

**MOSTAFA SHAWKI & CO**

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**LEAD FOUNDATION**

**FINANCIAL STATEMENTS  
TOGETHER WITH THE AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**AUDITOR'S REPORT**

**To: EGYPTIAN FOUNDATION FOR LENDING, EMPOWERING, ADVANCING  
& DEVELOPING PROJECTS  
(LEAD FOUNDATION)**

We have audited the financial statements of **Lead Foundation** which are comprised of balance sheet, income statement and cash flow statement for the year ended December 31, 2015. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Accounting Standards on Auditing and in the light of the governing laws. Those standards require us to plan and perform the audit in order to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, the documents and evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above are presented fairly, in all material respects the financial position of Lead Foundation as of December 31, 2015 and results of its operations for the year then ended are in conformity with the CGAP Guide lines.

*[Signature]*  
DR. AHMED SHAWKI  
MAZARS MOSTAFA SHAWKI

Cairo  
March 6, 2016.



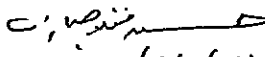


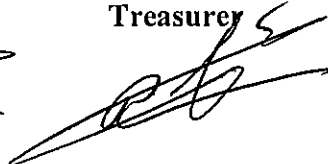
Translation of the Balance Sheet  
Originally issued in Arabic

**(LEAD FOUNDATION)**  
**BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Amounts expressed in LE)


	<u>Disclosure</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>No.</u>	<u>L.E</u>	<u>L.E</u>
<b><u>ASSETS</u></b>			
Cash and Due from Banks	4	7,358,352	754,930
Short Term Deposits		140,455,309	127,531,910
Net Loan Portfolio	5	220,978,318	177,190,644
Gross Loan Portfolio		230,939,005	183,290,770
Loan Loss Provision	6	(9,960,687)	(6,100,126)
Accounts Receivable and Other assets	7	841,419	772,022
<b>Net Fixed Assets</b>	<b>8</b>	<b>3,952,193</b>	<b>4,389,494</b>
Fixed Assets		18,332,356	17,957,093
Accumulated Depreciation and Amortization		(14,380,163)	(13,567,599)
<b>TOTAL ASSETS</b>		<b><u>373,585,591</u></b>	<b><u>310,639,000</u></b>
<b><u>LIABILITIES</u></b>			
Short Term Borrowings	9	124,664,870	98,790,412
Accounts Payable and Other Short Term Liabilities	10	2,453,367	2,443,306
<b>TOTAL LIABILITIES</b>		<b><u>127,118,237</u></b>	<b><u>101,233,718</u></b>
<b><u>EQUITY</u></b>			
<b>Donated Equity</b>		<b><u>105,711,869</u></b>	<b><u>105,719,693</u></b>
Prior Years		105,719,693	105,719,693
Current Year	11	(7824)	--
<b>Retained Earnings</b>		<b><u>140,755,485</u></b>	<b><u>103,685,589</u></b>
Prior Years		103,685,589	73,398,813
Current Year		37,069,896	30,286,776
<b>TOTAL EQUITY</b>		<b><u>246,467,354</u></b>	<b><u>209,405,282</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b><u>373,585,591</u></b>	<b><u>310,639,000</u></b>

*-The accompanying notes are an integral part of these financial statements*

Chairman  
  
 0.17/12/15

Treasury  


Executive Director  


Financial Manager  
  
 16/3



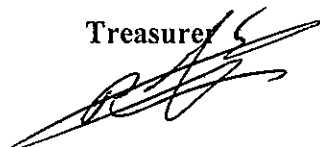
Translation of the Income Statement  
Originally issued in Arabic

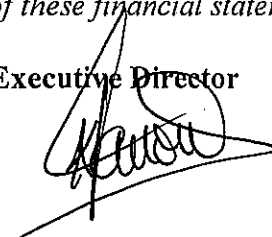
**(LEAD FOUNDATION)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Amounts expressed in LE)

