



Agora Microfinance
Banking for Change

Agora Microfinance N.V.
Annual Report
2015



TABLE OF CONTENTS

OVERVIEW

Financial Highlights	03
Message from the Principals	04
Group Structure	07
AMNV Overview and Philosophy	07

ANNUAL PROGRESS REPORT

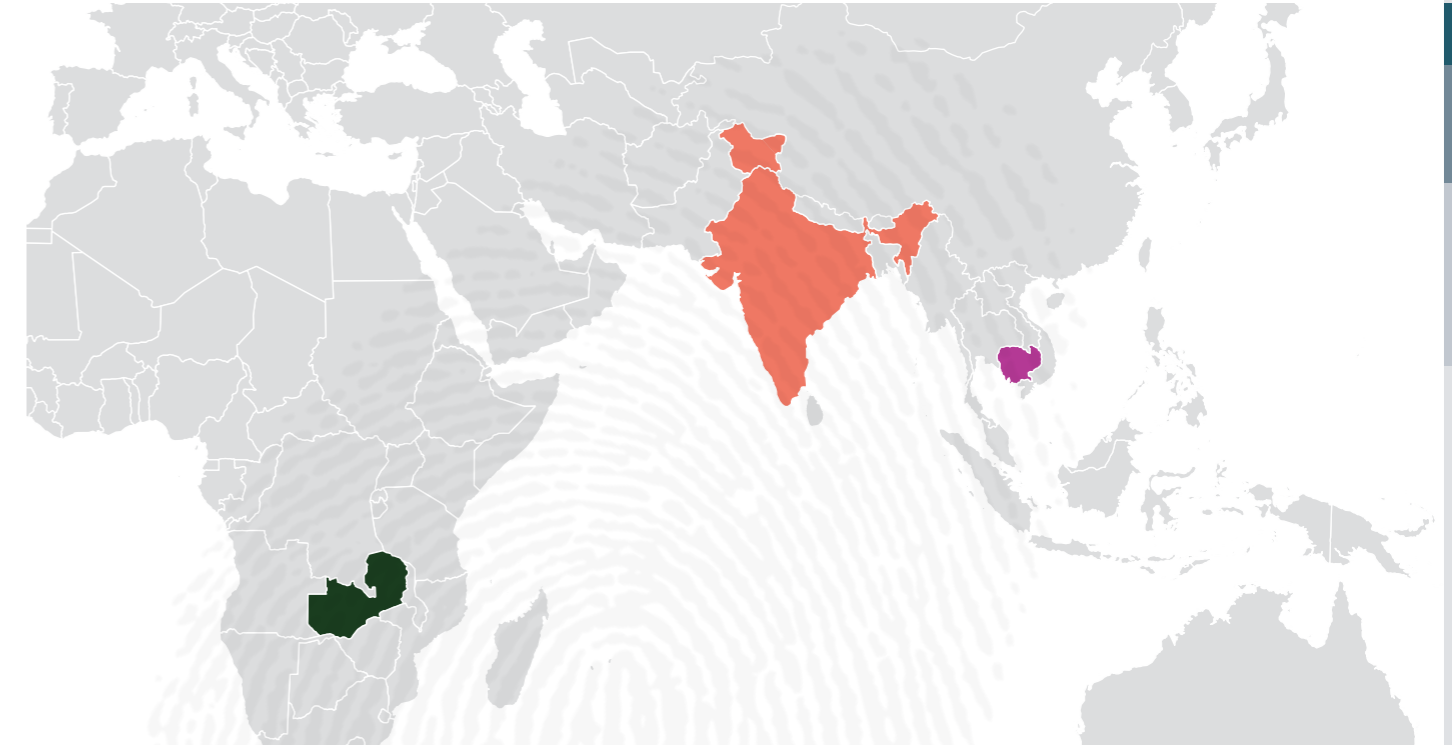
AMK MFI Plc (AMK)	08
Agora Microfinance India Ltd (AMIL)	12
Agora Microfinance Zambia (AMZ)	16
Micro-insurance	20
Technology	21
Social Performance	22

ADVISORY TEAM

Advisory Team Profiles	27
------------------------	----

FINANCIAL STATEMENTS

Directors' Report	28
Consolidated balance sheet as at 31 December 2015	32
Consolidated profit and loss account for the year ended 31 December 2015	34
Notes to the consolidated financial statements	35
Stand-alone balance sheet as at 31 December 2015	54
Stand-alone profit and loss account for the year ended 31 December 2015	56
Notes to the stand-alone financial statements	57
Other Information	62



KEY FIGURES AS AT 31 DEC 2015

BALANCE SHEET FIGURES FOR AGORA MICROFINANCE N.V.

USD
24m
PAID IN CAPITAL

USD
20m
TOTAL INVESTMENT

USD
20m
TOTAL ASSETS

KEY FIGURES AT THE GROUP LEVEL

3
NO OF FINANCIAL INSTITUTIONS

2,204
NO OF EMPLOYEES

346,137
NO OF ACTIVE LOANS

USD
129m
OUTSTANDING LOAN PORTFOLIO

136,933
NO OF ACTIVE DEPOSITORS

USD
64m
DEPOSIT BALANCE



OVERVIEW





MESSAGE FROM THE PRINCIPALS



It fills me with great joy to see the concept behind AMNV and its operating investee companies proving to be very successful.

We reach out to almost 500,000 households to provide products which truly improve our clients' livelihoods. With an average of 6 people per household this impacts around 3 million people. Statistical evidence in Cambodia confirms that our clients have a much better chance to move out of absolute poverty than non-clients.

What are the fundamentals of our concept? We try to understand our clients' needs and provide the most appropriate products in the most timely and efficient way possible. We use the advantages of modern technology wherever applicable. We have a very hands-on approach, from the holding company down to the service we provide to our clients in the field. The improvement of our clients' wellbeing is the raison d'être of the group. We continuously learn from our clients. This is why we keep on expanding our product range. In India

and Zambia while the immediate focus is on increasing our geographical range, our product evolution continues as well.

In each country we are building long term sustainable institutions. The overall financial return in Cambodia, in our stable state, has been for a number of years now a solid double-digit number. We consider this a sound basis for continuous improvements to our loyal clientele and extension of our geographical reach.

There still remains so much out there to do. In 2016 we expect more capital investments into AMIL and AMZ that will immediately reach new clients in India and Zambia. We are in this not only with our minds but also very much with our hearts. Nothing compares to the satisfaction and the joy I feel when I can experience the hope our services give to our clients.

Gerhard Bruckermann
Anchor Investor



It gives me pleasure to report on a landmark year for the Agora Group. When the group was created during 2010-2011 the idea was to stretch the limits of what microfinance could achieve. We began by going into less charted markets and by starting green-field operations rather than solely investing in more established institutions. This was because we wanted to make an impact in markets deemed difficult and where not many institutions were active, while deploying a viable business model. Now, five years later, I can say with more confidence than ever that the original hypothesis behind Agora stands validated, and what we have learnt in the more challenging financial markets will hold us in good stead in the years to come.

Now to the good news. Agora Microfinance N.V. turned profitable for the first time since beginning to invest in 2012 [2015: RoE 5.7% on standalone basis]. This is largely due to the consistent and strong financial performance of AMK MFI Plc, our Cambodian subsidiary which returned another impeccable year of

performance for 2015. The second, equally good news is that AMIL, our Indian green-field also turned profitable late in the year (on its monthly results), within the first four years of its initiation. In further positive developments AMZ, our Zambian green-field took big strides towards viability, something that we hope to achieve during 2016. Both AMIL and AMZ crossed the 10,000 client mark while AMK extended its reach to almost half a million clients, in particular through its new micro-insurance products which reached in excess of 125,000 clients in their year of launch.

Altogether, the group increased its combined assets by 33% [2015: total assets USD 166 m; 2014: USD 125 m] as all our investees registered strong growth in their respective operations. At the same time, our consolidated net profit improved by over USD 3 million from the previous year, an improvement of almost 150% year on year.

AMK has been our flagship institution since the beginning of Agora and we were pleased to see that it continued to maintain its leadership in the Cambodian market, with more clients across its loan and insurance products than any other financial institution in the country. Its financial performance remained strong with a Return on Equity of 19.2%, PAR30 of less than 0.5% and new products and technology being applied across all parts of its operations – with ATMs, agent banking, tablets for digitising loan processes and a sophisticated core banking system (under implementation).

In India, AMIL is now firmly on course to scale, profitability and a position of leadership in the Mumbai market. Though still small by Indian standards, it almost doubled the size of its operation during the year and its pace of growth remains strong. In the years to come we will work further on deepening our reach in Mumbai. Similarly, AMZ is also on course to breaking even soon and hopefully within 2016. This will be an

important milestone for AMZ which has had to withstand rough weather in the form of currency slides, crop/weather failures as well as its own internal restructuring in previous years. During 2015 it made operating surpluses in most of the months of its operations, but a spike in borrowing costs and the high devaluation of the Zambian Kwacha set it back a little. With a PAR30 of less than 1%, AMZ remains operationally very healthy and will emerge a strong financial institution in the years to come.

The social goals of our work remain paramount. In order to achieve the most optimum outcomes we are constantly looking for better solutions: at the moment this includes exploring weather index insurance for small farmers in Zambia and Cambodia, expanding health insurance in Cambodia and offering free insurance top-ups in India. We will continue to make every effort to improve the chances of success of our end clients.

At Agora, we remained engaged within the Boards and committees of our partner institutions and continued to play our role in helping with the governance and strategy of our partners. We expect to continue these efforts during 2016 and build on the good results of 2015.

In conclusion, I would like to thank my colleagues here at Agora and at the MFIs, and our shareholders for the continued support to our work.

