



Agora Microfinance
Banking for Change

Annual Report 2014





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We place emphasis on high quality research that leads us to products and processes that match client requirements.



Overview and Strategy

AMNV Mission: Our mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to investors.

collaboration with local management teams are at the heart of our methodology, which we see as an operator-investor model.

Agora Microfinance N.V. is a Dutch public limited liability company. We aim to create, establish and invest in microfinance institutions in frontier markets in Africa and Asia, with a direct focus on lower income families. Significant shareholding and close

We place emphasis on high quality research that leads us to products and processes that match client requirements, and in the innovative use of technology to improve our reach, breadth and quality of services.

Our partner institutions are driven by the same vision and values. AMNV currently has investments in three countries:



AMK MFI PLC (AMK) - Cambodia



Agora Microfinance Zambia Ltd (AMZ) - Zambia



Agora Microfinance India Ltd (AMIL) - India

Key Figures as of 31 Dec 2014

Balance Sheet figures for Agora Microfinance N.V.

USD
21m
PAID IN CAPITAL

USD
20m
TOTAL INVESTMENT

USD
17m
TOTAL ASSETS

Key figures at the Group level

3
NO OF FINANCIAL INSTITUTIONS

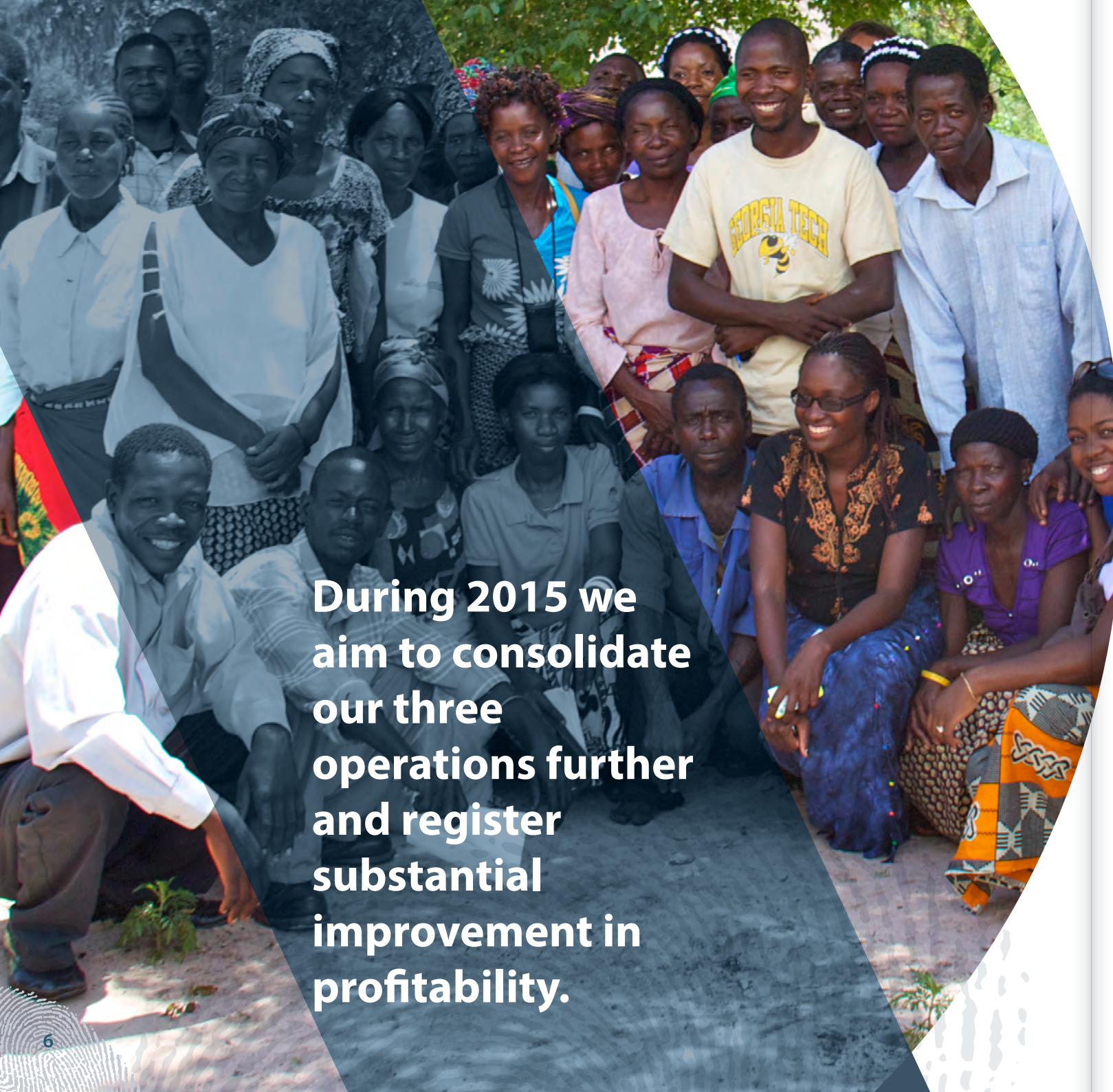
1,841
NO OF EMPLOYEES

345,312
NO OF ACTIVE LOANS

USD
97m
OUTSTANDING LOAN PORTFOLIO

95,281
NO OF ACTIVE DEPOSITORS

USD
39m
DEPOSIT BALANCE



During 2015 we aim to consolidate our three operations further and register substantial improvement in profitability.

Message from the Principals

The year 2014 was a defining year for Agora in more ways than one. Agora was created to build on the successes and experience of our pioneer MFI, AMK Cambodia, and during the year we consolidated our association with AMK through the acquisition of a majority stake in the company.

The acquisition of AMK brings to fruition almost five years of plans and efforts between Agora and Concern Worldwide, the erstwhile main shareholders of AMK, to ensure a smooth and seamless exit for Concern Worldwide without diluting the focus and social ethos of AMK. As shareholders we are delighted to be working alongside Incofin (RIF II), Cambodia Laos Development Fund (CLDF) and Proparco as at the end of 2014. As AMK matures and diversifies further into multiple products and channels, we see an expanded and crucial role for ourselves as its main shareholder.

Our other two MFI investments also made considerable progress during the year. Agora Microfinance India Limited (AMIL) doubled in size and scale and reached some 8,000 clients, crossed USD 1 million in loan portfolio, and expanded operations by one additional branch (field) office to six Field Offices by the end of 2014. AMIL also forged a number of new borrowing relationships during the period. We expect AMIL to break into operating profits during 2015.

Agora Microfinance Zambia Limited (AMZ), our other green-field operation was also on the road to recovery after the difficulties faced during 2012-2013. During the year the loan portfolio was significantly restructured into instalment loans to bring down its exposure to the bullet-repayment product. It also downsized its personnel to reduce costs and better match the scale and spread of operations. As at the end of the year it

had over 7,000 active clients, a healthy portfolio quality, and good prospects for full recovery during 2015-2016. At the time of writing this note, strong results in 2015 continued to propel the institution forward.

Overall, the above activities meant that our investment portfolio grew from USD 6 million (2013) to USD 16 million by the end of the year. Our exposure to AMK Cambodia represents over 90% of our investments. On account of the large, stable and healthy operation of AMK Cambodia we can reasonably expect to improve our profitability significantly in 2015.

Financially, it gives us pleasure to report on progress and improvements. Profitability continued to improve and is on track to show a positive result in 2015/16. Despite substantial growth, our management costs remained at the same levels while the portfolio grew. With the acquisition of AMK, our consolidated balance sheet grew from USD 11 million to USD 125 million during the year. The costs of the Investment Advisor fell marginally during the period on account of some cost cutting measures undertaken.

During 2015 we aim to begin groundwork for a possible fourth operation, likely in partnership with other institutions. In addition we would aim to raise more capital for further consolidation and growth, at the MFI level as well as the level of the holding company.

We extend our gratitude to all our colleagues – in Agora, in the MFIs and those with our service providers – for their tireless and committed performance in 2014. Our MFI colleagues deserve special mention, as do our investors and shareholders. We look forward to continue and strengthen these partnerships further in the year.