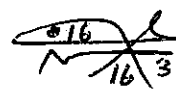
	<u>Disclosure</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>No</u>	<u>L.E</u>	<u>L.E</u>
<b>FINANCIAL REVENUE</b>		<u>96,217,188</u>	<u>81,961,165</u>
Financial Revenue from Loan Portfolio		<u>86,369,412</u>	<u>72,069,476</u>
Interest on Loan Portfolio		85,490,645	71,205,920
Fees and Commissions on Loan Portfolio		878,767	863,556
Financial Revenue from Investments		9,847,776	8,286,242
Other Financial Revenue		-----	2,101
Provision Write back		-----	1,603,346
<b>FINANCIAL EXPENSE</b>		<u>10,202,179</u>	<u>8,908,095</u>
Interest and Fee Expense on Borrowings	12	10,034,539	8,765,975
Financial Expenses on Current Account	13	166,118	142,120
Other Financial Expense		1522	--
<b>Net Financial Income</b>		<u>86,015,009</u>	<u>73,053,070</u>
Loan Loss Provision		3,884,177	--
<b>OPERATING EXPENSE</b>		<u>45,305,578</u>	<u>42,885,279</u>
Personnel Expense	14	37,514,636	35,214,983
Administrative Expense	15	6,965,886	6,603,693
Depreciation and Amortization Expense		825,056	1,066,603
<b>NET OPERATING INCOME</b>		<u>36,825,254</u>	<u>30,167,791</u>
Net Non-Operating Income /(Expense)		<u>244,642</u>	<u>118,985</u>
Non-Operating Revenue	16	244,642	118,985
<b>Net Income Before Taxes and Donations</b>		<u>37,069,896</u>	<u>30,286,776</u>
Taxes		--	--
<b>Net Income After Taxes and Before Donations</b>		<u>37,069,896</u>	<u>30,286,776</u>
<b>DONATIONS</b>		--	--
Donations for loans		--	--
<b>Net Income After Taxes and Donations</b>		<u>37,069,896</u>	<u>30,286,776</u>

-The accompanying notes are an integral part of these financial statements

Chairman  
  
 2.17/15/15

Treasurer  


Executive Director  


Financial Manager  
  
 16/3



Translation of the Statement of Cash Flows  
Originally issued in Arabic

**(LEAD FOUNDATION)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Amounts expressed in LE)

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Cash Received from Interest, Fees, and Commissions on Loan Portfolio	85,490,645	71,205,920
Cash Received from Interest on Investments	9,847,776	8,286,242
Cash Received as Other Operating Revenues	878,767	863,556
Value of Loans Repaid	496,118,998	425,621,683
Cash Paid for Financial Expenses on Funding Liabilities	(10,034,539)	(8,765,975)
Cash Paid for Other Financial Expenses	(167,640)	(142,120)
Cash Paid for Operating Expenses	(41,470,520)	(38,707,389)
Value of Loans Disbursed	(543,790,850)	(449,849,700)
Cash Paid for Other Operating Assets and Liabilities	(3,067,816)	(2,659,584)
<b>Net Cash from (used in) Operating Activities</b>	<b>(6,195,179)</b>	<b>5,852,633</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Net Purchase of Fixed Assets	(387,755)	(399,927)
<b>Net Cash used in Investing Activities</b>	<b>(387,755)</b>	<b>(399,927)</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Donated Equity	(7824)	--
Board Membership and Others	244,642	118,985
<b>Net Cash from Financing Activities</b>	<b>236,818</b>	<b>118,985</b>
<b>Net Change in Cash and Due from Banks</b>	<b>(6,346,116)</b>	<b>5,571,691</b>
<b>Cash and Due from Banks at the Beginning of the year</b>	<b>29,496,429</b>	<b>23,922,637</b>
Exchange Rate Gains on Cash and Cash Equivalent	(1522)	2,101
<b>Cash and Due from Banks at the End of the year</b>	<b>23,148,791</b>	<b>29,496,429</b>