Tanmay Chetan
Chief Executive Officer



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

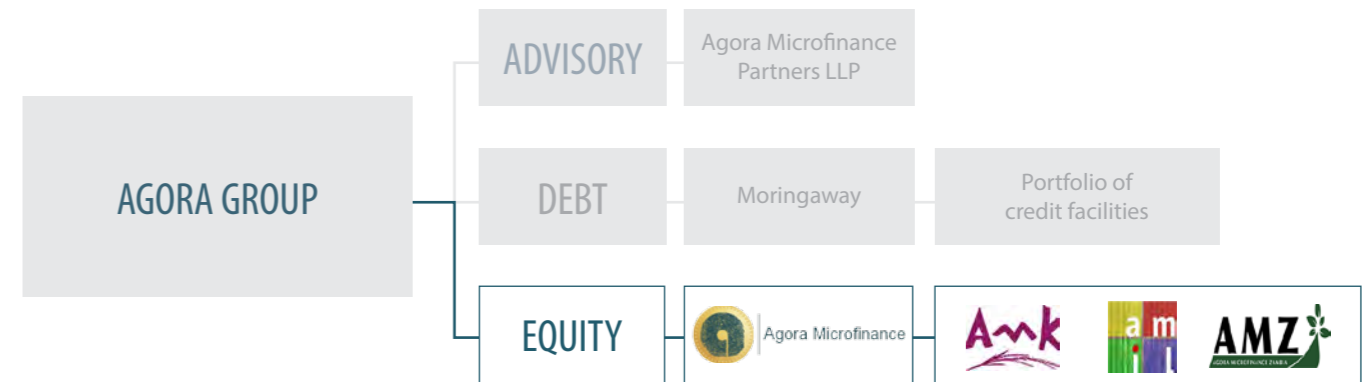
GROUP STRUCTURE

The Agora Group ("Agora") is a specialist microfinance operator-investor that works in frontier markets in Asia and Africa at present. It is the promoter-shareholder of three microfinance companies that together manage over \$165 million in assets and work with over 400,000 clients, mostly the rural & urban poor and smallholder farmers.

The group currently comprises a holding company for equity investments (Agora Microfinance N.V., "AMNV"), three equity investees/subsidiaries (AMK Cambodia, AMIL India and AMZ Zambia) and a company that carries out Agora's lending operations (Moringaway). The operations are managed through the Investment Advisor, Agora Microfinance Partners LLP ("AMP LLP"), which is

based in London and which oversees the overall portfolio of investments. The Advisor is assisted by management service companies located in the countries of domicile of the respective investing companies.

AMNV is a public company domiciled in the Netherlands and Moringaway is a GBL 1 company domiciled in Mauritius.



AMNV OVERVIEW AND PHILOSOPHY

AMNV Mission:

To maximise the social returns in microfinance while providing a fair and attractive financial return to investors.

Agora Microfinance N.V., a Dutch public limited liability company, began operations in December 2011 after two years of preparatory work that had commenced with the creation of a London-based Advisory Company, Agora Microfinance Partners LLP. The strategy of AMNV is to invest in well-performing financial institutions in Asia and Sub-Saharan Africa (SSA) in order to create a diversified portfolio of multi-product MFIs and service providers. Additionally, AMNV also creates a limited number of green-fields in frontier markets in SSA and Asia.

The Company's microfinance philosophy and strategy is built on carefully balancing its commercial objectives with its social goals. The commercial objective is to provide a stable, healthy and fair return to their investors through the creation of market leaders in a number of microfinance environments. The social goals focus on its investee MFIs directly reaching the lower income strata of the economy, and in helping and tracking their movement towards better financial stability and overall well-being.



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

AMK 2015 | CAMBODIA'S LARGEST MFI BY ACTIVE CLIENTS



126m
 LOAN PORTFOLIO
 (USD)



64m
 DEPOSIT BALANCE
 (USD)

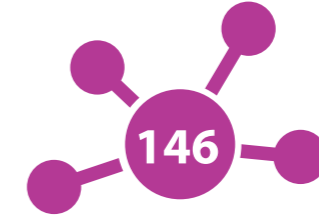


300m
 VALUE OF MONEY
 TRANSFERS (USD)

NO OF



2126
 STAFF



146
 BRANCHES

OPERATIONS IN ALL



24
 PROVINCES



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.




The year 2015 saw AMK maintaining its position as the premier financial service provider to rural families by expanding its outreach and establishing a strong footprint in most rural areas of Cambodia. As of end 2015, AMK's reach extended to over 12,394 villages, approximately 88% of all villages in the country, and as many as 98% of all the communes and 100% of all the districts, provinces and cities in Cambodia.

AMK has made strong progress towards its goal of becoming a "one-stop financial service provider" by providing its clients with multiple products including loans, deposits, health and accident insurance, money transfers and other payment services through its multiple channels: doorstep delivery, branch offices, mobile agents, and ATMs/CDMs.

With the successful pilot test of micro health and accident insurance in 2014, AMK rolled out – in partnership with Forte Insurance – this product nationwide in 2015 with a low premium at just USD 6.25 per person per year. During 2015, AMK issued 127,323 insurance policies to its loan clients. It is noteworthy that 82% of the policy holders were group loan clients, again an indicator of the product's relevance amongst lower income households. The claims ratio was approximately 31% of the premium collected for 2015. During the year, AMK took another step forward by piloting a weather index insurance for small farmers with the aim to provide

protection against weather related losses in farming. AMK continues to find better options to protect its clients in the upcoming years.

In 2016, AMK will continue to grow its credit business by offering more diversified products to various market segments and also expanding to some new villages in Cambodia with a continued focus on small rural depositors as well as on money transfers and other payment services. AMK will also invest significantly in technology, human resources, branding, and enhancement of products and services to improve the customer experience at all levels.

-  **12,394**
villages reached
-  **82.1%**
woman borrowers
-  **19.2%**
return on equity (RoE)



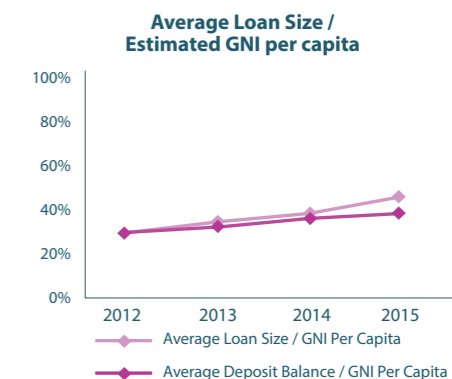
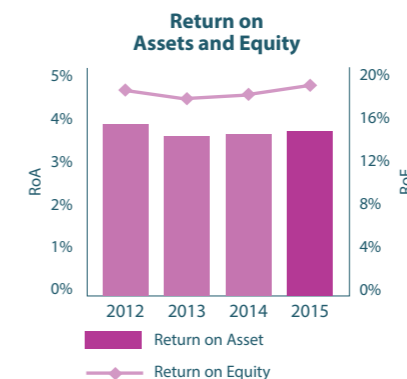
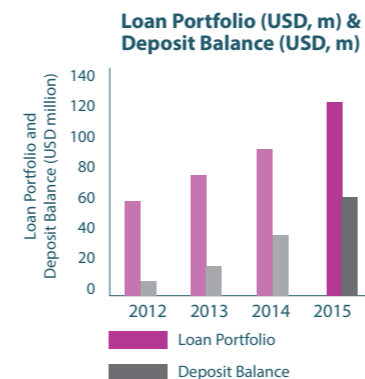
AMK CEO, KEA BORANN

Borann has been the CEO of AMK since 2012. Borann has worked with AMK since 2004 and has held various leadership roles throughout the development of the organization such as: Finance Manager, CFO, and Deputy CEO. Before joining AMK, he worked for another MFI as Finance Manager.

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.

OPERATIONAL & FINANCIAL HIGHLIGHTS

DESCRIPTION	2012	2013	2014	2015
Number of Branches & Sub Branches	113	128	139	146
Number of Active Borrowers (exc. Staff, EL)	291,859	323,828	329,760	326,121
Number of Active Savers	29,910	58,642	95,281	136,933
Number of Money Transfer Transactions	105,700	165,107	312,460	959,002
Number of Active Micro Insurance	-	-	9,886	127,057
Number of ATM /CDM	-	-	20	54
Loan Portfolio (USD)	61,367,475	77,878,716	94,575,515	125,872,345
Deposit Balance (USD)	8,220,322	18,315,023	38,717,455	63,993,220
Value of Money Transfer (USD)	30,207,451	75,085,784	134,337,866	300,565,970
PAR 30 Days	0.12%	0.16%	0.15%	0.41%
Return on Assets (RoA)	3.88%	3.62%	3.63%	3.71%
Return on Equity (RoE)	18.95%	18.00%	18.26%	19.22%
Average Loan Size (USD)	260	307	368	475
Average Loan Size / GNI Per Capita (loan disbursed)	29.5%	34.9%	38.7%	47.0%
Average Savings Balance / GNI Per Capita	29.7%	32.6%	37.7%	39.2%
Depth of Outreach % of New Group Clients Identified as Poor	29%	37%	37%	32%





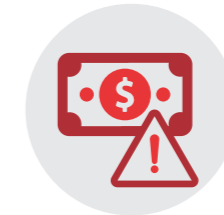
Mission:
To provide affordable, convenient and timely financial services to low income urban clientele in a financially sustainable manner.

**AMIL
2015**

**MEETING THE FINANCIAL NEEDS
OF MUMBAI'S URBAN SLUMS**



2.5m
LOAN PORTFOLIO
(USD)



0.38%
PAR 30

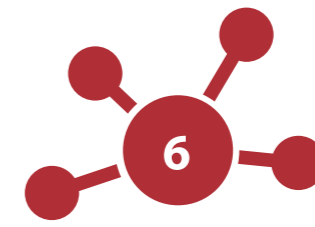


291
AVERAGE LOAN SIZE
(USD)

No OF



43
STAFF



6
BRANCHES

**OPERATIONS
MUMBAI
CITY**





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

Entering its fifth year of operations in Mumbai, AMIL achieved a number of key milestones in 2015, most significantly, achieving month on month break even in September 2015 at an active client base of 8,486 and a portfolio of ~USD1.5million, subsequently closing the financial year with a portfolio size of ~USD2.5million with the active clientele crossing the 10,000 mark to reach 11,408. AMIL's 100% growth and the month on month break even led to year to date losses being cut by almost 60%. AMIL received two rounds of equity in FY15-16. Not only did this support the efforts towards operational break-even, but the continued confidence of the shareholders in the company played a crucial role in domestic debt raising.