Rebecca McKenzie

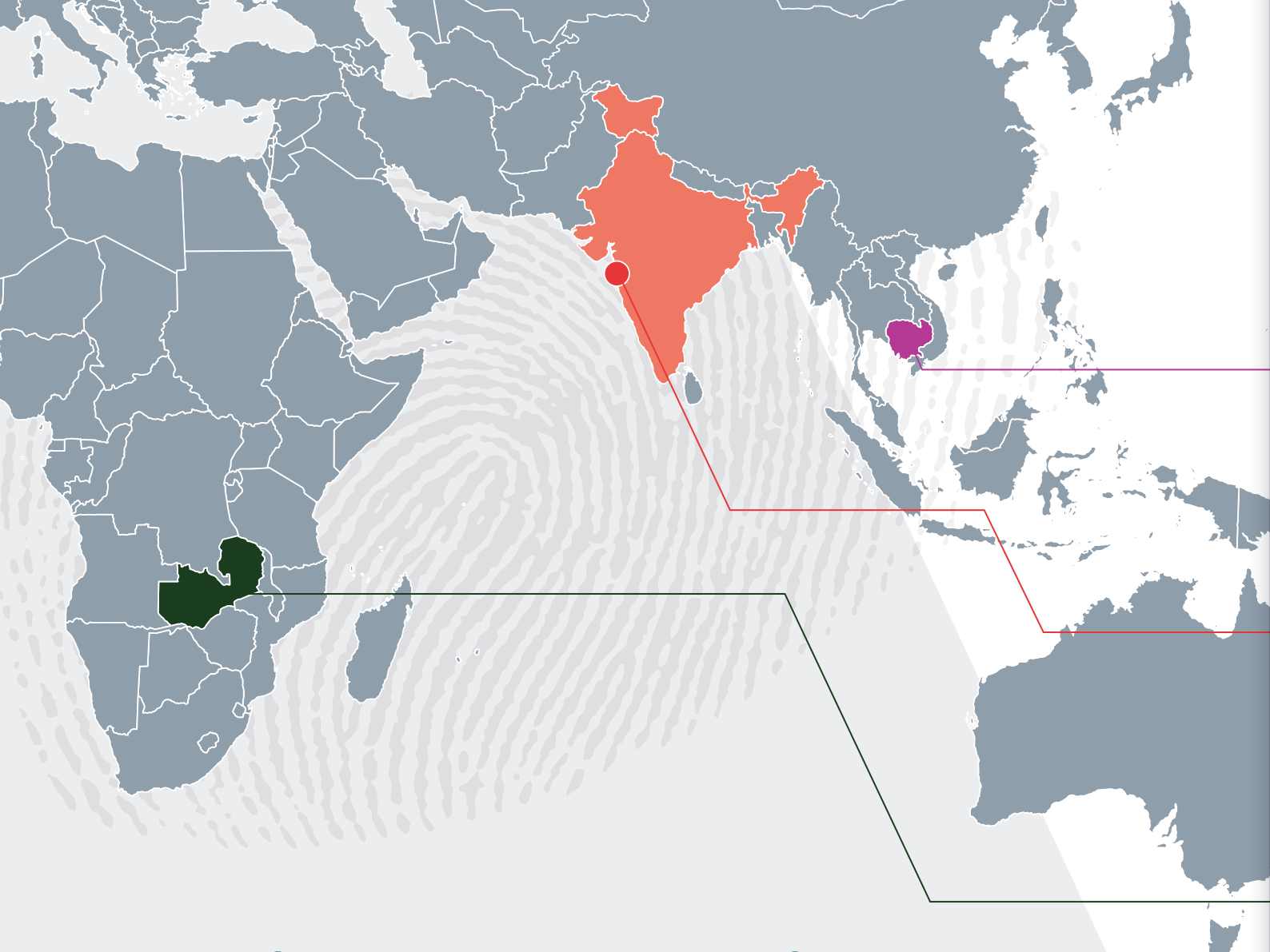
Chief Executive Officer
AMNV

Director-Operations
Agora Microfinance Partners LLP

Tanmay Chetan

Chairperson, Supervisory Board
AMNV

Managing Partner
Agora Microfinance Partners LLP



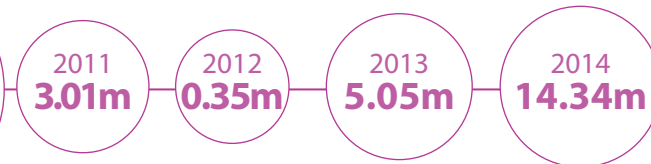
With a focus on excluded and frontier markets, Agora has USD 17m in assets under management.

www.amkcambodia.com

Head office: Phnom Penh
Operations: All 24 Provinces

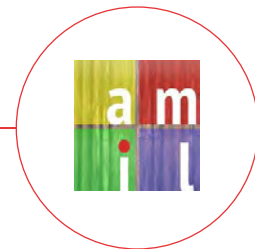


Outstanding Investments (at Cost - USD)

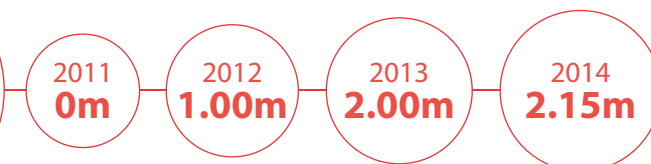


www.amil.co.in

Head office: Mumbai
Operations: Mumbai City



Outstanding Investments (at Cost - USD)

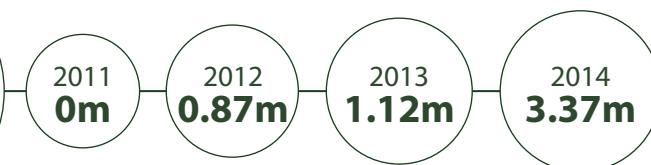


www.amz.co.zm

Head office: Lusaka
Operations: Western & Central Provinces



Outstanding Investments (at Cost - USD)



1,740 Staff

139 Branches

410,142 Clients

www.amkcambodia.com

AMK MFI PLC AMK - Cambodia



Vision: A Cambodian society where citizens have equal and sufficient economic and social opportunities to improve their standards of living, and where they can contribute productively towards the overall development of the country.

Mission: To help large numbers of poor people to improve their livelihood options through the delivery of appropriate and viable microfinance services.

AMK's commitment to its mission remains sacrosanct, and it continues its alignment towards this goal by offering a diverse range of inclusive products and services to its target clients. 2014 has seen new business channels becoming operational, such as Deposits, Payments, Branchless Banking and Micro-Insurance.

2014 was a year of diversification and consolidation for AMK, which grew stronger in rural Cambodia with over 86% coverage of total villages, up from 81% in the previous year. Currently, AMK's 1,740 staff serve over 410,142 clients in 12,075 villages across Cambodia. With this strong presence, it continues to maintain a position as the primary financial services provider to rural Cambodian families.

Its multiple business lines have now begun to make their presence felt, both in the towns, communes and villages of Cambodia as well as on the balance sheet of AMK.

AMK's loan portfolio grew by approximately 21.4% ending at USD 94.6 million. With the introduction of ATMs and CDMs (cash deposit machines), AMK's deposit business significantly grew, adding on almost 37,000 new deposit accounts, thereby increasing the number of depositors to over 95,000. The deposit balance has more than doubled since 2013 with 67% of the total deposit balance continuing to be in Khmer Riel, indicating AMK's reach to the smaller depositors.

AMK's money transfer business also increased from 155,204 to 279,019 transactions, with a total value of USD 133.48 million up from USD 76.37 million in 2013, indicating increasing trust amongst clients to use AMK as their preferred channel for domestic remittances.

Some of the most significant developments of the year relate to the creation of an extensive mobile agent network, which grew from 200 to 1,200; and the partnership with Forte Insurance that led to the successful completion of pilot test of micro-insurance with some 10,000 policies sold. Both these steps mark the beginning of potentially large business volumes that will be generated in the coming years. These multiple channels and products now offer a wide range of financial options available to clients.



AMK CEO Profile

Kea Borann, CEO

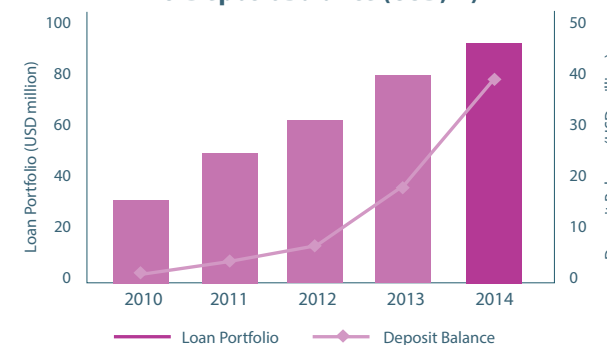
Borann was appointed as CEO of AMK in 2012. Borann has been with AMK for over 10 years since 2004 and has held various leadership roles throughout the development of the organisation such as: Finance Manager, CFO, and Deputy CEO. Before joining AMK, he worked for another MFI as Finance Director.

He holds a BBA in Finance and Accounting. He received ACCA (Association of Chartered Certified Accountants) accreditation and was accepted as an ACCA member in 2008.