*-The accompanying notes are an integral part of these financial statements*

Chairman

*C.17 / K/CK*

Treasurer

Executive Director

Financial Manager

*016 / 16 / 3*

**EGYPTIAN FOUNDATION FOR LENDING, EMPOWERING, ADVANCING  
& DEVELOPING PROJECTS  
(LEAD FOUNDATION)  
DISCLOSURES TO THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 2015**

**1. General**

Egyptian Foundation for Lending, Empowering, Advancing & Developing Projects (Lead Foundation) was established on May 6, 2003 as an NGO for developing and improving projects registered under number 1765 according to Law No. 84 for the year 2002.

Lead obtained license No. 1006 from the Egyptian Financial Supervisory Authority. Lead commenced lending activities in October 2003.

On December 31, 2015 lead Foundation had eighteen branches in addition to its Head office located in Egypt.

Domicile of business is 16 Lebanon St, Giza, Egypt.

Lead works solely without being a part of a group or organization and has no parent company.

**2. Foundation Purpose**

- a- Financing small and micro enterprises located in the poorer areas in Egypt.
- b- Supporting the development of small and micro enterprises by organizing educational and training courses in commercial skills.
- c- Providing vocational training in cooperation with the private sector.
- d- Establishing other social development projects in order to create more job opportunities.
- e- Promoting cultural exchange between the Foundation and similar foundations on the internal and external levels as well as conferences and seminars for the fulfillment of the Foundation's objectives.

**3. Summary of Significant Accounting Policies**

The accounts have been prepared in accordance with the Egyptian Accounting Standards.

**a. Recording of the Financial Transactions**

Expenses are recorded on accrual basis and revenues are recorded on cash basis. Lead Foundation separately records the amounts of grants and donations from the income generated by the financial operations in the income statement.

Grants and donations are recognized upon receipt.

**b. Foreign Currency Transactions**

Lead Foundation maintains its records in Egyptian pounds. Transactions undertaken during the year denominated in foreign currencies are translated using the free market exchange rates prevailing at the beginning of the year US\$1= L.E 7.1431. At year-end monetary assets and liabilities which are dominated in foreign currencies are translated to Egyptian Pounds using the prevailing exchange rate as of that date. An exchange rate of US\$ 1.00 = at L.E 7.83 has been used for US\$ denominated transactions Translation differences are included in the Income statement.

There are no currency mismatches between assets and liabilities because they are recorded in Egyptian pounds.

Lead borrows and extends loans in Egyptian pounds.

**c. Lending Revenue**

Lending revenues are recorded including the cash interest received during the period with an annual interest rate as the following:

- Individual Lending 16 % per annum
- Group Lending 26 % per annum
- There are no grace periods.
- Lead collects an amount of L.E 5 for everyday over due. (IL loans).
- Interest is calculated on a non declining basis.
- Differences between the debit and credit interest are used to finance the operating expenses.

**d. Fixed Assets**

Fixed assets are stated at acquisition cost recorded using their historical cost, and are depreciated using the straight-line method starting from the date of utilization of each asset and according to the estimated useful life of each asset as follows:

<u>Description</u>	<u>Depreciation Rate</u>
- Buildings	2 %
- Office Equipments	20 %-33.33%
- Furniture and Fixtures	10 % -15%-20 %
- Renovation	20 %

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Fixed Assets at cost	18,332,356	17,957,093
<b>Less:</b>		
Accumulated Depreciation	14,380,163	13,567,599
<b>Net Fixed Assets</b>	<u><b>3,952,193</b></u>	<u><b>4,389,494</b></u>

**e. Policy for Loan Loss Provision**

Loans are considered overdue if any payment has fallen due and remained unpaid beginning with the earliest such installment. The number of days for late payment is based on the due date of the earliest loan installment that has not been fully paid.

**Year 2014**

Loans are considered at risk when more than 30 days late.