Alongside the financial improvements, AMIL's sectoral presence was acknowledged and appreciated with the election of its CEO, Meenal Patole, to the Board of Members of the Microfinance Institutions Network (MFIN), a member institution for the microfinance sector and a self-regulatory organization (SRO) recognized by the Reserve Bank of India. MFIN plays a crucial role in policy advocacy for the sector and NBFC-MFI regulation implementation. As documented in MFIN's annual publication "The Microscope FY14-15", AMIL is 4th in terms of percentage of female employed (65%) and in 3rd position for employing female loan officers (77%) across all member organisations.

AMIL plans to grow significantly with new operations in four more locations in Mumbai, potentially reaching an active client base of 20,000 clients and doubling the portfolio to USD4.8million. In order to achieve this, AMIL would look to raise additional debt funding of circa USD2.45million. AMIL will also be expanding its product lines with the addition of a Top-Up Loan for existing clients with a regular working capital requirement that will allow them to stagger their borrowings as and when needed; and a Flexi-Business Loan for those clients that require larger loans and terms relative to their business cycle needs.

-  **11,408**
active clients
-  **2.5m**
loan portfolio (USD)
-  **100%**
growth



AMIL CEO, MEENAL PATOLE

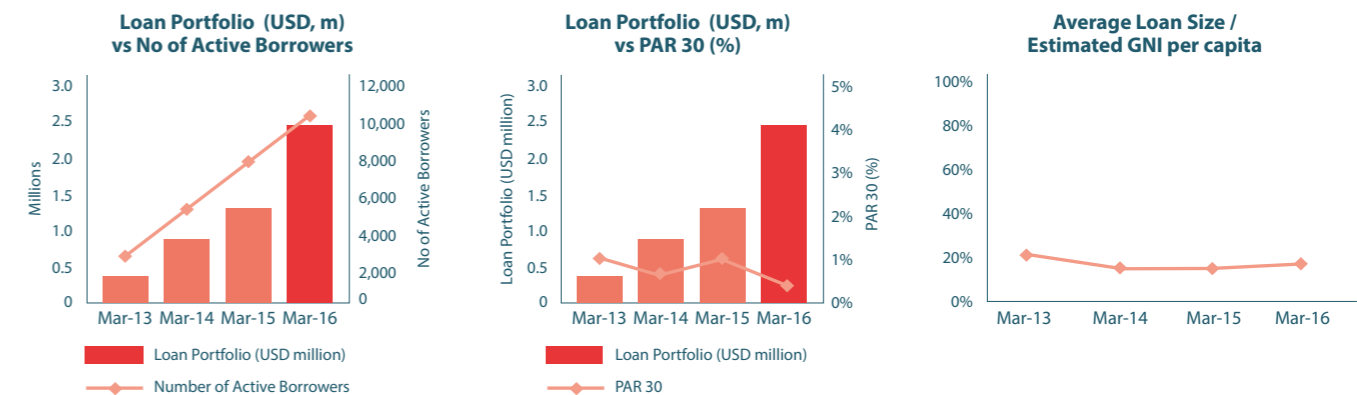
Meenal Patole is the founder CEO and has been with AMIL since its inception in December 2011 and has led the company as its CEO and Managing Director. She holds a M.A. in Political Science from Jawaharlal Nehru University and

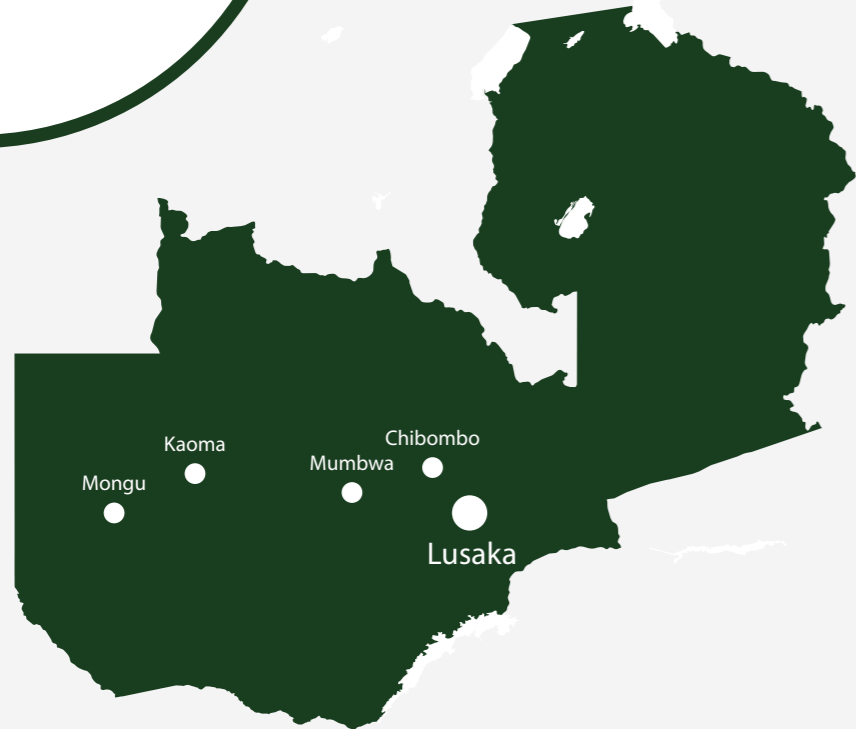
an M.Phil in Planning and Development from IIT Bombay. She has more than 17 years of experience in microfinance and has worked with various leading organisations across India and abroad.

OPERATIONAL & FINANCIAL HIGHLIGHTS

DESCRIPTION	Mar-13	Mar-14	Mar-15	Mar-16
No of Field Offices	5	5	6	6
Number of Active Borrowers	1,958	5,108	8,171	11,408
- Women Borrowers (%)	76%	77%	74%	77%
- Loans for Business Purposes (%)	71%	74%	85%	85%
Loan Portfolio (USD)	360,928	902,472	1,330,690	2,453,756
PAR30 Days	1.11%	0.69%	1.03%	0.38%
Return on Assets (RoA)	-12.53%	-13.45%	-15.16%	-2.38%
Average Loan Size (USD)	307	246	243	291
Average Loan Size / Estimated GNI per capita	20.07%	15.77%	15.09%	17.53%

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





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

**AMZ
2015**

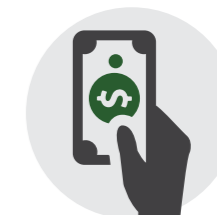
**ONE OF THE FEW RURAL
FARM-BASED MFIS IN ZAMBIA**



0.7m
LOAN PORTFOLIO
(USD)



0.41%
PAR 30

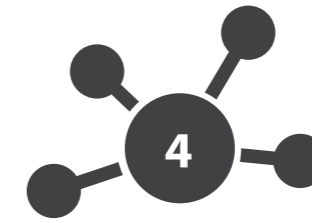


139
AVERAGE LOAN SIZE
(USD)

**NO OF
NO OF**



STAFF



BRANCHES

**HEAD OFFICE IN
LUSAKA**
OPERATIONS
WESTERN & CENTRAL
PROVINCES



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.


Despite a turbulent macro-economic environment in Zambia, AMZ registered a strong recovery in its operations during the year. The recovery was made possible due to excellent asset quality, reduced operating costs and greater efficiency in operations.

As a result, AMZ's net losses reduced by over 60% during the year, lower by ZMW 5 million over the previous year at ZMW 3.3 million. Alongside cost reductions, two aspects of operations stood out during the year. The first was a 52%+ increase in the performing loan portfolio of the institution, which increased from ZMW 4.6 million in 2014 to ZMW 7.5 million by end 2015. The second was its portfolio quality, which remained impeccable throughout the year with PAR30 of 0.41% as on 31 Dec 2015. The fact that both growth and strong quality were achieved and maintained during a process of downsizing staff levels (from 78 in 2014 to 44 now), is a testament to the efficiency and quality of its operations.

During the coming year, AMZ plans further growth and some geographical expansion, alongside making sustained efforts to widen its product range with the introduction of micro-insurance as well as enterprise loans.

AMZ will also start a tablet pilot to digitize loan application processes during the coming year. It expects to continue the improvement that saw it turn an operating surplus in December 2015.

 **60% reduction in net losses**

 **40% increase in client growth**

 **0.41% PAR30**



AMZ CEO, OLGA TORRES

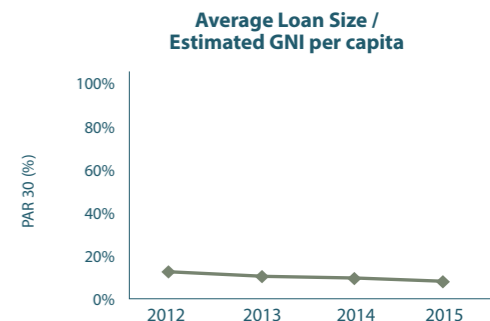
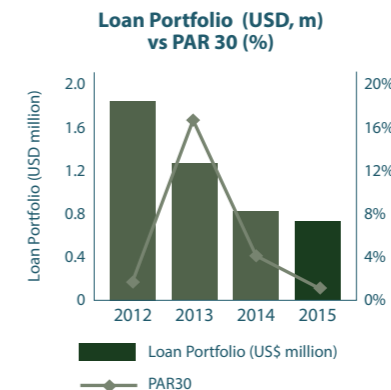
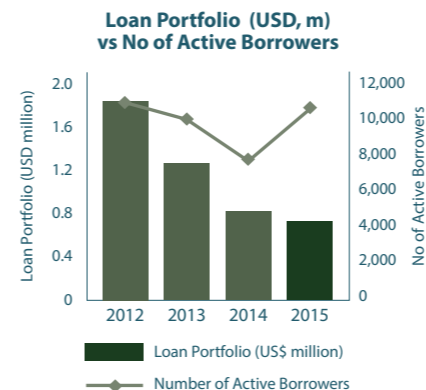
Olga has over 15 years of experience in financial inclusion and rural finance and brings solid experience of managing microfinance operations as well as practical/lean research to inform strategic decisions. She was appointed as CEO in February 2015 but had joined AMZ in September 2012 as Head of Research and has led Operations since March 2014 as the

COO. Prior to that she spearheaded the Social Performance for Agora Microfinance Partners LLP (2010-2012) and at AMK MFI Plc (AMK: 2003-2009). Olga holds a Ph.D from Universidad Complutense and a Masters of International Affairs from Columbia University (SIPA).