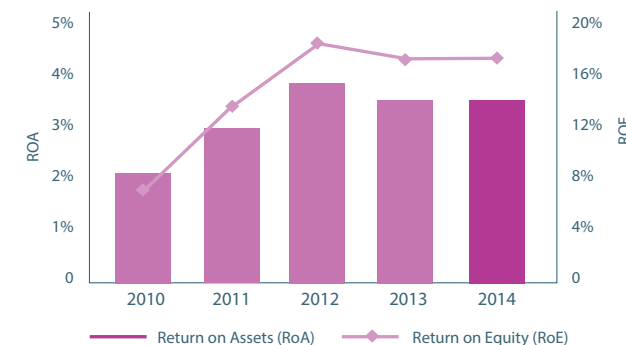
AMK - Operational & Financial Highlights

DESCRIPTION	2010	2011	2012	2013	2014
Number of Branches	22	22	24	27	28
Number of Active Borrowers (Exc. Staff, EL)	250,930	275,251	291,859	323,828	329,760
Number of Depositors	2,781	8,924	29,910	58,642	95,281
Number of Money Transfer Transactions	-	1,700	78,655	165,107	287,841
Loan Portfolio (USD million)	31,329,857	47,248,599	61,367,475	77,878,716	94,575,515
Deposit Balance (USD Million)	1,142,409	4,182,370	8,220,322	18,315,023	38,717,455
Value of Money Transfer (USD)	-	428,681	29,259,691	75,085,784	133,480,779
PAR 30 Days	1.57%	0.10%	0.12%	0.16%	0.15%
Return on Assets (RoA)	2.32%	3.14%	3.88%	3.62%	3.63%
Return on Equity (RoE)	7.62%	13.95%	18.95%	18.00%	18.26%
Average Loan Size (USD)	165	213	260	307	368
Average Loan Size / GNI (loan disbursed)	21.7%	26.0%	29.5%	34.9%	38.7%
Average Savings Balance /GNI Per Capita	54.1%	57.2%	31.2%	35.5%	42.8%
Depth of Outreach: % of New Clients Below National Food Poverty Line	49%	55%	45%	48%	42%

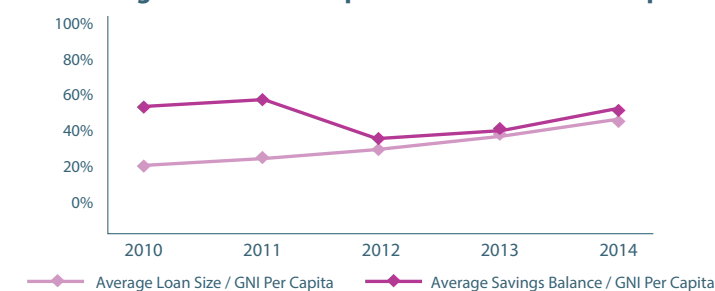
Loan Portfolio (USD,m) & Deposit Balance (USD,m)



Return on Assets and Equity



Average Loan Size & Deposit Balance / GNI Per Capita



Agora Microfinance India Limited

AMIL - India



Vision: An urban society in which low income communities have sufficient opportunities to improve their wellbeing.

Mission: To provide affordable, convenient and timely financial services to low income urban clientele in a financially sustainable manner.

2014 saw some important approvals from The Reserve Bank of India, most significantly, the approval for the company name change from Jagdhan Finance & Investment Ltd to Agora Microfinance India Ltd (AMIL) and the issuance of NBFC-MFI Certificate of Registration by the Reserve Bank of India. This certification was an important milestone in enabling AMIL to continue its work within the regulated microfinance space in India.

AMIL's vision of an urban society in which low income communities have sufficient opportunities to improve their well-being, progressed steadily in 2014. The year saw a steady growth in AMIL's loan book, taking the portfolio to over USD 1.3m and 8,000 clients. A sixth operational location was opened during the year, in addition to five existing ones. The new location offers good potential to serve 4-5 slum clusters, each with a household population of over 5,000.

In its commitment to creating and delivering services to clients that meet their particular financial needs, AMIL undertook detailed market research to ensure complete understanding of the financial realities of their customers focusing on street markets. New market research was conducted in 3-4 of these market areas, which identified a potential to lend directly. A novel new market loan has since been rolled out on a pilot basis in the Chembur market area, with a potential to lend to over 1,500 street vendors.

A significant development during the year was the partnership of AMIL with Kotak Life Insurance, thereby expanding its product offering to include credit life insurance to its clients along with its existing products: individual, group and education loans.

During the year, AMIL also moved to a new MIS platform that offers an integrated accounting system and a comprehensive combined solution for client database management and transaction recording. The key feature of this platform is the ability to conduct lead generation, client application and approvals through a mobile application. Whilst still in test phase, this new system has a tremendous potential to enhance client officer productivity, reduce costs and minimise errors.

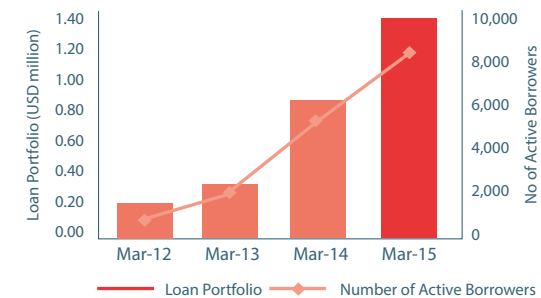
AMIL strengthened its borrowing relationships with existing and new lenders during the year, which further endorsed their commitment to AMIL as a developing MFI in the urban microfinance sector. With a further equity injection by AMNV in 2015, AMIL is expected to advance closer to operational break-even.

AMIL - Operational & Financial Highlights

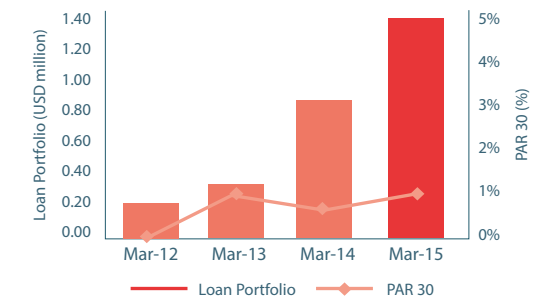
DESCRIPTION	Mar-12	Mar-13	Mar-14	Mar-15
No of Field Offices	5	5	5	6
Number of Active Borrowers	858	1,958	5,108	8,171
- Women Borrowers (%)	N/A	76%	77%	74%
- Loans for Business Purpose (%)	N/A	71%	74%	85%
Loan Portfolio (USD million)	198,921	360,928	902,472	1,330,690
PAR 30 Days	0.00%	1.11%	0.69%	1.03%
Return on Assets (RoA)	-31.09%	-12.53%	-13.45%	-15.16%
Average Loan Size (USD)	250	307	246	243
Average Loan Size / Estimated GNI per capita	17.36%	20.07%	15.77%	15.09%

AMIL's financial year runs from 1 April to 31 March

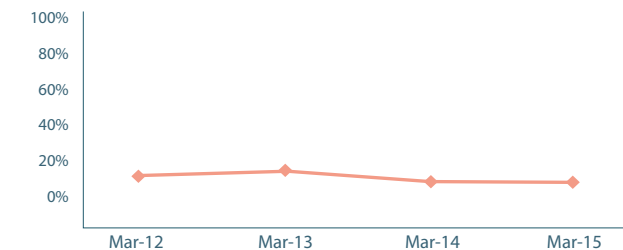
Loan Portfolio (USD, m) vs No of Active Borrowers



Loan Portfolio (USD, m) vs PAR 30 (%)



Average Loan Size / Estimated GNI per capita



49 Staff

6 Branches

8,171 Clients

www.amil.co.in

AMIL CEO Profile

Meenal Patole, CEO

Meenal has been with AMIL since its inception in December 2011 and currently leads the company as CEO and Managing Director. She completed her M.A. in Political Science from Jawaharlal Nehru University and M.Phil in Planning and Development from IIT Bombay. She has more than 17 years of experience in microfinance and has worked with various leading organisations across India and abroad.



Agora Microfinance Zambia Limited

AMZ - Zambia



Vision: A Zambia where economic opportunities for the poor enable them to improve their livelihoods, move out of poverty and be equal members of society.

Mission: To contribute to the economic well-being of the poor through effective provision of appropriate financial services.

The year 2014 began with quite a few challenges for AMZ. AMZ was in the midst of a significant correction to its loan portfolio. At the same time, the poor health of our CEO also necessitated a change in management. In summary, 2014 looked like a tough challenge ahead.

AMZ was fortunate to have the services of Irina Ignatieva, one of its founding Directors, who stepped in for a 12 month period as the CEO and worked tirelessly to steer the ship in the right direction. Olga Torres was appointed as the COO, thereby plugging an important gap in the organisational structure. Olga and Irina's experience

was put to full use during the year, wherein they painstakingly weeded out the problems that had surfaced in the lending processes and internal control.

Aided by a committed and capable team, the portfolio began to turn around and by the end of the year had taken a fairly healthy outlook. While losses in the year rose significantly on account of the corrective measures, the restoration of the loan book's health was the single most important factor on which AMZ's turnaround could be achieved.

Towards the end of the year, AMZ also began addressing its cost structure, which would bring good results in 2015. A process of right-sizing was undertaken, wherein each location's staffing levels were made commensurate with their level of business. AMZ was thus prepared to enter 2015 with sufficient preparation on all the three key factors for success - growth, quality and cost efficiency. In early 2015, as we bid farewell to Irina and David (Deputy CEO), we welcomed Olga into the CEO's role with a lot of progress within our sights.