<b>Aging of Outstanding Balance</b>	<b>Provision Required</b>
Current	--
1-30 days	--
31-60 days	10%
61-90 days	25%
91-120 days	50%
> 120 days	100%
Rescheduled	100%

- Provision is calculated on the total outstanding amounts of the loans.
- The loan loss provision as of December 31, 2014 amounted to L.E 6,100,126 as follows:

<u>Description</u>	<u>2014</u>		
<u>Normal Loans</u>	<u>L.E</u>	<u>% of total portfolio</u>	<u>Provision</u>
Current	177,151,817	96.65%	--
1-30 days late	26,938	0.01%	--
31-60 days late	6,230	0.01%	623
61-90 days late	4,375	0.01%	1,093
91-120 days late	6,000	0.01%	3,000
> 120 days late	5,828,977	3.18%	5,828,977
<b><u>Rescheduled Loans</u></b>	<u>266,433</u>	<u>0.13%</u>	<u>266,433</u>
<b>Total Loan Portfolio</b>	<u><b>183,290,770</b></u>	<u><b>100%</b></u>	<u><b>6,100,126</b></u>



## Year 2015

Lead has changed the system of calculating the loan loss provision according to the new rules of the Egyptian Financial Supervisory Authority as follows:

<b>Aging of Outstanding Balance</b>	<b>Provision Required</b>
Current	2%
1- 7 days	2%
8-30 days	10%
31-60 days	25%
61-90 days	50%
91-120 days	70%
> 120 days	100%
Rescheduled	100%

- The loan loss provision as of December 31, 2015 amounted to L.E 9,960,687 as follows:

<u>Description</u>	<u>2015</u>		
<u>Normal Loans</u>	<u>L.E</u>	<u>% of total portfolio</u>	<u>Provision</u>
Current	225,460,140	97.62%	4,509,202
1-7 days	-----	----	----
8-30 days late	19,263	0.01%	1926
31-60 days late	4,579	0.01%	1145
61-90 days late	10,218	0.01%	5,109
91-120 days late	5,000	0.01%	3,500
> 120 days late	5,206,047	2.24%	5,206,047
<u>Rescheduled Loans</u>	<u>233,758</u>	<u>0.10%</u>	<u>233,758</u>
<b>Total Loan Portfolio</b>	<b><u>230,939,005</u></b>	<b><u>100%</u></b>	<b><u>9,960,687</u></b>

### **f. Write off Policy**

- Until 10/7/2012 Loans are written-off after one year from the date of the last installment to allow management to collect the overdue loans.  
As of 11/7/2012, management can write-off loans after 120 days from the date of the last installment.  
Additionally management accepts on a case by case basis the writing-off of some loans for social reasons.
- Lead has written off loans during the year 2015 for social reasons as follows:

- IL	21,708
- GL	1,908
	<u>23,616</u>

#### 4. Cash and Due from Banks

Cash and Due from Banks as of December 31, 2015, amounted to L.E 7,358,352 as follows:

<u>Description</u>	<u>31/12/2015</u> <u>L.E</u>	<u>31/12/2014</u> <u>L.E</u>
Cash	81,818	186,796
Bank of Alexandria	689,079	549,757
Credit Agricole	5,086	4,839
National Bank of Egypt	6,551,341	5,102
Bank Audi	31,028	8,436
	<u>7,358,352</u>	<u>754,930</u>

#### 5. Net Loan Portfolio (Principal)

Net loan portfolio (Principal) as of December 31, 2015 amounted to L.E 220,978,318 (2014 : LE 177,190,644) as follows:

<u>Description</u>	<u>31/12/2015</u> <u>L.E</u>	<u>31/12/2014</u> <u>L.E</u>
Individual lending - IL	93,726,540	72,427,846
Group lending - GL	137,212,465	110,862,924
	<u>230,939,005</u>	<u>183,290,770</u>
<u>Less</u>		
Loan Loss Provision	<u>(9,960,687)</u>	<u>(6,100,126)</u>
<b>Net Loan Portfolio (Principal)</b>	<b><u>220,978,318</u></b>	<b><u>177,190,644</u></b>