OPERATIONAL & FINANCIAL HIGHLIGHTS

DESCRIPTION	2012	2013	2014	2015
No of Branches	3	4	4	4
No of Village Banks	212	312	263	261
Number of Active Borrowers	10,579	9,608	7,381	10,330
- Women Borrowers (%)	49%	51%	55%	58%
- No of Rural borrowers (%)	~ 59%	~ 67%	~ 70%	74%
Loan Portfolio (USD)	1,761,482	1,219,111	788,045	701,272*
PAR 30 Days	1.66%	16.03%	3.94%	0.41%
Return on Assets (RoA)	-6.20%	-22.80%	-103.96%	-39.4%
Average Loan Size (USD)	175	158	186	139
Average Loan Size / Estimated GNI per capita	12.96%	11.14%	10.57%	8.29%

* AMZ loan portfolio in local currency increased by over 50% but is shown as reduced due to its currency devaluation impact.



MICRO-INSURANCE

Microinsurance is an important financial service to the poor that helps protect their lives and livelihoods from unexpected events and catastrophes. Agora sees micro-insurance as a crucial product line for low-income clients.

In Cambodia, with average incomes being less than USD 1,000 a year, getting access to health and accident insurance proves particularly expensive for poor families. Clients can also be difficult to reach given that close to 80% of the Cambodian population live in rural areas that lack basic infrastructure.

Our partner AMK in Cambodia, continuing on its path of diversification, introduced a health insurance product to its clients after the completion of a successful pilot test of micro

health and accident insurance in 2014. With a small premium of just USD 6 per year, AMK's customers can be confident in the knowledge that their families will be sustained and their lifestyles maintained should any unforeseen event occur, thereby providing them with invaluable peace of mind. In 2015, AMK rolled out an extension of this product nationwide, in partnership with Forte Insurance, to cover borrowers' spouses for an extra USD 6.25 per year. If a borrower or spouse has an accident or illness, they could be eligible for up to USD 300 per claim to cover hospital costs. If they are permanently disabled or pass away, USD 2,000 will be given to their family. Over time, AMK will look to extend the product not just to the borrower and co-borrower but also to other family members, like their children.

During 2015, AMK issued 127,323 insurance policies to its loan clients. It is noteworthy that 82% of the policy holders were group loan clients, again an indicator of the product's relevance amongst lower income households. The claims ratio was approximately 31% of the premium collected for 2015. During the year AMK took another forward step to pilot a weather index insurance for small holder farmers with the aim to provide protection against weather related losses in farming.

Being early-stage MFIs, AMIL and AMZ have both introduced credit life insurance to their clients. Over time, they aim to be able to offer more by way of insurance to further protect their clients from unforeseen events.



In Cambodia, with average incomes being less than USD 1,000 a year, getting access to health and accident insurance proves particularly expensive for poor families.

TECHNOLOGY

Technology plays a very important role in the operations of financial institutions and is key to enabling innovation in order to advance financial inclusion. Agora, through its partner institutions, uses new-age technology wherever possible to increase efficiencies and improve customer experience at all levels.

AMK has always placed investment in technology at the forefront in order to better its reach and service to its clients. The most notable initiative has been the development of its own agent network which began in 2011 and has been consolidated since. Through the use of its own agent network, AMK has successfully increased its clients' access to its services in remote villages and has removed the need for clients to physically go to a branch, especially for deposits and transfers. Agents of AMK are typically small shop keepers who are present close to the markets or main roads in rural villages. Trained by AMK staff, these agents offer phone based transactions – mobile savings and money transfers - to AMK clients through the use of an android application. Besides being one of the first financial institutions to develop its own agent network, AMK has ensured increased convenience for all its clients and has also been successful in reducing its funding costs by mobilizing deposits via the agent network. As of 31 Dec 2015, AMK has over 2,500 agents and this combined with its client officer network, offers approximately one contact point for every 850 families of Cambodia.

In 2015, AMK also commenced the use of computing tablets to capture client data. The application has been developed in-house at AMK and is currently used to capture disbursements and collections. AMK is currently working on a loan application that will, going forward, allow client officers to capture all client information on the tablets, thereby doing away with the paperwork. AMK will also look at developing a credit score for clients in the next phase.

In addition, AMK is in the process of developing a data warehouse which will compile all relevant information on the income and expenses of customers based on their line of business. This will enable AMK to gather sufficient baseline data on input costs and revenue for a particular line of business which can then be cross-verified with the individual data that is collected by the client officers on the field. This will greatly enhance the quality of data and lead to better decision making.

In its ongoing progress towards a multi-product, multi-channel option for customers, AMK continues to invest in a number of technical and operational upgrades. These include the expansion of the agent network, better technology for payment systems and overall upgrade of the core banking system. These activities enable AMK to continue as an even more reliable and low-risk option for customers.

Since its inception, AMZ has constantly strived to provide products that meet client needs.

However, given its focus on remote and under-served regions, the delivery costs remain high. AMZ continues to invest in technology to enable it to reach the scale required to be fully sustainable and a long-term partner for rural households. One of the key initiatives that AMZ has embarked upon is the digitizing of client cash flows through the use of tablets which will improve the quality and cost of information flow, thereby leading to better credit decisions.

In its pilot phase, which will commence in June 2016, AMZ will aim to capture household cash flows electronically on the tablets that will not only remove its dependence on paper but also increase the speed of information flow. The information will be linked to the loan tracking system/MIS after which, the software can digitize transactions – repayments and disbursements. In the second phase, AMZ will look to develop a reliable credit scoring system.



SOCIAL PERFORMANCE: FROM PROCESS TO OUTCOME

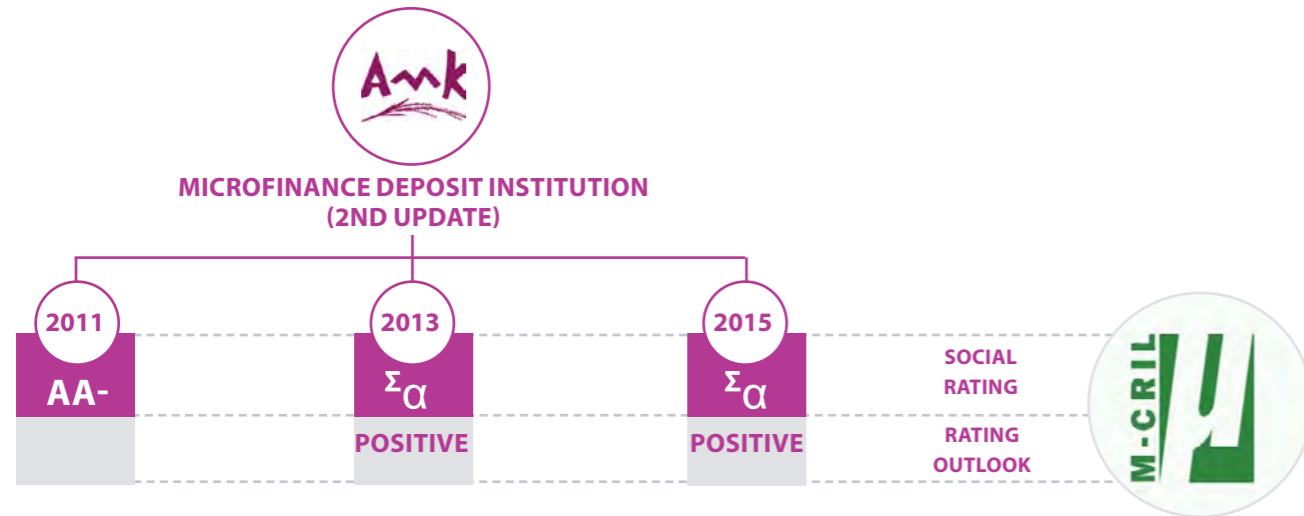
Our portfolio MFIs operate in their own unique circumstances, and therefore approach their social performance goals in a contextualised manner. While we can and do report on the more standardized indicators of social performance, here is a look at what matters more in which environment. The end goal for us remains the same – we deploy the processes that we believe bring us to the outcome that we desire. The principal desired outcome being better economic outcome for our clients, we remain committed to this central objective enshrined within ASPIRE: Agora Social Performance – Innovation through Research©.

AMK MFI PLC

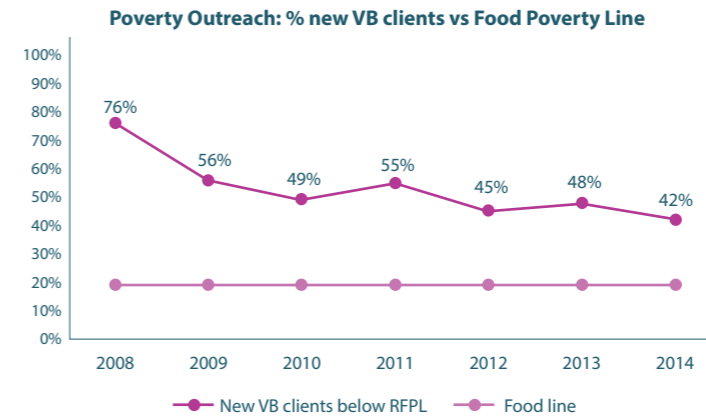
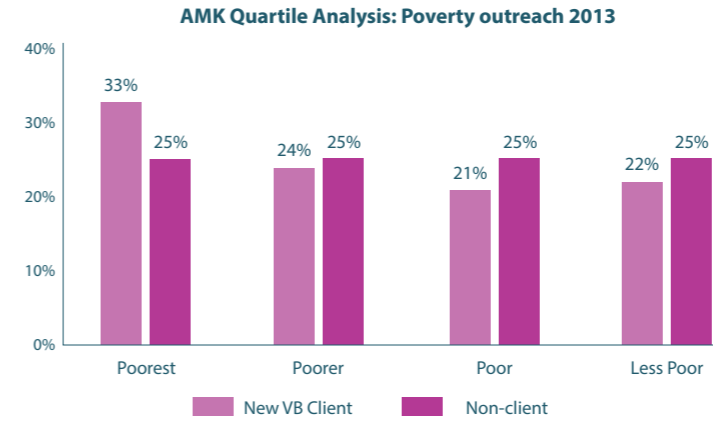
AMK continues to refine its social performance approach in response to the changing demography of Cambodia. In its earlier years AMK placed considerable emphasis on reaching the poorer parts of the country and in working with the lower economic groups. Over the years, the question of geographical reach has become less and less relevant with AMK's growth, since it today reaches all districts of Cambodia and as many as 98% of all communes and 88% of villages in the country. Instead, the question of geographical reach has been replaced by the depth/range of products AMK can offer to its clients. During the last few years AMK has grown rapidly in its product lines – with deposits, insurance and money transfers all having grown substantially in the past 3 years.