AMZ - Operational & Financial Highlights

DESCRIPTION	2011	2012	2013	2014
No of branches	2	3	4	4
No of Village Banks	91	212	312	263
Number of Active Borrowers	4,924	10,579	9,608	7,381
- Women Borrowers (%)	59%	49%	51%	55%
- No of Rural Borrowers (%)	~50%	~59%	~67%	~70%
Loan Portfolio (USD million)	685,899	1,761,482	1,219,111	788,045
PAR 30 Days	0.20%	1.66%	16.03%	3.94%
Return on Assets (RoA)	-37.70%	-6.20%	-22.80%	-103.96%
Average Loan Size (USD)	147	175	158	186
Average Loan Size / Estimated GNI per capita	12.46%	12.96%	11.14%	10.57%

52
Staff

4
Branches

7,381
Clients

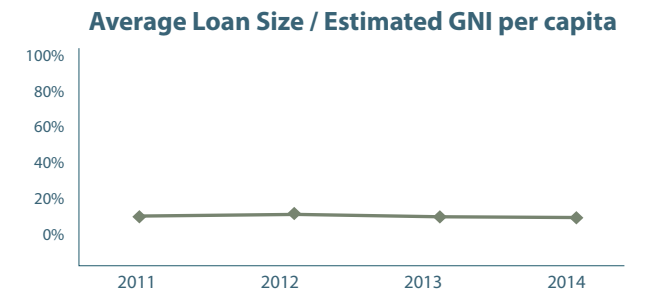
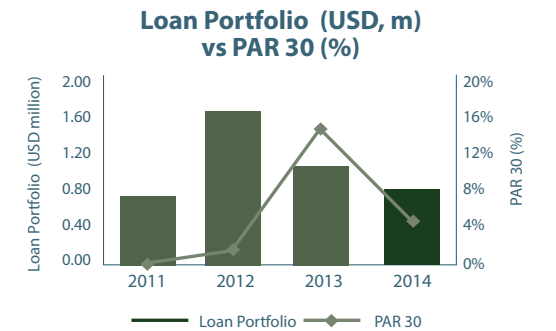
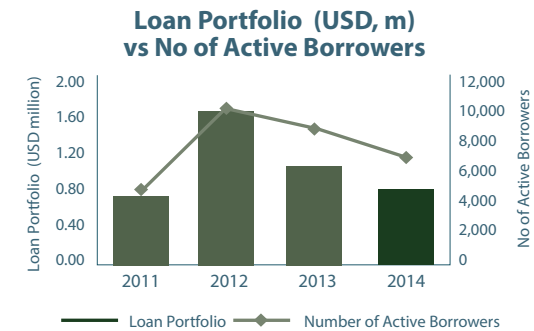
www.amz.co.zm

AMZ CEO Profile

Irina Ignatieva, CEO

Irina was appointed as CEO of AMZ in February 2014. Previously a Microfinance Advisor at Concern Worldwide, Irina has 15 years of experience with microfinance in developing countries. She has worked extensively with microfinance institutions in Central and Eastern Europe and Asia as a consultant and trainer and serves as a Director of Angkor Mikroheranhvatho (Kampuchea) Co. Ltd (AMK).

Irina holds an EMBA from Stockholm School of Economics and a MA from St. Petersburg University, Russia.



Social Performance Management

Agora's SPM goals are dependent on the context in which its MFIs operate. Whereas in Mumbai, India our partner MFI operates in an urban economy, in Zambia and in Cambodia most clients are rural. The social compass of our partner MFIs reflects both their capacity as well as their expectations which are dependent on the contexts.

Our approach

The social objective of Agora MFIs is to expand outreach, create and deliver appropriate and diversified products, and monitor, measure and enable positive economic change for clients. Due to the contexts and the stage of evolution of the institutions themselves, this approach is a phased one, and usually manifests as seen in the diagram below.

Mature phase: Emphasis on understanding 'Change' or 'Impact' alongside further development of product offer

AMK

Consolidation phase: High quality market and social research to aid product offer and economic monitoring of clients

Growth phase: Emphasis on new products alongside growth including insurance, deposits, leasing etc

AMZ and AMIL

Early/Start-up phase: Emphasis on basic scale and breadth in credit operations

Other associated objectives, such as outreach to women clients, dignified treatment of clients, providing an atmosphere of growth and excellence to staff, and in overall terms the progress on our social performance indicators over the last three years can be seen below.

Social Indicators	AMK Cambodia	AMZ Zambia	AMIL India
Outreach: Total Clients	410,142	7,381	8,171
Outreach: Geographic (Provinces/Total provinces)	24/24	2/9	2/6
Outreach: Women clients (% of total)	83%	55%	74%
Products: No of Credit Products	9 products for agriculture, housing, asset purchase, working capital, lines of credit	2 products for agriculture and trade/services, 1 under development for SMEs	3 products for groups and individuals
Products: No of deposit Products	5 types of current/savings and term deposit options	None: planned for 2016/17	None
Products: Other products offered	Y: health insurance, remittance	N: insurance under development	Y: Life insurance
Methodology: Secured/unsecured, group/individual	All: unsecured, secured, groups and individuals	Group	Group and individuals
Outreach mapping	Y	N/A	N
Change monitoring	Y	N	N

In Cambodia, AMK carries out detailed client level surveys every year to map its depth of outreach, as well as other related business/social aspects like client satisfaction and economic well-being. It has developed sophisticated research capability in order to research the above in an impartial and operationally useful manner. It can therefore be claimed that social performance is an integral part of business strategy at AMK. Detailed information on AMK's social performance management can be found at www.amkcambodia.com

In Zambia, the question of outreach to the poor is a moot one, since AMZ operates in rural Zambia where the vast majority of the population falls under the national or international measures of poverty. The Zambian context demands that the key social goals be oriented towards better risk management of client livelihoods, which AMZ is actively pursuing in the form of adding different insurance options – including weather indexed insurance – to its suite of products, beginning 2016. Another important objective for AMZ will be to slowly reduce the cost of loans for clients, another area which we believe is crucial to the long-term sustainability of not only AMZ but also its clients. We are currently engaged in efforts to lower our costs through greater use of technology – tablets and mobile payment systems are both being explored as we speak.

In the vibrant Mumbai economy of **India,** the clients' demands are of a different nature. Our primary clients are the residents of the Mumbai slums who are mostly self-employed and their credit demand is as often for working capital in their small businesses, as it is for improvements to their housing and education of their children. Both these products are therefore in greater demand than elsewhere in our operations. We added a viable life insurance option for clients in the past year which has also seen high demand from clients.

Therefore, in summary, while it is feasible to compare high level indicators of social performance, as outlined in the table above, our approach depends on our understanding of the context in which we operate as well as on our ability to invest in social performance in a viable manner. Both AMZ and AMIL will make significant further investments in their capacity to carry out independent client level research in the years to come, which will make their social performance achievement relevant and effective. At the same time their product and methodologies today draw heavily from the information being collected from clients and on their preferences.

The Agora Team

Tanmay Chetan

Co-Founder of the Agora Group
Managing Partner of Agora Microfinance Partners LLP
Supervisory Board Member of Agora Microfinance N.V.



Rebecca McKenzie

Co-founder of the Agora Group
Director Operations of Agora Microfinance Partners LLP
Managing Director of Agora Microfinance N.V.



Olga Torres

Head of Research
Agora Microfinance Partners LLP,
currently the CEO of AMZ Zambia



Medha Wilson

Investor Relations Officer
Agora Microfinance Partners LLP



Willis Bruckermann

Operations Officer
Agora Microfinance Partners LLP



Ninie Unachukwu

Accounts Officer
Agora Microfinance Partners LLP



Cathy McConnell

HR & Communications Officer
Agora Microfinance Partners LLP



Directors' Report

The Board of Directors of Agora Microfinance N.V. (hereinafter referred to as the "Company") herewith presents the annual report for the accounting year ending on 31 December 2014.

General

The Company was incorporated on 9 December 2011 by Agora Microfinance Coöperatief U.A., a co-operative incorporated under the laws of the Netherlands, with its official seat in Amsterdam.

Mission

The Company's mission is to maximise the social return in microfinance while providing a fair and attractive financial return to its investors.

Principal objectives

The Company's objectives shall be:

- A to make microfinance investments by:
- 1 establishing, acquiring and disposing of microfinance companies and enterprises, acquiring and disposing of interests in them and administering them or having them administered, conducting or having the management of companies and enterprises conducted and financing them or having them financed;
 - 2 acquiring, possessing, managing, selling, exchanging, transferring, alienating, issuing shares and other certificates of participation, bonds, funds, promissory notes, debentures, convertible loans, bills of exchange and other evidences of indebtedness and other securities;
- B to contract, and to grant money loans and to give security for the fulfilment of the obligations of the corporation or of third parties;
- C to enter into risk management transactions, including exchange traded and over the counter derivatives to hedge risks the Company or microfinance institutions affiliated with the Company are exposed to;
- D the representation and the management of the interests of third parties;
- E as principal agent, commission agent, manager and/or administrator, everything that is related to the foregoing.

Overview of activities

During the year the Company acquired a holding stake in AMK Cambodia, to 50.7% from 19.7%. As a result the Company is now the main promotor of AMK Cambodia as of date and is closely involved in guiding the strategy and operations of its new group entity. Alongside, the Company made successive investments in Agora Microfinance Zambia (AMZ) and continued to closely monitor the progress of both AMZ and AMIL. Both these greenfields are progressing towards financial viability, though AMZ incurred high losses in the year.

Post balance sheet events

The post balance sheet events are described extensively after the Notes under the chapter "Other Information".

Result

During the year under review, the Company recorded a loss of USD 2,078 thousand.

Future developments

The Company will continue its activities. New activities will be undertaken, when the opportunities arise.