#### 6. Loan Loss Provision

Loan loss provision as of December 31, 2015, amounted to L.E 9,960,687 as follows:

<u>Description</u>	<u>31/12/2015</u> <u>L.E</u>	<u>31/12/2014</u> <u>L.E</u>
Provision at the beginning of the year	6,100,126	7,712,545
Provision during the year	3,884,177	(1,603,347)
Loans written-off during the year	(23,616)	(9,072)
<b>Provision at the end of the year</b>	<b><u>9,960,687</u></b>	<b><u>6,100,126</u></b>

## 7. Accounts Receivables and Other Assets

Accounts receivables and other assets as of December 31, 2015, amounted to L.E 841,419 as follows:

<u>Description</u>	<u>31/12/2015</u> <u>L.E</u>	<u>31/12/2014</u> <u>L.E</u>
Prepaid expenses	328,915	291,807
Deposits with others	214,776	173,707
Advance amounts (suppliers)	241,820	--
Other debit balances	55,908	306,508
<b>Total</b>	<b><u>841,419</u></b>	<b><u>772,022</u></b>

## 8. Net Fixed Assets

Net fixed assets as of December 31, 2015 amounted to L.E 3,952,193 as follows:

<u>Description</u>	<u>Buildings</u> <u>L.E</u>	<u>Office equipments</u> <u>L.E</u>	<u>Furniture &amp; fixtures</u> <u>L.E</u>	<u>Renovation</u> <u>L.E</u>	<u>Total</u> <u>L.E</u>
Costs as of Dec 31, 2014	2,656,816	4,921,991	3,046,345	7,331,941	17,957,093
Additions during the year	---	277,948	95,207	14,600	387,755
Disposals during the year	---	-----	-----	12,492	12,492
<b>Costs as of Dec 31, 2015</b>	<b><u>2,656,816</u></b>	<b><u>5,199,939</u></b>	<b><u>3,141,552</u></b>	<b><u>7,334,049</u></b>	<b><u>18,332,356</u></b>
Accumulated Depreciation as of Dec 31, 2014	494,602	4,718,258	2,179,754	6,174,985	13,567,599
Depreciation of Year 2015	53,136	120,561	233,145	418,214	825,056
Accumulated Depreciation of Disposals	-----	-----	-----	12,492	12,492
<b>Accumulated Depreciation as of Dec 31, 2015</b>	<b><u>547,738</u></b>	<b><u>4,838,819</u></b>	<b><u>2,412,899</u></b>	<b><u>6,580,707</u></b>	<b><u>14,380,163</u></b>
<b>Net Fixed Assets as of Dec 31, 2015</b>	<b><u>2,109,078</u></b>	<b><u>361,120</u></b>	<b><u>728,653</u></b>	<b><u>753,342</u></b>	<b><u>3,952,193</u></b>
<b>Net Fixed Assets as of Dec 31, 2014</b>	<b><u>2,162,214</u></b>	<b><u>203,733</u></b>	<b><u>866,591</u></b>	<b><u>1,156,956</u></b>	<b><u>4,389,494</u></b>

## 9. Short Term Borrowings

Short Term Borrowings as of December 31, 2015 amounted to L.E 124,664,870 as follows:

<u>Description</u>	<u>31/12/2015</u> <u>L.E</u>	<u>31/12/2014</u> <u>L.E</u>
Bank of Alexandria	63,472,802	49,778,786
National Bank of Egypt	56,183,098	45,462,571
Bank Audi	5,008,970	3,549,055
	<b><u>124,664,870</u></b>	<b><u>98,790,412</u></b>

#### 10. Accounts Payable and Other Short Term Liabilities

Accounts payable and other short term liabilities as of December 31, 2015 amounted to L.E 2,453,367 (2014: LE 2,443,306) as follows:

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Other Accrued Expenses	1,197,908	1,125,730
Social Insurance Authority	443,083	409,734
Tax Authority (with holding tax)	15,082	13,755
Deposits from others	6,700	13,900
Tax Authority (stamp duty)	348,496	152,023
Tax Authority (stamps)	-----	306
Penalties (employees)	142,904	215,693
Suppliers of fixed assets	20,750	20,750
Service Providers	186,895	453,305
Professional Services	34,000	30,000
Other creditors	1,955	486
Prepaid revenues	6,047	7,624
Insurance	49,547	-----
<b>Total</b>	<b><u>2,453,367</u></b>	<b><u>2,443,306</u></b>

#### 11. Donated Equity

- Lead didn't receive any grants or donations during 2015.
- Lead has repaid amount of L.E. 7824 as a settlement for USAID donations.

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
<b><u>Donations</u></b>		
Settlement for USAID donations	(7824)	--
<b>Total</b>	<b><u>(7824)</u></b>	<b><u>--</u></b>

#### 12. Interest and Expenses on Borrowings

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Bank of Alexandria	4,980,682	4,430,493
National Bank of Egypt	4,791,894	4,074,695
Bank Audi	261,963	260,787
	<b><u>10,034,539</u></b>	<b><u>8,765,975</u></b>

### 13. Financial Expenses on Current Account

Financial expenses on current account as of December 31, 2015 amounted to LE 166, 118 (2014: LE 142,120) as follows:

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Bank of Alexandria	143,936	114,498
Credit Agricole	6,061	4,595
National Bank of Egypt	696	852
Bank Audi	15,425	22,175
	<u>166,118</u>	<u>142,120</u>

### 14. Personnel Expense

Personnel Expense as of December 31, 2015 amounted to L.E 37,514,636 (2014 : LE 35,214,983) as follows:

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Salaries	18,822,595	16,808,802
Incentives	14,138,213	14,031,051
Medical and Social Insurance	4,553,828	4,375,130
	<u>37,514,636</u>	<u>35,214,983</u>

### 15. Administrative Expenses

Administrative Expenses as of December 31, 2015 amounted to LE 6,965,886 (2014: LE 6,603,693) as follows:

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Transportation	127,559	152,920
Subscriptions	74,942	56,162
Stationeries and printings	293,376	391,935
Rent	1,960,689	1,800,649
Repair and Maintenance	639,463	542,808
Professional services	93,050	84,685
Stamp duty and other fees	79,006	7,728
Utilities	857,530	772,132
Advertisement	30,259	19,385
Insurance Premium	97,180	111,589
Cash Transport expenses	705,776	512,004
Others	2,007,056	2,151,696
<b>Total</b>	<u><b>6,965,886</b></u>	<u><b>6,603,693</b></u>

## 16. Non-Operating Revenue

Non-Operating Revenue as of December 31, 2015 amounted to LE 244,642 (2014: LE 118,985) as follows:

<u>Description</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Board Membership	50,297	43,592
Others	194,345	75,393
<b>Total</b>	<b>244,642</b>	<b>118,985</b>

## 17. Types of Revenues

Donations  
Grants  
Revenues resulted from loans interest.  
Deposit interest.

## 18. In-kind donations

No in-kind donations were received during the period.

## 19. Liabilities

- Suppliers of computers, equipment, furniture, construction and printed materials.
- Bank facilities
  - Lead obtains facilities amounting to 90 million guaranteed 60 % by Egyptian pound deposits from National Bank of Egypt.
  - Lead obtains facilities amounting to 80 million guaranteed 87.5% by Egyptian pound deposits from Bank of Alexandria.
  - Lead obtains facilities amounting to 10 million guaranteed 65 % by Egyptian pound deposits from Bank Audi.
  - Lead reduces liabilities by depositing the collections received from clients daily.

## 20. Other Services

Lead Foundation only provides financial services and no other activities are undertaken.