An independent social rating of AMK in 2015 reconfirmed its strong fundamentals on social performance. It obtained the top rating for the second time in three years.

AMK's evolution can thus be seen as a mature and diversified financial institution that is easily accessible to the wider market while still retaining its focus on the lower income populations of Cambodia.



While AMK's outreach has widened over the years and includes a higher proportion of the 'less poor', it continues to over-represent the poorest communities in the country, as shown in the graphs below. During the year AMK decided to allocate more resources to tracking outcomes rather than outreach, recognising its nationwide presence and easy access across various socio-economic groups.



As AMK has diversified significantly into non-credit products, the above graphs only present a partial picture on its strong social footprint. For example, AMK introduced low cost health insurance for its clients and their spouses during 2015, which represents a significant milestone in its social goals. By the close of the year some 125,000 insurance policies had already been sold and claims were being processed within 24-48 hours on average.

Similarly, its agent-based network reaches the remote and poorer parts of Cambodia through its 2,500 agents. Small account transactions such as small deposits (<US\$300) and small remittances (<US\$300) represent an overwhelming majority of transactions, with small deposits consistently representing over 90% of AMK's depositors and small remittances over 60% for 2015. In the years ahead AMK aims to continue diversifying its product mix and emerge as the 'one-stop financial solution' for its clients.



SOCIAL PERFORMANCE: FROM PROCESS TO OUTCOME (Continued)

AGORA MICROFINANCE ZAMBIA

AMZ works with small farmers in remote parts of Zambia, and as such the concept of social performance has a very different meaning for the institution than what it might be for its group company AMK. For starters, it is not relevant for AMZ – as yet – to spend resources in tracking poverty levels of clients, as its working areas are overwhelmingly poor as a general rule. The best social performance, therefore for AMZ would be to ensure that it remains active and operational in communities where there are no financial service providers apart from it. Just its presence makes a significant impact for clients who would otherwise have no recourse to capital when they need it.

Therefore, the first stage of the social goal of AMZ is also the most common business objective of start-ups: to ensure its existence. AMZ's continuous presence in rural Zambia requires a business model that is viable and will survive the volatility often seen in the local economy and markets. With this objective AMZ has worked extensively during the year to create a lean organisation and a low cost structure in its operations. It has expanded its reach to over 10,000 clients and is on course to achieving operational viability in the coming year.

When visitors often ask of our Zambian clients what they like about AMZ, a common answer is 'just the fact that AMZ is working there'.

AGORA MICROFINANCE INDIA LIMITED

In the Mumbai market, AMIL made a cautious start in 2011-12 but since then has found its feet and grew strongly during the past year. It has already demonstrated willingness to work in some slums which did not have much microfinance activity due to a perception of higher risks. With expanding operations AMIL looks to build on this strong start and create an institution that goes both wide and deep into the Mumbai market. While regulatory restrictions do not allow AMIL to expand much into non-credit products at this point in time, it has already made good progress in expanding beyond simple business loans and already has a healthy education loan portfolio.

The social goals of AMIL are both demographic – working with the truly marginalised in Mumbai – as well as sectoral – providing capital for long-term investments of families into their children's education, housing and such – and it has already made a start in both areas. In the years to come it will continue to make bigger inroads into these two goals.

Over time we expect to demonstrate not just staying ability but also accountability and a full range of financial products at more affordable prices. That would constitute the second stage of its social goals. AMZ expects to achieve these goals over the coming 3 years.



CONCLUSION: THE AGORA GROUP

It can be seen from this section that we do not follow a standardized (Agora) group model for social performance, even though the overall approach remains similar and rooted to the context. At Agora we work with our investees to define respective social goals in response to their situations, a process that requires significant learning along the way. In creating or investing in microfinance institutions, Agora aims to promote this approach of contextualised social performance while meeting high standards of client protection. The group is therefore committed in its pursuit of being a partner in its clients' economic progress in a measurable manner.



In managing its operations, the Agora Group employs the skills of a microfinance investment advisor, Agora Microfinance Partners LLP.

ADVISORY TEAM PROFILES



TANMAY CHETAN

Chief Executive Officer of the Agora Group
 Managing Partner of Agora Microfinance Partners LLP
 Supervisory Board Member of Agora Microfinance N.V.



REBECCA MCKENZIE

Head – Credit at Agora Microfinance Partners LLP
 Managing Director of Agora Microfinance N.V.



OLGA TORRES

Head - Research at
 Agora Microfinance Partners LLP,
 seconded to Zambia (CEO, AMZ)



CATHY MCCONNELL

Communications Manager at
 Agora Microfinance Partners LLP



MEDHA WILSON

Head – Investor Relations at
 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 2015.

GENERAL

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

MISSION

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

PRINCIPAL OBJECTIVES

The Company's objectives are:

- 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 a1s principal agent, commission agent, manager and/or administrator, everything that is related to the foregoing.

OVERVIEW OF ACTIVITIES

During the year the Company continued its management of its investment portfolios in Cambodia, India and Zambia. It made successive investments in India and Zambia during the year, and through its role in the governance of the investees continued to guide them towards optimum financial and social performance in their work. Its portfolio grew as a result of the successive investments as well as a result of the appreciation in value of its investments, most notably in Cambodia. Both its green-field investments performed well during the year and reached monthly net profits (in India) and monthly operating profits (in Zambia). The Company expects both these investments to turn profitable in the coming years.

Mr Jim Hynes resigned from the Supervisory Board on 8 April 2015 and Mr Gerhard Bruckermann was appointed to the Supervisory Board on the same day.

DIRECTORS' REPORT (Continued)

RISKS AND RISK MANAGEMENT

The Company's activities are exposed to a range of risks, the main ones being currency, political/regulatory, operational and market risks. In addition, capital and liquidity risks also have a bearing on the Company's ability to continue its investments. The Company monitors these risks as part of its core activity, and has various strategies in place to mitigate such risks.

The Company's Directors are responsible for risk identification, monitoring and control. In addition the risks that arise within its investees also have a direct bearing on the Company. Each of its investees manages their risks through the involvement of staff and management, their Boards of Directors and associated committees. In mature institutions such as AMK MFI Plc, a separate risk department of the management also exists with the mandate of prompt identification and redressal of risks as and when they arise. In less mature investees the identification and mitigation of risks usually lies within the mandate of the senior management and the internal audit/control departments, and is overseen by the Board of Directors and the Risk or Audit and Finance Committees.

OVERALL RISK PROFILE 2015

Operational & credit risks: These risks manifest mainly in the form of loan losses, as the loan book of the investees is the main income-earning asset. Such risks are managed through the systems and structures at the investees, overseen by their respective Boards and committees. For the year being reported, the loan portfolio quality of all three investees was excellent, with portfolio at risk (>30 days) at 0.41% (AMK MFI Plc), 0.65% (Agora Microfinance India Limited [AMIL]) and 0.41% (Agora Microfinance Zambia Limited [AMZ]).

Political & regulatory risks: During the year, the Bank of Zambia removed the interest rate cap on lending in November 2015, which was the most significant positive change in regulations. In Cambodia, new capital requirements were introduced as a post-balance sheet date development; however this does not have a significant impact on AMK MFI Plc. Regulations in India were eased around the qualification norms for microfinance assets eased during the year.

Currency risks: The Zambian Kwacha was the most volatile currency during the year, and the Company faced some negative consequences as a result. However, the impact was minimised on account of the Company's low exposure to AMZ (<0.5% of financial assets). Nevertheless any investments in Zambia are subject to periodic volatility. Small currency losses were also incurred in India though a gain was registered in Cambodia for the year. Due to the nature of its investments which are of a private equity nature, the business is inherently exposed to such currency risks. The Company continues to look to ways to diversify such risks as much as feasible.

Capital and liquidity risks: The Company's business of private equity investments depends on a mix of dividends, borrowings and equity capital raises to fund operations. The Company has sufficient liquidity for its short-to-medium term operational needs. The Company's investees manage their liquidity through a range of instruments, including equity, external borrowings and customer deposits. As on the report date all investee companies maintain capital adequacy levels well in excess of their respective national regulations (typical CAR requirement is 15%).



RISK MANAGEMENT STRUCTURE AND SYSTEMS

Operational and credit risks: The first line of defence within the investees is their management along with the respective internal audit and risk departments. The management is regularly monitoring operational risks and discloses its risk profile and mitigation strategies to the Board on an on-going basis. The Board and their relevant committees, especially the Risk Committee, Audit and Finance Committee and the Asset-Liability Committee are tasked to provide oversight on the risk management practices of the management. All investee companies have an Audit and Finance Committee of the Board, and more mature investments such as AMK MFI Plc also have a Risk Committee and a Board Asset-Liability committee to better supervise risk management.

Currency risks: Due to the nature of its business the Company is exposed to currency risks in its investments. The Company monitors its currency exposure on a regular basis but there are no hedging or other arrangements deployed in its private equity portfolio, as these mechanisms will only come into play once the portfolio of investments has grown to a considerable size and when hedging options can be cost effective. For the time being, over 95% of the Company's portfolio is in the dollarized economy of Cambodia and therefore its currency risks are limited. Moreover, strong operational results are also a way of compensating for potential currency losses, as is expected in both India and Zambia.