Amsterdam, 5 October 2015

Managing Directors:

Ms. R. McKenzie

Mr. R.W. van Hoof

Mr. S.P. de Haseth

Supervisory board:

Mr. T. Chetan

Mr. G.E. Bruckermann
(appointed 8 April 2015)

Mr. J.G. Hynes
(resigned 8 April 2015)

Auditors' Report

Independent auditor's report

To: the shareholders of Agora Microfinance N.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of Agora Microfinance N.V., Amsterdam, The Netherlands, which comprise the consolidated and stand-alone balance sheet as at 31 December 2014, the consolidated and stand-alone profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 Dutch law, including the Dutch Standards on Auditing. This requires 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 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Agora Microfinance N.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the information as required under Section 2:392 sub 1 b - h has been annexed.

Amsterdam, 5 October 2015

Ernst & Young Accountants LLP

Signed by Anita de Boer

Consolidated balance sheet as at 31 December 2014

(before proposed appropriation of net result and expressed in USD)

		31-Dec-14	31-Dec-13
ASSETS		USD	USD
FIXED ASSETS			
Financial fixed assets	1	43,833	5,273,851
Goodwill	2	3,215,365	299,717
Regulatory reserve AMK MFI Plc	3	3,761,067	-
Tangible assets	4	2,760,658	20,008
Intangible assets	5	382,534	11,252
Total fixed assets		10,163,457	5,604,828
CURRENT ASSETS			
Loans receivable	6	96,783,030	946,022
Interest receivable	7	1,536,853	22,024
VAT receivable		50,516	33,136
Current account shareholder		7,987	7,987
Deposits with other Financial Institutions	8	7,973,209	501,629
Cash at bank	9	6,664,661	4,004,481
Other assets		1,412,559	-
Total current assets		114,428,815	5,515,279
TOTAL ASSETS		124,592,272	11,120,107

Consolidated balance sheet as at 31 December 2014

(before proposed appropriation of net result and expressed in USD)

		31-Dec-14	31-Dec-13
EQUITY AND LIABILITIES		USD	USD
CAPITAL AND RESERVES			
	10		
Issued and paid-up share capital		331,137	331,137
Share premium		21,008,263	13,724,169
Less: Other reserves		(618,765)	(1,308,799)
Less: Retained earnings		(2,234,952)	(908,728)
Less: Result for the period		(2,077,581)	(1,326,224)
Minority Interest	11	12,256,436	525,917
Shareholders' equity		28,664,537	11,037,471
NON CURRENT LIABILITIES			
Long term provisions		11,375	-
Long term borrowings	12	35,261,246	-
Staff pension fund	14	1,790,556	-
Deposit	15	39,290,526	-
		76,353,703	-
CURRENT LIABILITIES			
Interest payable on loans	16	2,767,558	-
Short term borrowings	13	14,260,104	-
Accrued expenses	17	2,546,370	82,637
		19,574,032	82,637
TOTAL EQUITY AND LIABILITIES		124,592,272	11,120,107

Consolidated profit and loss account

for the year ended 31 December 2014

Financial income and expenses

(in USD)		2014	2013
Interest income	18	4,018,379	164,275
		4,018,379	164,275

Expenses

General and administrative expenses	20	(3,235,460)	(993,123)
		(3,235,460)	(993,123)

Other income and expenses

Goodwill amortisation	2	(360,963)	(33,302)
Other financial income/(expense)	19	(944,291)	25,379
		(1,305,254)	(7,923)

Share in profit/(loss) of participating interests

Agora Microfinance Zambia	21	(1,093,563)	(515,288)
		(1,093,563)	(515,288)

Profit/(loss) before taxation

Corporate income tax	23	(223,857)	-
		(1,615,898)	(1,352,060)

Profit/(loss) after taxation

		(1,839,756)	(1,352,060)
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Result Minority interest

Result minority interest on investments	22	(237,825)	25,835
		(237,825)	25,835

Group net profit/(loss)

		(2,077,581)	(1,326,224)
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Notes to the consolidated financial statements

Group affiliation and principal activity

Agora Microfinance N.V. (hereinafter referred to as the "Company") was incorporated under Dutch law on 9 December 2011. The principal activity of the Company is to make microfinance investments. The Company's shareholders are Stichting Agora Microfinance and an individual investor.

Basis of presentation

The accompanying financial statements have been prepared in accordance with principles of accounting generally accepted in the Netherlands and are in compliance with the provisions of the Netherlands Civil Code, Book 2, Part 9.

Basis of consolidation

The consolidated financial statements include the financial data of the company and its group companies as at December 31, 2014. Group companies are legal entities and companies over which the company exercises control.

Group companies are fully consolidated as from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined in accordance with consistent accounting policies.

Minority interests in group equity and group net income are disclosed separately.

The Company obtained shares in the capital of Jagdhan Finance and Investment Ltd. (subsequently renamed Agora Microfinance India Ltd.) and invested USD 1,000,000 in 2012 and USD 1,000,000 in 2013. On 1 October 2013 the Company obtained a majority interest in Jagdhan Finance and Investment Ltd, leading to consolidation of Jagdhan's accounts in the Company's consolidated financial statements. Due to obtaining control the accounting method was changed from cost price to net asset value during 2013 in accordance with Dutch GAAP in the company's stand-alone accounts.

During 2013 the Company obtained shares in AMK Cambodia (subsequently renamed AMK MFI Plc) for the amount of USD 5,051,983. In 2014 the Company obtained a majority interest of 50.73% leading to consolidation of AMK's accounts in the Company's consolidated financial statements. As well as in Agora Microfinance India Ltd as with AMK Cambodia the accounting method has been changed from cost price to net asset value during 2014 in accordance with Dutch GAAP in the company's stand-alone accounts.

General

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

The financial statements are expressed in United States Dollars (USD).

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

Balance sheets of foreign entities held are translated into the Company's reporting currency at exchange rates ruling on December 31, and their income and expense are translated at average rates for the year. Exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designed as hedges of such investments, are taken directly to the legal reserve for translation differences within shareholder's equity. When a foreign entity is sold, such exchange differences are recognised in the statement of income as part of the gain or loss on sale.

	2014
EUR/USD year-end rate	1.2141

Estimates

The preparation of financial statements, in conformity with the relevant rules, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. If necessary for the purposes of meeting the requirements under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Accounting policies

Financial fixed assets

Participating interests

Participating interests over whose financial and operating policies the group exercises significant influence are valued using the net asset value method. Under this method, participating interests are carried at the group's share in their net asset value plus its share in the results of the participating interests and its share of changes recognised directly in the equity of the participating interests as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements, less its share in the dividend distributions from the participating interests. The group's share in the results of the participating interests is recognised in the profit and loss account. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The company's share in direct equity increases and decreases of participating interests is also included in the legal reserve except for asset revaluations recognised in the revaluation reserve.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil if the circumstances are unchanged. In connection with this, any long-

Notes to the consolidated financial statements (continued)

term interests that, in substance, form part of the investor's net investment in the participating interest, are included. A provision is formed if and to the extent the company stands surety for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts.

A subsequently acquired share of the profit of the participating interest is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been made good.

Participating interests over whose financial and operating policies the group exercises no significant influence are carried at the lower of cost and their recoverable amount (being the higher of their value in use and fair value less costs to sell). Dividend is recognised in the profit and loss account as proceeds received from participating interests.

Receivables

Receivables are carried at face value net of a provision for doubtful debts where necessary.

Goodwill

Amounts by which the purchase price exceeds the interest of the company in the fair values of the acquired identifiable assets and liabilities at the time of the acquisition of a participating interest are capitalised in the balance sheet as goodwill.

The company assesses, at each reporting date, whether there is any objective evidence that goodwill is impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognised.

Tangible fixed assets

Tangible fixed assets in use by the company are carried at the cost or production net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value. Changes in the expected depreciation method, useful life and/or residual value over time are treated as changes in accounting estimates.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives. A tangible fixed asset is derecognised upon sale or when no further economic benefits are expected from its continued use or sale.

Intangible fixed assets

An intangible fixed asset is recognised in the balance sheet if:
It is probable that the future economic benefits that are attributable to the asset will accrue to the Group; and the cost of the asset can be reliably measured.

Costs relating to intangible fixed assets not meeting the criteria for capitalisation are taken directly to the profit and loss account.

Intangible fixed assets are carried at the lower of cost or production net of accumulated amortisation and their recoverable amount (being the higher of value in use and fair value less costs to sell). Intangible fixed assets are amortised on a

straight-line basis over their expected useful economic lives, subject to a maximum of twenty years. The economic useful life and the amortisation method are reviewed at each financial year-end. If the estimated useful economic life exceeds twenty years, an impairment test is carried out at each financial year-end following the date of recognition.

Intangible fixed assets obtained on the acquisition of a group company are carried at the fair value ruling at the acquisition date.

Loans

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables.

Cash at bank

Cash at bank and in hand are carried at face value.

Other assets and liabilities

Other assets and liabilities are stated at their nominal value based on historical cost.

Principles of determination of result

General

Results on transactions are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

Interest income and expense

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Period interest charges and similar charges are recognised in the year in which they fall due.