## 21. Internal Loans

No loans are made to board members, staff or their families.

## 22. Client's Deposit Accounts

There are no deposits (obligatory /optional) tied to the client's loans.



**23. Significant concentrations of Assets and Liabilities**

There are no significant concentrations of assets and liabilities and Off-Balance Sheet items related to geographical areas, customers or industry groups.

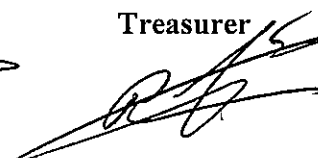
**24. Added Value**

Lead does not operate in a high inflationary economy and therefore it does not apply anti inflationary accounting methods.

Chairman

  
0.17 / 1 / 02

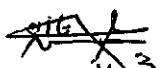
Treasurer



Executive Director



Financial Manager

  
16/3

**Ratios Which Converse the Activities of the Foundation**  
**Year 2015**

<b><u>Sustainability / Profitability</u></b>	
1-	<b>Return on Equity (ROE)</b> $\frac{\text{Net Operating Income} - \text{Taxes}}{\text{Average Equity}}$ = 16.3%
2-	<b>Return on Assets (ROA)</b> $\frac{\text{Net Operating Income} - \text{Taxes}}{\text{Average Assets}}$ = 10.8%
3-	<b>Operational Self Sufficiency</b> $\frac{\text{Operating Revenue}}{\text{Financial Expense} + \text{Loan-loss Provision Expense} + \text{Operating Expense}}$ = 162%
4-	<b>Profit Margin</b> $\frac{\text{Net Operating Income}}{\text{Operating Revenue}}$ = 42.64%

<b><u>Assets/Liability Management</u></b>	
1-	<b>Yield on Gross Loan Portfolio</b> $\frac{\text{Cash Financial Revenue From Loan Portfolio}}{\text{Average Gross Loan Portfolio}}$ = 42%
2-	<b>Current Ratio</b> $\frac{\text{Short Term Assets}}{\text{Short Term Liabilities}}$ = 304.41%
3-	<b>Cost of Fund Ratio</b> $\frac{\text{Interest and Fee Expenses on Funding Liabilities}}{\text{Average Funding Liabilities}}$ = 9.1%



<u>Portfolio Quality</u>	
1-	<b>P.A.R Ratio</b> <span style="float: right;">Portfolio at Risk</span> $= \frac{\text{Portfolio at Risk}}{\text{Gross Loan Portfolio}}$ = 2.36%
2-	<b>Write – Off Ratio</b> <span style="float: right;">Value of Loans Written Off</span> $= \frac{\text{Value of Loans Written Off}}{\text{Average Gross Loan Portfolio}}$ = 0%
3-	<b>Risk Coverage Ratio</b> <span style="float: right;">Loan Loss Reserve</span> $= \frac{\text{Loan Loss Reserve}}{\text{Portfolio at Risk}}$ = 182 %

<u>Efficiency /Productivity During December 2015</u>	
1-	<b>Loan officer Productivity</b> <span style="float: right;">No of Active Borrowers</span> $= \frac{\text{No of Active Borrowers}}{\text{No of Loan Officers}}$ = 432 borrowers
2-	<b>Operating Expenses Ratio</b> <span style="float: right;">Operating Expenses</span> $= \frac{\text{Operating Expenses}}{\text{Average Gross Loan Portfolio}}$ = 22%
3-	<b>Cost Per Borrower</b> <span style="float: right;">Operating Expenses</span> $= \frac{\text{Operating Expenses}}{\text{Average Number of Active Borrowers}}$ = 308 L.E
4-	<b>Number of active clients</b> Individual lending – IL      30,475 Group lending – GL      120,860  <div style="text-align: right;"> <math display="block">\frac{\text{Total}}{\text{Total}} = \frac{\text{151,335}}{\text{151,335}}</math> </div>
5-	Number of Branches      18 Number of Loan Officers      350 Number of Administrative Staff      403