Capital and liquidity risks: The Company manages its operations within its revenue and capital framework. Its strong operations provide attractive investment options to investors and at the same time its investees are able to generate positive returns and limited dividend pay-outs. Liquidity management in its investees is carried out by specialised teams and asset-liability management is a core function.

RISK MITIGATION

Established microfinance strategy: The Company has been in the business of microfinance since 2011, and has an established and proven track record. Its operations have now reached optimum scale in Cambodia and are growing rapidly in both India and Zambia. The Company and its investees' approach to microfinance creates an operating environment and systems that mitigate risk exposure in operations. Its long-term loan losses as well as profitability profile confirms that its approach to microfinance is viable and is managed within acceptable risk levels.

Systems and processes: The Company ensures, through its role in the governance of the investees, that appropriate levels of risk management processes and systems are in place. The establishment of such systems is relevant to the context and complexity in each investee but the focus on risk management remains clear within these institutions. AMK MFI Plc has relatively more extensive structures in place and its other two investees also follow processes appropriate to their size, scale and complexity. The Company oversees this aspect closely through its representation on the governance of the investee companies.

Operating policies: The Company ensures that its investees follow responsible lending practices and thereby maintain the credit risk in their operations within acceptable limits. Each of the investee companies work with established policies for lending, which includes amongst other things, risk exposure limits by sector, cash-flow based loan assessments, checks and balances in lending decisions and ongoing monitoring/audits. These practices help in managing the credit risk inherent in the business, and the Company's overall portfolio consistently performs with current long-term loan losses well below 1% per annum.

POST BALANCE SHEET EVENTS

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

RESULT FOR THE PERIOD

During the year under review, the Company recorded a profit of USD 1,047,396, the improved result reflecting the profitability of the group and especially of its Cambodian subsidiary AMK MFI Plc. The other two green-field operations in India and Zambia also built on their previous years' financial performance as they grew to a bigger scale and were able to reduce their losses significantly.

FUTURE DEVELOPMENTS

The Company will continue its microfinance investment activities and expects its current investments to grow organically while at the same time looking for new opportunities as and when they arise. The expected future developments for 2016-2017 include amongst other things, prospective new investors into the Company, further equity investments into AMIL and AMZ, and a possible collaboration with an Impact Fund for a new green-field microfinance operation.

The Company aims to raise new capital during the year to continue funding its investments and operations, and is in discussions with a number of potential new investors.

The Company plans to make follow-on equity investments into both AMZ and AMIL, though at levels lower than in the year being reported.

Amsterdam, 22 June 2016

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)



CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

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

(in USD)		31-Dec-15	31-Dec-14
Assets			
Non-current assets			
Financial fixed assets	1	208,211	43,833
Goodwill	2	3,289,285	3,215,365
Regulatory reserve AMK MFI Plc	3	5,847,526	3,761,067
Tangible assets	4	4,567,240	2,760,658
Intangible assets	5	389,984	382,534
Total non-current assets		14,302,246	10,163,457
Current assets			
Loans and advances	6	128,768,306	96,783,030
Interest receivable & other accruals	7	3,956,802	1,536,837
VAT receivable		50,716	50,516
Current account shareholder		-	7,987
Deposits with other financial institutions	8	573,489	7,971,122
Cash at bank	9	18,006,471	6,664,661
Other assets		362,651	1,412,559
Total current assets		151,718,435	114,426,712
Total assets		166,020,681	124,590,168

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015 (Continued)

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

(in USD)		31-Dec-15	31-Dec-14
Equity and liabilities			
Capital and reserves	10		
Issued and paid-up share capital		331,137	331,137
Share premium		23,813,361	21,008,263
Other reserves		(836,950)	(618,765)
Retained earnings		(4,312,532)	(2,234,952)
Result for the period		1,047,396	(2,077,581)
Minority Interest	11	14,765,086	12,256,436
Shareholders' equity		34,807,498	28,664,537
Non-current liabilities			
Provisions		-	11,375
Long-term borrowings	12	52,574,640	35,261,246
Staff pension fund	14	2,282,237	1,790,556
Term and contractual deposits	15	41,831,339	23,738,297
		96,688,216	60,801,474
Current liabilities			
Interest payable	17	3,239,705	2,767,541
Short-term borrowings	13	4,150,936	14,260,104
Accrued expenses & other liabilities	18	4,930,620	2,546,370
Demand deposits	16	22,203,706	15,550,142
		34,524,967	35,124,158
Total equity and liabilities		166,020,681	124,590,168



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

(in USD)		2015	2014
Financial income and expenses			
Interest & dividend income	19	36,830,205	4,018,379
		36,830,205	4,018,379
Expenses			
General and administrative expenses	21	(22,526,127)	(3,235,460)
		(22,526,127)	(3,235,460)
Other income and expenses			
Goodwill amortization	2	(388,024)	(360,963)
Other financial income/(expense)	20	(8,758,651)	944,291
		(9,146,675)	(1,305,254)
Share in profit/(loss) of participating interests	22		
Agora Microfinance Zambia		(420,286)	(1,093,563)
		(420,286)	(1,093,563)
Profit/(loss) before taxation		4,737,118	(1,615,898)
Corporate profit tax (AMK MFI Plc)	24	(1,268,690)	(223,857)
Profit/(loss) after taxation		3,468,428	(1,839,756)
Result minority interest			
Result minority interest on investments	23	(2,421,032)	(237,825)
		(2,421,032)	(237,825)
Group net profit/(Loss)		1,047,396	(2,077,581)

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, 2015. Group companies are legal entities and 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. The comparable figures for 2014 have changed marginally for improvement reasons; however there are no material changes.

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

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 realized 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 recognized in the Profit & Loss 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 recognized in the Profit & Loss statement as part of the gain or loss on sale.

	2015	2014
EUR/USD year-end rate	1.0927	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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 recognized 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 recognized in the Profit & Loss statement. 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 recognized 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-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 recognized only if and to the extent that the accumulated share of the previously unrecognized 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 recognized in the Profit & Loss statement 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 capitalized 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 recognized.

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 derecognized upon sale or when no further economic benefits are expected from its continued use or sale.

INTANGIBLE FIXED ASSETS

An intangible fixed asset is recognized 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 capitalization are taken directly to the Profit & Loss statement.

Intangible fixed assets are carried at the lower of cost or production net of accumulated amortization and their recoverable amount (being the higher of value in use and fair value less costs to sell). Intangible fixed assets are amortized on a straight-line basis over their expected useful economic lives, subject to a maximum of twenty years. The economic useful life and the amortization 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 amortized 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 recognized in the year they are realized; 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 recognized 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 recognized 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.

IFRS

The financial statements of the investment in Agora Microfinance Zambia Limited are prepared in compliance with International Financial Reporting Standards (IFRS). Since the accounts of AMZ are not consolidated into the Company accounts, there are no IFRS-Dutch GAAP reconciliation issues to report.

Loan loss provisions

In the accounts of the 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.

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 optimization of all investment/divestment decisions by the Company in the implementation of its investment policy. In consideration of the services to be provided the Investment Advisor shall be entitled to a monthly retainer and reimbursement of specific ad-hoc expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Financial fixed assets

Agora Microfinance Zambia Ltd - Equity

(in USD)	31-Dec-15	31-Dec-14
Opening balance	43,833	221,868
Additional investment during the year	855,138	999,142
Result for the year	(215,759)	(810,029)
Revaluation impact	(204,526)	(283,534)
FX impact	(270,474)	(83,614)
Balance (NAV) as at 31 December	208,211	43,833

The Company holds 47.5% of voting shares of AMZ. During the year no further acquisition of voting shares was carried out. In 2015 additional investments continued through the conversion of loans and accrued interest. The new investments were entirely in non-voting shares of the investee, thereby having no impact on voting rights or control. The investee reports a strong recovery in its performance for 2015, and while incurring losses, is expected to break-even in the coming year. The Directors remain confident that the investment will yield a positive return in the coming years.

Of the new investment during the year, USD 425,974 of opening balance of convertible loan was converted into shares during the year, alongside new convertible loans of USD 400,000 and accrued interest of USD 29,164 that was also converted into shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Goodwill

(in USD)	31-Dec-15	31-Dec-14
Accumulated goodwill as at 1 January	3,609,630	333,019
Additional goodwill during the year	461,943	3,276,611
Impairment in value	-	-
Goodwill as at 31 December	4,071,574	3,609,630
Accumulated amortisation as per 1 January	394,265	33,302
Amortisation during the year for past investments	360,963	360,963
Amortisation for goodwill acquired during the year	27,061	-
Accumulated amortisation as at 31 December	782,289	394,265
Balance as at 31 December	3,289,285	3,215,365

	31-Dec-15
Goodwill amortisation on new investments	
Total new goodwill	461,943
Monthly amortisation	(3,850)

During 2015 the company obtained a goodwill on additional investments in AMIL India of USD 461,943 through two rounds, in April and in September 2015. In accordance with Dutch GAAP goodwill is capitalized and amortized linearly over the expected life cycle of the investment to which it is related. The company has decided to amortise the goodwill over a 10 year life cycle. The amortisation on new goodwill has been applied for 8 months on the April investment and for 3 months on the September investment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Regulatory reserve AMK MFI Plc

(in USD)	31-Dec-15	31-Dec-14
Deposits with National Bank of Cambodia (NBC)	5,847,526	3,761,067
	5,847,526	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.

4. Tangible assets

Fixed assets (furniture, fixture, vehicles and equipment)

(in USD)	31-Dec-15	31-Dec-14
Holding Company	-	-
Consolidated subsidiaries		
Balance as at 1 January	2,760,658	20,008
Investment during the year	2,865,654	5,305,010
Depreciation during the year	(1,059,072)	(2,564,360)
Closing balance of fixed assets as at 31 December	4,567,240	2,760,658

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

All fixed assets are stated at historical costs less accumulated depreciation and impairment loss if any. Costs comprise 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 recognized under "general and administrative expenses" in the Profit & Loss statement.