Expenses

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Taxation

The corporate income tax position is calculated over the results before taxation, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

Notes to the consolidated financial statements (continued)

Investment Advisor

Agora Microfinance Partners LLP has been appointed to act as Investment Advisor with the task of providing analyses of investment opportunities and to assist with the preparation and optimisation of all investment/divestment decisions by the Company in the implementation of its investment policy. In consideration of the to be provided services the Investment Advisor shall be entitled to a monthly retainer and reimbursement of specific ad-hoc expenses.

The financial statements of the investment in Agora Microfinance Zambia Limited are prepared in compliance with International Financial Reporting Standards (IFRS). In the Directors' report there is a note of "Going Concern" in which a sentence is included, stating that the shareholders have committed to support the Zambian operations for a period of 12 months after the audit report date.

During 2014 AMNV obtained 622,652 B class shares in Agora Microfinance Zambia Limited as a result of exercising the conversion clause in its loan agreement. The share capital consists of 95,000 A class shares with voting rights and 1,605,000 B class ordinary shares.

In the accounts of both subsidiaries (AMK and AMIL) there are loan loss provisions for the coverage of bad debts. In both cases management took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad loans and making allowances for doubtful loans.

1. Financial fixed assets

Agora Microfinance Zambia Ltd - Equity

(in USD)	31-Dec-14	31-Dec-13
Opening balance	221,868	867,206
Additional investment + conversion during the year	999,142	84,666
Revaluation of Equity due to change in accounting policy	-	(214,716)
Result for the year	(810,029)	(515,288)
Revaluation Impact	(283,534)	-
FX Impact	(83,614)	-
Balance (NAV) as per year end	43,833	221,868

The Company holds 47.5% of voting shares of AMZ. During the year no further acquisition of voting shares was carried out. In 2014 a total amount of USD 999,142 non-voting shares in AMZ were obtained by conversion of loans. The company continues to incur losses and the Directors consider the outlook to be challenging regarding the portfolio loan quality, increase of costs given the current Zambian Kwacha exchange rate volatility. Nevertheless the Directors expect the company has adequate resources to continue and they keep to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the consolidated financial statements (continued)

2. Goodwill

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Accumulated Goodwill as at 1 January	333,019	-
Additional goodwill during the year	3,276,611	333,019
Impairment in value	-	-
Goodwill as at 31 December	3,609,630	333,019
Accumulated amortisation as per 1 January	33,302	-
Amortisation during the year	360,963	33,302
Foreign exchange results	-	-
Accumulated amortisation as at 31 December	394,265	33,302
Book value goodwill as at 31 December	3,215,365	299,717

During 2014 the company obtained a goodwill on additional investments in AMK Cambodia of USD 3,277,000. In accordance with Dutch GAAP goodwill is capitalised and amortised linearly over the expected lifecycle of the investment to which it is related. The company has decided to amortise the goodwill over a 10 year life cycle.

3. Regulatory reserve AMK MFI Plc

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Deposits with National Bank of Cambodia	3,761,067	-
	3,761,067	-

The statutory deposits are maintained with the NBC in compliance with Prakas No. B7-00-006 on the licensing of Micro-Finance Institutions, the amounts of which are determined at 10% of the Company's registered share capital. The statutory deposit on registered share capital is refundable when the Company voluntarily liquidates and has no deposit liabilities. The reserve requirement is calculated at a minimum of 8% of the total deposits from customers and earns an interest rate of 3% per annum.

Notes to the consolidated financial statements (continued)

4. Tangible assets

Fixed Assets (Furniture, Fixture, Vehicles and Equipment)

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Holding Company	-	-
Consolidated subsidiaries		
Investments as at 1 January	20,008	-
Investment during the year	5,305,010	25,751
Disposals during the year	-	-
Depreciation during the year	(2,564,360)	(5,743)
Impairment in value	-	-
Investments as at 31 December	2,760,658	20,008

All fixed assets are stated at historical costs less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is provided on a pro rata basis from the date of which the asset is ready for commercial use on written down value method as per useful lives of the assets estimated by the management.

Depreciation of the tangible fixed assets is recognised under "general and administrative expenses" in the profit and loss account.

The group owns no tangible fixed assets that are significant individually.

There are no limited property rights to the tangible fixed assets and no security in the form of tangible fixed assets has been provided for liabilities. Nor are there any obligations relating to the acquisition of tangible fixed assets.

	AMIL	AMK	Total
Furniture & Fixtures	32,665	5,292,353	5,325,018
Depreciation during the year	(17,675)	(2,546,685)	(2,564,361)
	14,990	2,745,668	2,760,658

Notes to the consolidated financial statements (continued)

5. Intangible assets

Software		
(in USD)	31-Dec-14	31-Dec-13
Holding Company	-	-
Consolidated subsidiaries		
Investments as at 1 January	11,252	-
Investment during the year	1,224,806	22,923
Disposals during the year	-	-
Depreciation during the year	(853,524)	(11,671)
Impairment in value	-	-
Investments as at 31 December	382,534	11,252

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. Intangible assets in nature as computer software are amortised over a useful life of 3 years on pro rata basis from the date of purchase. The management estimates the date of the useful life of the asset based on the useful life of the asset's technical, technological and other obsolescences.

Amortisation of the intangible fixed assets is recognised under "General and administrative expenses" in the profit and loss account.

The group owns no intangible fixed assets that are significant individually.

There are no limited property rights to the intangible fixed assets and no security in the form of intangible fixed assets has been provided for liabilities. Nor are there any obligations relating to the acquisition of intangible fixed assets.

	AMIL	AMK	Total
Software	14,669	1,221,389	1,236,058
Depreciation software	(1,868)	(851,656)	(853,524)
	12,801	369,733	382,534

Notes to the consolidated financial statements (continued)

6. Loans and Advances

(in USD)	31-Dec-14	31-Dec-13
Holding Company		
Convertible loan AMZ	425,974	250,151
Consolidated subsidiaries		
Loans and Advances outstanding	61,446,181	118,362
Other Short term Loans outstanding	34,910,874	592,476
Provisions (last year)	-	(14,967)
	96,357,055	695,871
	96,783,030	946,022

	AMIL	AMK	Total
Loans and Advances outstanding	894,079	60,552,102	61,446,181
Other Short term Loans outstanding	187,988	34,023,414	34,211,402
Loan loss reserve	(20,681)	(1,039,475)	(1,060,156)
Staff loans outstanding	1,541	1,758,087	1,759,628
	168,848	34,742,026	34,910,874
	1,062,927	95,294,128	96,357,055

In December 2013 a convertible loan with a commitment of USD 500,000 was granted to Agora Microfinance Zambia Ltd. The first tranche of USD 250,000 was drawn in December 2013. In total during 2014 the convertible loans increased by USD 1,200,000 of which USD 999,142 was converted into shares. The maturity date is 31 March 2015. The loan carries an interest rate of 90 Days T-Bill (Government of the Republic of Zambia, 'GRZ') + 7.75% payable quarterly started at 1 April 2014.

Long term loans and advances include group and individual loans to clients, security deposits and all capital and taxes paid in advance. Short term loans also include salary advances and prepaid expenses.

Notes to the consolidated financial statements (continued)

7. Interest receivable

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Holding Company		
Interest convertible loan Agora Microfinance Zambia Ltd.	18,634	1,723
Interest FD AMK KHR Facility	17	10,420
Consolidated subsidiaries		
Interest receivable by AMK Cambodia	1,488,774	-
Interest receivable AMK KHR Facility	15,896	-
Interest accrued	13,533	9,881
	1,536,853	22,024
<i>Interest receivable by AMK on loans can be specified as follows:</i>		
Interest on current loans	968,404	-
Interest on non-current loans	519,313	-
Interest on current staff loans	9	-
Interest on non-current staff loans	1,047	-
	1,488,774	-

8. Deposits with other Financial Institutions

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Holding Company		
AMNV's FD USD Facility	-	707
AMNV's FD KHR Facility	2,087	500,921
Consolidated subsidiaries		
AMIL India	165,727	-
AMK MFI Plc	7,805,395	-
	7,973,209	501,629

Notes to the consolidated financial statements (continued)

Holding Company

The deposits with other financial institutions are deposits with the related party AMK Cambodia. On the 1st of April 2013 the Company opened a deposit account with AMK Cambodia, and made an initial deposit on 1 April 2013 of USD 325,470 which matured during the year.

In 2014 no further deposits have been made and as at 31 December 2014 the balance is only USD 2,087 in the Companies books as above. The total Interest accrued under this facility for 2014 is USD 25,022. The current deposit matures in February 2014. The interest rates under the deposits range between 3%-6% on USD and 7%-10% on KHR deposits. The rates vary for each instrument.

Consolidated subsidiaries

Deposits from AMIL India amounting USD 165,727 and AMK MFI Plc amounting USD 7,805,395 are deposits by the subsidiaries at local banks.

AMK Cambodia has an amount of deposits with the National Bank of Cambodia of USD 6,218,198 and deposits with local banks of USD 5,348,265.

9. Cash at banks

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Holding Company		
Deutsche Bank AG, Amsterdam, Current Account	379,619	3,643,082
Consolidated subsidiaries		
Current accounts AMIL	2,027	361,399
Current accounts AMK	6,283,015	-
	6,664,661	4,004,481

Cash at banks is available on demand.

