	(47,469)	(30,081)
Ending Balance	<u>353,978</u>	<u>309,610</u>

B- **End of Service Indemnity:**

	December 31, 2012	December 31, 2011
	USD	USD
Opening Balance	296,328	285,025
Additions	70,649	36,558
Payments	(29,368)	(25,255)
Ending Balance	<u>337,609</u>	<u>296,328</u>

The liabilities towards staff provident fund and end of service indemnity are deposited in a separate bank account (Note 3).

C- **Annual Leaves:**

	December 31, 2012	December 31, 2011
	USD	USD
Opening Balance	25,126	27,963
Additions	695	--
Payments	(545)	(2,837)
Ending Balance	<u>25,276</u>	<u>25,126</u>

10. **Other Revenues:**

Other Revenues represents interest on deposits at banks, profit participation loans, and revenues from loans that were closed before the date of maturity.

11. Operating Expenses:

	December 31, 2012	December 31, 2011
	USD	USD
Salaries and Related Expenses	608,229	568,956
Rent and Utilities	58,254	56,551
Depreciation	14,755	14,844
Medical Expenses	23,481	21,296
Travel (Local and Overseas)	27,400	25,855
Telecommunications	34,804	35,493
Professional and Legal Fees	17,171	29,408
Printing and Stationery	10,945	13,034
Advertising and Promotional Material	1,268	776
Insurance	200	2,859
Entertainment	6,355	5,474
Bank Charges	24,711	9,336
Donations	--	1,141
Training and Workshops Expenses	--	3,678
Fees and Subscriptions	7,157	3,782
Interest on Borrowed Funds	42,627	48,660
Maintenance	18,766	13,395
Cars Expenses	17,590	10,664
Loan Closing Expense & Others	40,304	25,615
	<u>954,017</u>	<u>890,817</u>

12. Risks Management Policies:

The most significant types of risks are credit risk, liquidity risk, market risk and operational risk. The Board of Directors is responsible for developing a framework to manage these risks. The policies developed for risk management aimed to define the risks faced by the Center and analyzing them in order to set controls to monitor these various risks. The policies and regulations designed to control the risks are reviewed periodically by management in order to determine the changes in market conditions and in the services provided by the Center for its clients.

A- Operational Risk:

The Center covers the expenses of loan revolving fund from the income of lending programs. The Center believes that the lending revenue for the year 2013 will be sufficient to finance all lending expenses.

B- Credit Risk:

Credit risk is risk that may result from the failure or inability of the other party to meet its obligations towards the Center. The Center manages credit risk through the development of specified and documented controls and ceilings with clear policies and procedures that guarantee commitment to these ceilings. These controls and ceilings are reviewed and amended periodically, if necessary. The credit risk on liquid funds is limited because they are placed with reputable financial institutions.

C- Liquidity Risk:

Liquidity risk is the inability of the Center to provide the funding necessary to meet its obligations in due dates. ACAD's policy to prevent this risk requires management to diversify sources of assets and liabilities and maintain an adequate balance of cash and cash equivalent.

D- Interest Rate Risk:

Interest rate risk arises from the possibility that changes in market interest rates may affect the value of its interest bearing assets. The management of ACAD usually monitors the fluctuation in interest rates in every individual currency in order to maximize the benefits from placements.

E- Currency Risk:

Currency risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case ACAD does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.

13. Accompanying Financial Statements:

ACAD provides loans to small enterprises, services and other assistance to small and poor producers and therefore lending activity is considered one of the most important activities of the Center.

For the purpose of informing users of the financial statements on the results of this activity, the Center's management decided to separate the financial statements of loan revolving fund from the financial statements of the Center effective on December 31, 2008 and issue a separate financial statements for loan revolving fund for the year ended December 31, 2008 and permanently in the future years.

The financial statements of ACAD for the year ended December 31, 2012 and for the previous years were audited as a whole, and the accompanying financial statements represent the financial statements for Loan Revolving Fund only, which is separated from the audited financial statements of the Center for the year 2012 according to the following bases:

- Cash, assets and liabilities of loan revolving fund were separated from the Center's assets and liabilities by using the specific identification method.
- The employees who are working for the loan revolving fund were determined and the provision for these employees and all related costs were separated.
- General reserve for loan losses is calculated according to the criteria detailed on note (2/C).
- Net assets for loan revolving fund are determined by reducing assets by the same amounts of liabilities.

During 2012, the Center had been widening the loan activities and facilities to include extra related sections and employees, the matter that justifies the increases in the employees' advances and benefits

The accompanying financial statements were approved by the Board of Directors on April 22, 2013.