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. The useful life of Fixed Assets is as below

Computer and office equipment	2 to 4 years
Motor-vehicles	8 years
Motorcycles	5 years
Leasehold improvements	4 years

	Total	AMIL	AMK
Tangible assets at cost	8,189,961	36,578	8,153,383
Accumulated depreciation	(3,622,722)	(26,054)	(3,596,668)
	4,567,240	10,524	4,556,715

5. Intangible assets

Software

(in USD)	31-Dec-15	31-Dec-14
Holding company	-	-
Consolidated subsidiaries		
Balance as at 1 January	382,534	11,252
Investment during the year	219,775	1,224,806
Amortization during the year	(212,324)	(853,524)
Balance as at 31 December	389,984	382,534



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. 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 obsolesces.

Amortization of the intangible fixed assets is recognized under "general and administrative expenses" in the Profit & Loss statement.

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. The useful life of intangible fixed assets, mostly in the form of software, is between 2-3 years (AMIL) and 5 years (AMK MFI Plc) and depreciation is charged on a straight line basis.

	Total	AMIL	AMK
Software at cost	1,455,758	17,095	1,438,663
Accumulated amortization	(1,065,773)	(7,552)	(1,058,222)
Balance as at 31 December	389,984	9,543	380,441

6. Loans and advances

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Convertible loan AMZ	-	425,974
Consolidated subsidiaries		
Loans and advances outstanding	83,686,003	61,446,181
Other short term loans outstanding	46,759,031	34,910,874
Gross loans and advances	130,445,033	96,357,055
Loan loss reserve*	(1,676,728)	(refer below)
Net loans and advances	128,768,306	96,783,030

* Loan loss reserves were netted off in 2014 from the loan balances in 2014; for 2015 they are being shown separately as above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the year the Company converted into shares all its existing loans that it had made to Agora Microfinance Zambia during 2014 and early 2015. It did not have any active loans outstanding as at year-end.

Long term loans and advances include group and individual loans to clients. Other short term loans also include salary loans to staff members of the subsidiary companies.

7. Interest receivable and other accruals

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Interest convertible loan Agora Microfinance Zambia Ltd.	-	18,634
Consolidated subsidiaries		
Interest receivable AMK	1,974,489	1,488,774
Interest receivable AMK KHR Facility	-	15,896
Other receivables/accruals	1,982,313	13,533
Balance as at 31 December	3,956,802	1,536,837

8. Deposits with other financial institutions

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Consolidated subsidiaries		
AMIL India	32,879	165,727
AMK MFI Plc	540,609	7,805,395
Balance as at 31 December	573,489	7,971,122



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

HOLDING COMPANY

The deposits held by the Company with AMK MFI Plc are netted off and therefore do not appear in the consolidated accounts. The Company made a deposit of USD 623,327 with AMK MFI Plc on 14 September 2015. The deposit matures on 14 Sep 2016.

CONSOLIDATED SUBSIDIARIES

Deposits of AMK are deposit guarantees with banks.

9. Cash at banks

(in USD)	31-Dec-15	31-Dec-14
Holding Company		
Deutsche Bank AG, Amsterdam, Current Account	992,110	379,619
Consolidated subsidiaries		
Current accounts AMIL	109,697	2,027
Current accounts AMK	16,904,663	6,283,015
	18,006,471	6,664,661

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 2015 the movements in capital and reserves can be summarised as follows:

(in USD)	Issued and paid-up share capital	Share premium	Retained earnings	Result for the period
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)
Opening balance as at 1 January 2015	331,137	21,008,263	(2,234,952)	(2,077,581)
Transfer to retained earnings	-	-	(2,077,581)	2,077,581
Share premium contribution	-	2,805,098	-	-
Revaluation reserve	-	-	-	-
Result for the period	-	-	-	1,047,396
Balance at 31 December 2015	331,137	23,813,361	(4,312,532)	1,047,396

Other reserves

(in USD)	31-Dec-14
Opening balance as at 1 January 2014	(1,308,799)
FX impact AMIL	(16,275)
Revaluation of equity - AMK MFI Plc	789,923
FX impact AMZ	(83,614)
Balance as at 31 December 2014	(618,765)
Opening balance as at 1 January 2015	(618,765)
FX Impact AMIL	(43,599)
FX Impact AMZ	(270,474)
FX Impact AMK MFI Plc	75,232
Revaluation of equity - AMIL	224,999
Revaluation of equity - AMK	(204,342)
Balance as at 31 December 2015	(836,950)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Minority interest

(in USD)	31-Dec-15	31-Dec-14
Minority interest AMK MFI Plc	11,915,709	11,508,366
Result minority interest AMK MFI Plc	2,267,139	328,408
Minority interest AMIL India	632,676	510,245
Result minority interest AMIL India	(50,437)	(90,583)
Balance as at 31 December	14,765,086	12,256,436

The Company acquired majority (controlling) stakes in AMIL in 2013 and in AMK in 2014. The minority interests relate to these two investments. The result on minority interest for AMK MFI Plc also nets off dividend received by the Company from AMK MFI Plc.

12. Non-current borrowings

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Shareholder loan	250,000	250,000
Consolidated subsidiaries		
AMK MFI Plc	52,222,032	34,925,192
AMIL	102,608	86,054
Balance as at 31 December	52,574,640	35,261,246

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% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Current borrowings

(in USD)	31-Dec-15	31-Dec-14
Consolidated subsidiaries		
AMK MFI Plc	3,205,339	13,946,904
AMIL	945,597	313,200
Balance as at 31 December	4,150,936	14,260,104

14. Staff pension fund

(in USD)	31-Dec-15	31-Dec-14
Consolidated subsidiaries		
Staff pension fund AMK MFI Plc	2,282,237	1,790,556
	2,282,237	1,790,556
Staff pension fund, AMK MFI Plc		
Opening balance		1,790,556
Addition during the year		648,890
Interest earned		137,045
Paid during the year		(258,740)
Reversal		(46,555)
Currency translation		11,041
		2,282,237

AMK MFI Plc 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 employee's 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Term & contractual deposits

(in USD)	31-Dec-15	31-Dec-14
Consolidated subsidiaries		
Deposits from customers, AMK MFI Plc	41,831,339	23,738,297
Balance as at 31 December	41,831,339	23,738,297

Term deposits include both USD and KHR currencies, and terms of between 3 months and 36 months. Depending on their tenure, currency and size, term deposits are paid annual interest rates of between 4.25% and 12.25%.

16. Demand deposits

(in USD)	31-Dec-15	31-Dec-14
Consolidated subsidiaries		
Easy savings and other accounts on demand, AMK MFI Plc	22,203,706	15,552,229
Balance as at 31 December	22,203,706	15,552,229

Easy savings accounts are low yielding current and demand deposit accounts and can be denominated in KHR, USD or THB currencies. These accounts can be transacted through mobile agents, offices or ATMs. The interest rate on such accounts was 3.0% - 5.75% during the year, varying with amounts and currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Interest payable

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Interest on shareholder loan	9,127	2,877
Consolidated subsidiaries		
Borrowings, AMIL India	-	1,939
Borrowings, AMK MFI Plc	1,514,177	1,834,134
	1,523,303	1,838,950
Consolidated subsidiaries		
Customer deposits, AMK MFI Plc	1,716,402	928,608
	3,239,705	2,767,558



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Accrued expenses & other liabilities

(in USD)	31-Dec-15	31-Dec-14
Holding company		
Audit fees	36,496	31,000
Notarial and legal fees	3,828	-
Tax advisory fees	-	34,711
Management and administration fees	39,087	40,226
	79,411	105,937
Consolidated subsidiaries		
<u>AMIL India</u>		
Other liabilities	62,571	25,972
	62,571	25,972
<u>AMK MFI Plc</u>		
Audit fees	204,393	11,167
Office expenses	286,169	95,293
Staff expenses	505,605	649,259
Taxes payable	1,351,222	926,170
Trade payables	1,062,902	579,867
General expenses	1,080,399	152,705
Other liabilities	297,947	-
	4,788,638	2,414,461
	4,930,620	2,546,370

19. Interest and dividend income

(in USD)	2015	2014
Holding company		
Interest convertible loan Agora Microfinance Zambia Ltd	22,712	26,797
Consolidated subsidiaries		
<u>AMK MFI Plc</u>		
AMIL	36,256,519	3,733,752
	346,645	232,792
	36,625,875	3,993,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Other financial income and expenses

(in USD)	2015	2014
Holding company		
Interest expenses loan shareholder	(6,250)	(2,877)
FX Result internal inter-bank transfers	(4,919)	-
FX result AMZ loans	(10,083)	(35,491)
FX result AMK dividend	(2,397)	-
Withholding tax AMK interest & dividend	(28,618)	-
Withholding tax AMZ loans	(5,443)	(3)
	(57,710)	(38,371)
Consolidated subsidiaries		
<u>AMIL India</u>		
FX result	-	(7,008)
AMIL loan processing fees	23,007	15,448
AMIL other income	18,021	11,299
AMIL loan loss provision	(11,396)	(17,896)
AMIL interest expenses	(109,398)	(40,082)
AMIL loan fee expenses	(9,587)	(7,358)
	(89,354)	(45,599)
<u>AMK MFI Plc</u>		
FX result	(303,917)	7,951
AMK loan processing fee income	824,263	69,342
AMK other fees and commission income	1,611,676	126,622
AMK loan loss provision	(1,078,321)	(62,048)
AMK interest expenses	(8,572,088)	(856,181)
AMK loan fee expenses	(1,093,199)	(120,970)
	(8,611,587)	(835,283)
	(8,758,651)	(919,253)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. General and administrative expenses

(in USD)	2015	2014
Holding company		
Investment advisor fee	691,000	742,580
Audit fees	41,184	49,085
Tax advisory fees	5,583	34,711
Legal fees	25,832	4,000
Management and administration fees	43,475	40,226
Bank charges	5,963	3,070
Other cost	290	6,933
	813,326	880,605
Consolidated subsidiaries		
Operating expenses	19,862,494	2,203,537
Depreciation	1,255,148	133,103
Loans written off	468,662	17,896
Bank charges	126,497	317
	21,712,801	2,354,854
	22,526,127	3,235,460

Operating expenses in subsidiaries can be broken down as follows:

	2015	2014
AMIL India		
Staff	247,739	264,996
Rent	31,075	23,319
Operational expenses	49,048	29,850
Travel cost	8,247	10,262
Insurance	1,228	1,212
Consultancy fees	22,760	4,863
	360,098	334,503
AMK Cambodia		
Staff	11,027,354	1,046,110
Rent	1,215,506	110,186
Operational expenses	7,189,075	608,352
Travel cost	1,020,713	189,800
Insurance	51,082	2,981
Consultancy fees	848,974	62,923
	21,352,703	2,020,352
	21,712,801	2,354,854

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Result on investments

(in USD)	2015	2014
Result on AMZ	(215,759)	(810,029)
Revaluation impact	(204,526)	(283,534)
	(420,286)	(1,093,563)

23. Result minority interest

(in USD)	2015	2014
AMK MFI Plc	(2 267,139)	(328,408)
AMIL	50,437	90,583
	(2,216,702)	(237,825)

24. Taxes, personnel, off-balance sheet items

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. All investees are subject to tax on profit in their respective jurisdictions.