Notes to the consolidated financial statements (continued)

10. Capital and reserves

The authorised share capital of the Company is EUR 1,000,000 divided into 10,000,000 shares of EUR 0.10 each. As at 31 December 2014 the movements in capital and reserves can be summarised as follows:

<i>(in USD)</i>	Issued and paid-up share capital	Share premium	Retained Earnings	Result for the period
Opening balance as at 1 January 2013	196,137	3,107,186	(46,954)	(861,774)
Transfer to retained earnings	-	-	(861,774)	861,774
Share issue of 1,000,000	135,000	5,565,000	-	-
Share premium contribution	-	5,051,983	-	-
Result for the period	-	-	-	(1,326,224)
Balance at 31 December 2013	331,137	13,724,169	(908,728)	(1,326,224)
Opening balance as at 1 January 2014	331,137	13,724,169	(908,728)	(1,326,224)
Transfer to retained earnings	-	-	(1,326,224)	1,326,224
Share premium contribution	-	7,284,094	-	-
Revaluation Reserve	-	-	-	-
Result for the period	-	-	-	(2,077,581)
Balance at 31 December 2014	331,137	21,008,263	(2,234,952)	(2,077,581)

On 22 November 2014 the Company made an additional investment in AMK Cambodia and financed it with new share premium contribution of USD 7,284,094

Notes to the consolidated financial statements (continued)

(in USD)

	Other reserves
Opening balance as at 1 January 2013	-
Revaluation of Equity - AMIL	(1,094,083)
Revaluation of Equity - AMZ	(214,716)
Balance at 31 December 2013	(1,308,799)
Opening balance as at 1 January 2014	(1,308,799)
FX Impact AMIL	(16,275)
Revaluation of Equity - AMK	789,923
FX Impact AMZ	(83,614)
Balance at 31 December 2014	(618,765)

The Company obtained a majority stake in AMIL during 2013 and in AMK during 2014. As a result, in accordance with Dutch GAAP the accounting policy changed from cost price to net equity method.

11. Minority interest

(in USD)

	31-Dec-13
Opening balance	-
Minority interest AMIL	551,753
Result minority interest AMIL	(25,835)
Balance at year end	525,918

	31-Dec-14
Minority interest AMK Cambodia	11,508,366
Result minority interest AMK Cambodia	328,408
Minority interest AMIL India	510,245
Result minority interest AMIL India	(90,583)
Balance at year end	12,256,436

On 1 October 2013 the company gained a majority interest in Jagdhan Finance Investment Limited (renamed AMIL) and on 22 November 2014 in AMK.

This item comprises the minority interests related to these investments.

Notes to the consolidated financial statements (continued)

12. Non-current borrowings

	2014	2013
Holding Company		
Shareholder Loan	250,000	-
Consolidated subsidiaries		
AMK MFI Plc	34,925,192	-
AMIL	86,054	-
	35,261,246	-

From the total amount of USD 48,872,096 of borrowings in AMK, an amount of USD 34,925,192 is determined as long term liabilities and is longer outstanding than one year and depending on the currency bearing an interest rate between 6.4% and 14.53%.

The holding company received a loan from Mr G.E. Bruckermann on 16 July 2014 of USD 250,000 bearing an interest rate of 2.5%

The interest on non-current borrowings is specified under note 6 Interest receivable.

13. Current borrowings

	2014	2013
Consolidated subsidiaries		
AMK MFI Plc	13,946,904	-
AMIL India	313,200	-
	14,260,104	-

From the total amount of USD 48,872,096 of borrowings in AMK, an amount of USD 13,946,904 is determined as short term liabilities and is no longer outstanding more than one year and depending on the currency bearing an interest rate between 6.4% and 14.53%.

Borrowings of AMIL are typically up to 12 month in duration and carry an interest rate of between 14%-17% in Indian Rupees.

The interest on current borrowings is specified under note 6 Interest receivable.

Notes to the consolidated financial statements (continued)

14. Staff pension fund

	2014	2013
Staff pension fund of AMK Cambodia	1,790,556	-
	1,790,556	-

The Staff pension fund can be specified as follows:

Starting balance	1,399,489	-
Addition	515,300	-
Interest earned	39,534	-
Payments	(171,496)	-
Reversal	(20,296)	-
Currency translation	28,025	-
	1,790,556	-

AMK Cambodia provides its employees, who complete three months of service with the company, with benefits under the staff pension fund policy. The staff pension fund will be paid to employees upon their retirement, resignation or termination of employment. The contribution consists of 3% of the employees salary and the company contributes 6%. AMK Cambodia pays 7% interest per annum on the cumulative balance. The defined benefit is unknown. The funds are contribution benefits. It is completely different from defined benefit plans which require actuarial assumptions and may require experts.

15. Deposit

	2014	2013
Deposits from customers in AMK Cambodia	39,290,526	-
	39,290,526	-

The deposits from customers can be specified as follows:

Term deposits	23,738,297	-
Savings accounts	15,222,660	-
Mobile savings accounts	329,569	-
	39,290,526	-

Notes to the consolidated financial statements (continued)

16. Interest payable on loans

	2014	2013
Interest payable on loans	2,767,558	-
	2,767,558	-
Interest payable on borrowings:		
Holding Company		
Interest on Shareholder Loan	2,877	-
Consolidated subsidiaries		
AMIL India	1,939	-
AMK MFI Plc	1,834,134	-
	1,838,950	-
Interest payable on deposits:		
Consolidated subsidiaries		
AMK MFI Plc	928,608	-
	2,767,558	-

Notes to the consolidated financial statements (continued)

17. Accrued expenses

(in USD)

	2014	2013
Holding Company		
Audit fees	31,000	28,227
Notary and legal fees	-	1,835
Tax advisory fees	34,711	7,667
Management and administration fees	40,226	18,484
	105,937	56,213
Consolidated subsidiaries		
AMIL India		
Audit fees	8,083	8,140
Consultancy fees	-	3,542
Office expenses	4,106	951
Staff expenses	10,998	6,942
General expenses	2,785	6,849
	25,972	26,424
AMK MFI Plc		
Audit fees	11,167	-
Office expenses	95,293	-
Staff expenses	649,259	-
Taxes payable	926,170	-
Trade payables	579,867	-
General expenses	152,705	-
	2,414,461	-
	2,546,370	82,637

Notes to the consolidated financial statements (continued)

18. Interest income

<i>(in USD)</i>	2014	2013
Holding Company		
Interest AMK Cambodia FD KHR facility	25,038	10,420
Interest convertible loan Agora Microfinance Zambia Ltd.	26,797	1,723
Interest AMK Cambodia Promissory Note	-	111,881
Consolidated subsidiaries		
AMK MFI Plc	3,733,752	-
AMIL	232,792	40,250
	4,018,379	164,275

Interest income generated from loans receivable.

Notes to the consolidated financial statements (continued)

19. Other financial income and expenses

<i>(in USD)</i>	2014	2013
Holding Company		
Loan processing fees received	-	-
Interest Expenses Loan Shareholder	(2,877)	-
FX result	(35,491)	22,354
Interest Bank	(3)	-
	(38,371)	22,354
Consolidated subsidiaries		
AMIL India		
FX result	(7,008)	-
AMIL Loan processing fees	15,448	3,025
AMIL Other income	11,299	-
AMIL Loan loss provision	(17,896)	-
AMIL Interest expenses	(40,082)	-
AMIL Loan fee expenses	(7,358)	-
	(45,599)	3,025
AMK Cambodia		
FX result	7,951	-
AMK Loan processing fees	69,342	-
AMK Other income	126,622	-
AMK Loan loss provision	(62,048)	-
AMK Interest expenses	(881,219)	-
AMK Loan fee expenses	(120,970)	-
	(860,322)	-
	(944,291)	25,379

Notes to the consolidated financial statements (continued)

20. General and administrative expenses

<i>(in USD)</i>	2014	2013
Holding Company		
Investment advisor fee	742,580	775,099
Audit fees	64,664	39,612
Tax advisory fees	34,711	4,167
Legal/tax fees	6,328	35,865
Management and administration fees	40,226	42,615
Operational expenses Investments	2,185,630	81,626
Total depreciation Investments	133,103	4,782
Write off on loans in Investments	17,896	4,537
Bank charges	3,388	3,571
Other cost	6,933	1,250
	3,235,460	993,123
Operating Expenses of consolidated subsidiaries		
AMIL India		
Staff	264,996	64,954
Rent	23,319	3,957
Operational expenses	29,850	10,139
Travel cost	10,262	2,281
Insurance	1,212	295
Consultancy fee	4,863	
	334,503	81,626
AMK Cambodia		
Staff	1,046,110	-
Rent	110,186	-
Operational expenses	439,128	-
Travel cost	189,800	-
Insurance	2,981	-
Consultancy fee	62,923	-
	1,851,128	-
Total operating expenses of subsidiaries	2,185,630	81,626

Notes to the consolidated financial statements (continued)

21. Result on Investments

<i>(in USD)</i>	2014	2013
Result on AMZ	(810,029)	(515,288)
Revaluation Impact	(283,534)	
	(1,093,563)	(515,288)

22. Result Minority interest

<i>(in USD)</i>	2014	2013
AMK MFI Plc	(328,408)	
AMIL	90,583	(25,835)
	(237,825)	25,835

23. Corporate income tax

The Company acts as the holding company of investments in selected microfinance companies in Africa and Asia. From a Dutch corporate income tax perspective income including capital gains arising from the investments are tax exempt pursuant to the participation exemption.