Personnel

The Company and its subsidiaries altogether had 2,170 staff employed at 31 December 2015. This comprised of 2,126 employees at AMK MFI Plc and 44 employees at AMIL India.

Directors

The Managing Directors of the Company received no remuneration in respect of their services as Directors. The Company has 2 Supervisory Directors and 3 Managing Directors.

Other commitments not shown in the balance sheet

The Company has provided a guarantee for a loan of ZMW 2 million (USD 200k approx) obtained by AMZ from Hivos-Triadods Fonds. The loan matures in 2016.

STAND-ALONE BALANCE SHEET AS AT 31 DECEMBER 2015

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

(in USD)		31-Dec-15	31-Dec-14
Assets			
Fixed assets			
Financial fixed assets	25	15,415,884	12,667,105
Goodwill	2 & 25.1	3,289,285	3,215,365
Total fixed assets		18,705,169	15,882,470
Current assets			
Loans receivable	26	-	425,974
Interest receivable	27	7,365	18,651
VAT receivable	32	50,716	50,129
Current account shareholder		-	7,987
Deposits with financial institutions	33	625,590	2,087
Cash at bank	28	992,110	379,619
Total current assets		1,675,780	884,445
Total assets		20,380,949	16,766,915

STAND-ALONE BALANCE SHEET AS AT 31 DECEMBER 2015 (Continued)

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

(in USD)		31-Dec-15	31-Dec-14
Equity and liabilities			
Capital and reserves	10		
Issued and paid-up share capital		331,137	331,137
Share premium		23,813,361	21,008,263
Other reserves		(836,950)	(618,765)
Retained earnings		(4,312,532)	(2,234,952)
Result for the period		1,047,396	(2,077,581)
Shareholders' equity		20,042,411	16,408,101
Non-current liabilities			
Shareholder loan		250,000	250,000
Total non-current liabilities		250,000	250,000
Current liabilities			
Interest payable		9,127	2,877
Accrued expenses	29	79,411	105,937
Total current liabilities		88,538	108,814
Total equity and liabilities		20,380,949	16,766,915



STAND-ALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

(in USD)		2015	2014
Financial income and expenses			
Interest & dividend income	30	234,407	51,835
		234,407	51,835
Expenses			
General and administrative expenses	31	(813,326)	(880,605)
		(813,326)	(880,605)
Other income and expenses			
Goodwill amortization	2	(388,024)	(360,963)
Other financial income/expense	20	(57,710)	(38,371)
		(445,734)	(399,334)
Share in profit/(loss) of participating interests			
AMIL India	25	(52,370)	(94,054)
AMK Cambodia	25	2,544,705	338,140
Agora Microfinance Zambia	22	(420,286)	(1,093,563)
		2,072,049	(849,476)
Profit/(loss) before taxation		1,047,396	(2,077,581)
Corporate income tax	24	-	-
Profit/(loss) after taxation		1,047,396	(2,077,581)

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 MFI Plc - Equity

(in USD)	31-Dec-15	31-Dec-14
Opening balance	12,187,528	5,051,983
Acquisition of new shares	-	9,284,094
Revaluation due to PPA in AMK	-	789,923
Foreign exchange impact during the year	75,232	-
Goodwill	-	(3,276,611)
Result on investment [share in profit/(loss)]	2,544,705	338,140
Revaluation impact	(204,342)	-
Balance as at 31 December	14,603,123	12,187,528

No further investments were made in AMK MFI Plc during the year. AMK did not issue any further shares during the year.

Agora Microfinance Zambia Ltd - Equity

(in USD)	31-Dec-15	31-Dec-14
Opening balance	43,833	221,868
Additional investment during the year	855,138	999,142
Revaluation per year end due to change in accounting policy	-	-
Foreign exchange impact during the year	(270,474)	(83,614)
Result of AMZ [share in profit/(loss)]	(215,759)	(810,029)
Revaluation impact	(204,526)	(283,534)
Balance as at 31 December	208,211	43,833

NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS (Continued)

The Company converted all its existing convertible loans in AMZ into shares during January, March and May 2015. All conversions took place at nominal value and in the form of non-voting Class B shares, thereby bringing the Company's effective shareholding (voting + non-voting) in AMZ to 74.49%. An approval for this shareholding structure was obtained in Zambia from the central bank (Bank of Zambia). The total investment during the year includes the converted loan and accrued interest.

AMIL India - equity		
(in USD)	31-Dec-15	31-Dec-14
Opening balance	435,744	546,072
Additional investment during the year	501,720	-
Goodwill on investments during the year	(461,943)	-
FX impact	(43,599)	(16,274)
Result of AMIL [share in profit/(loss)]	(52,370)	(94,054)
Revaluation impact	224,999	-
Balance as at 31 December	604,551	435,744

During 2015 two rounds of equity investments were made, in April and in September 2015

25.1 Goodwill

(in USD)	31-Dec-15	31-Dec-14
AMK MFI Plc	2,587,987	2,915,648
AMIL India	701,298	299,717
Balance as at 31 December	3,289,285	3,215,365

26. Loans receivable

(in USD)	31-Dec-15	31-Dec-14
Convertible loan AMZ	-	425,974
Balance as at 31 December	-	425,974

The entire convertible loan opening balance was converted into equity during the year.

NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS (Continued)

27. Interest receivables

(in USD)	31-Dec-15	31-Dec-14
Interest convertible loan Agora Microfinance Zambia Ltd.	-	18,634
Interest deposits with AMK	7,365	17
Balance as at 31 December	7,365	18,651

28. Cash at banks

(in USD)	31-Dec-15	31-Dec-14
Deutsche Bank AG, Amsterdam, Current Account	992,110	379,619
Balance as at 31 December	992,110	379,619

Cash at banks is available on demand.

29. Accrued expenses

(in USD)	31-Dec-15	31-Dec-14
Audit fees	36,496	31,000
Notarial and legal fees	3,828	-
Tax advisory fees	-	34,711
Management and administration fees	39,087	40,226
Balance as at 31 December	79,411	105,937



NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS (Continued)

30. Interest & dividend income

(in USD)	2015	2014
Interest deposits with subsidiaries	7,365	17
Interest convertible loan Agora Microfinance Zambia Ltd	22,712	26,797
Dividend income AMK MFI Plc	204,330	-
Balance as at 31 December	234,407	26,814

31. General and administrative expenses

(in USD)	2015	2014
Investment advisor fee	691,000	742,580
Audit fees	41,184	49,085
Tax advisory fees	5,583	34,711
Legal fees	25,832	4,000
Management and administration fees	43,475	40,226
Bank charges	5,963	3,070
Other cost	290	6,933
Balance as at 31 December	813,326	880,605

NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS (Continued)

32. VAT receivable

(in USD)	31-Dec-15	31-Dec-14
Opening balance	50,129	33,136
Reconciliation of opening balance	(19,498)	-
FX Impact	(4,743)	-
Amounts received	-	-
Amounts invoiced and due	24,829	16,992
Balance as at 31 December	50,716	50,129

33. Deposits with financial institutions

(in USD)	31-Dec-15	31-Dec-14
FD with AMK MFI Plc - USD facility	623,327	-
FD with AMK MFI Plc - KHR facility	-	2,087
Savings and current accounts with AMK MFI Plc	2,263	-
Balance as at 31 December	625,590	2,087



OTHER INFORMATION

APPROPRIATION OF RESULT

During the year under review, the Company recorded a profit of USD 1,047,396.

SHAREHOLDING

There were no changes to the shareholding during the year ended 31 December 2015 and up to the date of this report.

GOVERNANCE

There were no changes to the Supervisory Board during the year ended 31 December 2015 and up to the date of this report.

DIVIDENDS

The Company received a dividend from AMK MFI Plc during the year, issued for the results of 2014.

NEW INVESTMENTS

The Company made on-going investments into AMIL (India) and AMZ (Zambia) during the year.

MANAGEMENT OPINION ON GOING CONCERN

The Company turned profitable during the year and shows an improved and strong financial position for the year ended 2015. In the opinion of the management there is sufficient certainty around the going-concern nature of the Company's business.

POST BALANCE SHEET EVENTS

- 1 The Company agreed to borrow a loan of EUR400,000 from Grameen-Credit Agricole, a Luxembourg Foundation, to on-lend to AMZ during May 2016. As on the date of this report the loan was yet to be drawn down.
- 2 AMK MFI Plc posted a net profit in excess of USD 1.4 million for Q1 2016. AMIL posted a small profit of USD1,400 and AMZ posted a loss of USD 80,000 for the same period, according to the management reports of the three investees.
- 3 AMK MFI Plc is in advanced stages of negotiations with other potential partners to establish a subsidiary micro-insurance company in Cambodia.

Amsterdam, 22 June 2016

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)





Agora Microfinance N.V
De Entree 99-197 (AF2001) 1101 HE Amsterdam
The Netherlands

Agora Microfinance Partners LLP
39 - 41 North Road
London, N7 9DP
United Kingdom

info@agoramicrofinance.com
www.agoramicrofinance.com
Tel: +44 (20) 7 224 0597