Personnel

The Company did not employ any personnel and hence incurred no wages, tax, salaries or related social security charges during the year under report.

Directors

The managing directors of the Company received no remuneration in respect of their services as director. The Company has two supervisory directors.

24. Other commitments not shown in the balance sheet

The Company has entered into commitments on behalf of AMZ, supporting the business for at least 12 months. The current operating environment of AMZ is difficult considering the loan portfolio quality and current Zambian Kwacha exchange rate volatility, which may cast considerable doubt on the ability of AMZ to continue as a going concern.

Stand-alone balance sheet as at 31 December 2014

(before proposed appropriation of net result and expressed in USD)

		31-Dec-14	31-Dec-13
ASSETS		USD	USD
FIXED ASSETS			
Financial fixed assets	25	12,667,105	5,819,922
Goodwill	2	3,215,365	299,717
Total fixed assets		15,882,470	6,119,639
CURRENT ASSETS			
Loans receivable	26	425,974	250,151
Interest receivable	27	18,651	12,143
VAT receivable		50,129	33,136
Current account shareholder		7,987	7,987
Deposits with other Financial Institutions	8	2,087	501,629
Cash at bank	28	379,619	3,643,082
Total current assets		884,445	4,448,128
TOTAL ASSETS		16,766,915	10,567,767

Stand-alone balance sheet as at 31 December 2014 (continued)

(before proposed appropriation of net result and expressed in USD)

		31-Dec-14	31-Dec-13
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	9		
Issued and paid-up share capital		331,137	331,137
Share premium		21,008,263	13,724,169
Other reserves		(618,765)	(1,308,799)
Retained earnings		(2,234,952)	(908,728)
Result for the period		(2,077,581)	(1,326,224)
Shareholders' equity		16,408,101	10,511,554
NON CURRENT LIABILITIES			
Shareholder Loan		250,000	-
Total Non-current Liabilities		250,000	-
CURRENT LIABILITIES			
Interest Loan Shareholder		2,877	-
Accrued expenses	29	105,937	56,213
Total Current Liabilities		108,814	56,213
TOTAL EQUITY AND LIABILITIES		16,766,915	10,567,767

Stand-alone profit and loss account for the year ended 31 December 2014

<i>(in USD)</i>		2014	2013
Financial income and expenses	30		
Interest income		51,835	124,025
		51,835	124,025
Expenses			
General and administrative expenses	31	(880,605)	(897,187)
		(880,605)	(897,187)
Other income and expenses			
Goodwill amortisation	2	(360,963)	(33,302)
Financial income and FX result	19	(38,371)	22,354
		(399,334)	(10,948)
Share in profit/(loss) of participating interests			
AMIL (Jagdhana Finance and Investment Ltd.)	25	(94,054)	(26,826)
AMK	25	338,140	-
Agora Microfinance Zambia	21	(1,093,563)	(515,288)
		(849,476)	(542,114)
Profit/(loss) before taxation		(2,077,581)	(1,326,224)
Corporate income tax	23	-	-
Profit/(loss) after taxation		(2,077,581)	(1,326,224)

Notes to the stand-alone financial statements

General

The stand-alone financial statements have been prepared in accordance with principles of accounting generally accepted in The Netherlands and are in compliance with the provisions of the Dutch Civil Code, Book 2, Part 9.

The accounting policies of the stand-alone financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance with the accounting policies for the consolidated financial statements.

For the accounting policies of the stand-alone financial statements, we refer to the summary of accounting policies as included in the notes to the consolidated financial statements.

25. Financial fixed assets

AMK Cambodia - Equity

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Opening balance	5,051,983	-
Acquisition of new shares	9,284,094	5,051,983
Revaluation due to PPA in AMK	789,923	-
Goodwill	(3,276,611)	-
Result on investment	338,140	-
Balance as per year end	12,187,528	5,051,983

On 22nd November the Company acquired a majority stake in AMK MFI Plc (Cambodia) through purchase of shares from Concern Worldwide. At year-end the payment to Concern Worldwide was in process and was concluded in April 2015. The acquisition results in a holding-subsiidiary relationship between the Company and AMK Plc. As a result the accounts are consolidated and the investment does not appear under Financial Fixed Assets in the Balance Sheet of the consolidated accounts.

Notes to the stand-alone financial statements (continued)

Agora Microfinance Zambia Ltd - Equity

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Opening balance	221,868	867,206
Additional investment during the year	999,142	84,666
Revaluation per year end due to change in accounting policy	-	(214,716)
Foreign Exchange Impact during the year	(83,614)	-
Result of AMZ	(810,029)	(515,288)
Revaluation Impact	(283,534)	-
Balance as per year end	43,833	221,868

The Company holds 47.5% of voting shares of AMZ. During the year no further acquisition of voting shares was carried out. In 2014 a total amount of USD 999,142 non-voting shares in AMZ were obtained by conversion of loans. The company continues to incur losses and the Directors consider the outlook to be challenging regarding the portfolio loan quality, increase of costs given the current Zambian Kwacha exchange rate volatility. Nevertheless the Directors expect the company has adequate resources to continue and they keep to adopt the going concern basis of accounting in preparing the financial statements.

AMIL - Equity

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Opening balance	546,072	1,000,000
Additional investment during the year	-	1,000,000
Revaluation due to PPA per October 2013	-	(333,019)
Revaluation per year end due to change in accounting policy	-	(1,094,083)
FX Impact	(16,274)	-
Result of AMIL	(94,054)	(26,826)
Balance as per year end	435,744	546,072

During 2014 no major events took place that had large implications for the financial statements of 2014.

Notes to the stand-alone financial statements (continued)

26. Loan AMZ

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Subsidiaries and investees		
Convertible loan AMZ	425,974	250,151
	425,974	250,151

Refer to Note 5 to the consolidated financial statements.

27. Interest receivables

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Subsidiaries and investees		
Interest convertible loan Agora Microfinance Zambia Ltd.	18,634	1,723
Interest FD AMK KHR Facility	17	10,420
	18,651	12,143

28. Cash at banks

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Deutsche Bank AG, Amsterdam, Current Account	379,619	3,643,082
	379,619	3,643,082

Cash at banks is available on demand.

Notes to the stand-alone financial statements (continued)

29. Accrued expenses

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Audit fees	31,000	28,227
Notarial and legal fees		1,835
Tax advisory fees	34,711	7,667
Management and administration fees	40,226	18,484
Investment advisor fee	-	-
	105,937	56,213

30. Interest income

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Interest AMK Cambodia FD KHR facility	25,038	10,420
Interest convertible loan Agora Microfinance Zambia Ltd	26,797	1,723
Interest AMK Cambodia Promissory Note	-	111,881
	51,835	124,025

31. General and administrative expenses

<i>(in USD)</i>	31-Dec-14	31-Dec-13
Investment advisor fee	742,580	775,099
Audit fees	49,085	36,899
Tax advisory fees	34,711	4,167
Legal/tax fees	4,000	33,590
Management and administration fees	40,226	42,615
Bank charges	3,070	3,568
Other cost	6,933	1,250
	880,605	897,187

Other Information

Statutory provisions regarding appropriation of results

In accordance with Article 21 of the Articles of Association, the result for the year is at the disposal of the General Meeting of Shareholders insofar as the supervisory director does not determine that all of the profits or a specified sum shall be added to the reserves.

Appropriation of result

During the year under review, the Company recorded a loss of USD 2,078 thousand.

Post balance sheet events

Shareholding: Gerhard Bruckermann increased his shareholding through purchase of shares held by Concern Worldwide. Stichting Agora Microfinance replaced the Agora Investments Coöperatief U.A. as the holder of management sweat equity. Concern Worldwide and Agora Investments Coöperatief U.A. both exited their shareholding.

Governance: Gerhard Bruckermann replaced Jim Hynes on the Supervisory Board. Tanmay Chetan was re-appointed Chair of the Supervisory Board.

Amsterdam, 5 October 2015

Managing Directors:

Ms. R. McKenzie

Mr. R.W. van Hoof

Mr. S.P. de Haseth

Dividends: AMK Microfinance Institution Plc issued a dividend to all shareholders, of 10% of its net profits for 2014.

New investments: continued in AMZ and AMIL. Approximately USD 400,000 was invested in AMIL and a number of smaller investments, totalling a similar amount, into AMZ until the date of this report.

Others: Jagdhan Finance and Investments India Limited was renamed as Agora Microfinance India Limited during the year.

Management opinion on going concern: The company made a significant acquisition during the year into AMK Cambodia, which immediately resulted in the Company receiving a dividend payout from AMK during 2015. Both AMZ and AMIL are on course to financial viability during 2015. Therefore, all the 3 investments of the Company will be performing profitably in the near future. The Company is also in the process of raising further capital to expand its operations. In the view of the management, on account of the above developments, there are no issues around the going concern nature of the Company's operations.

Supervisory board:

Mr. T. Chetan

Mr. G.E. Bruckermann
(appointed 8 April 2015)

Mr. J.G. Hynes
(resigned 8 April 2015)



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