Agora Microfinance

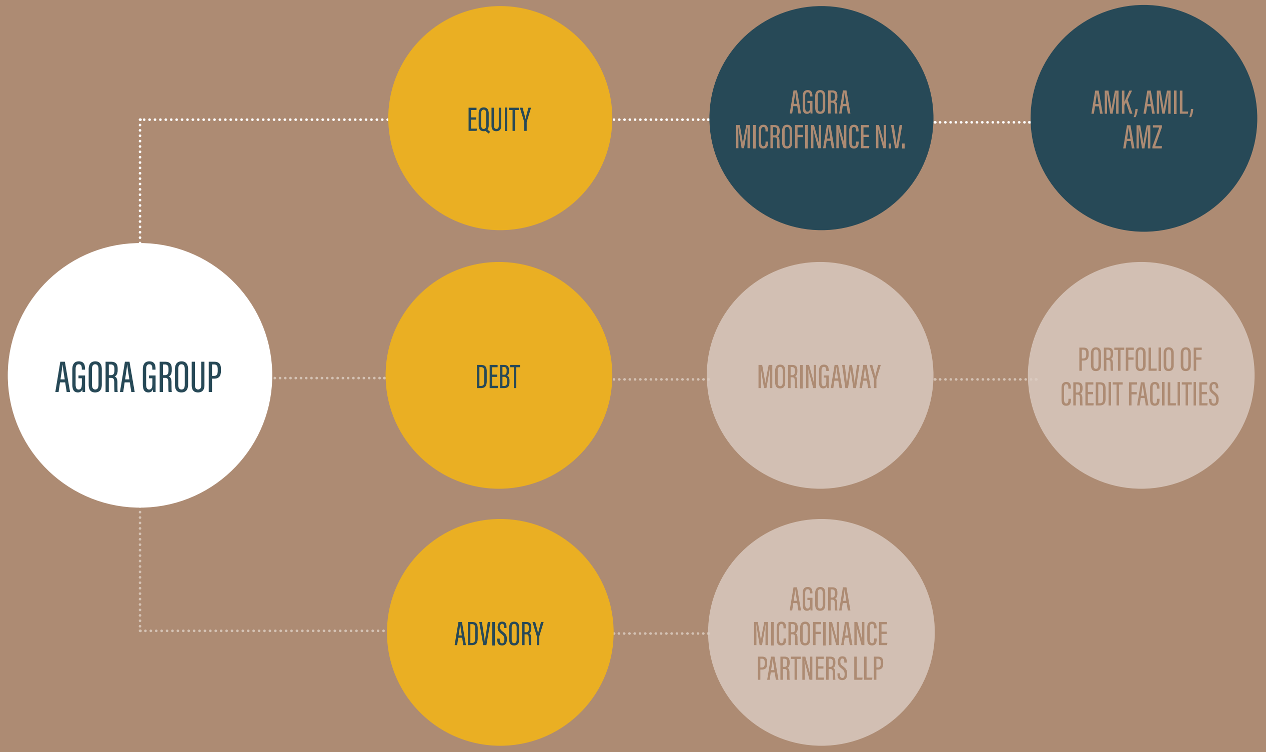
• Banking for Change •

Annual Report 2016

Stability. Viability. Growth.

Contents

The Agora Group



Investing companies: Agora Microfinance N.V., Moringaway

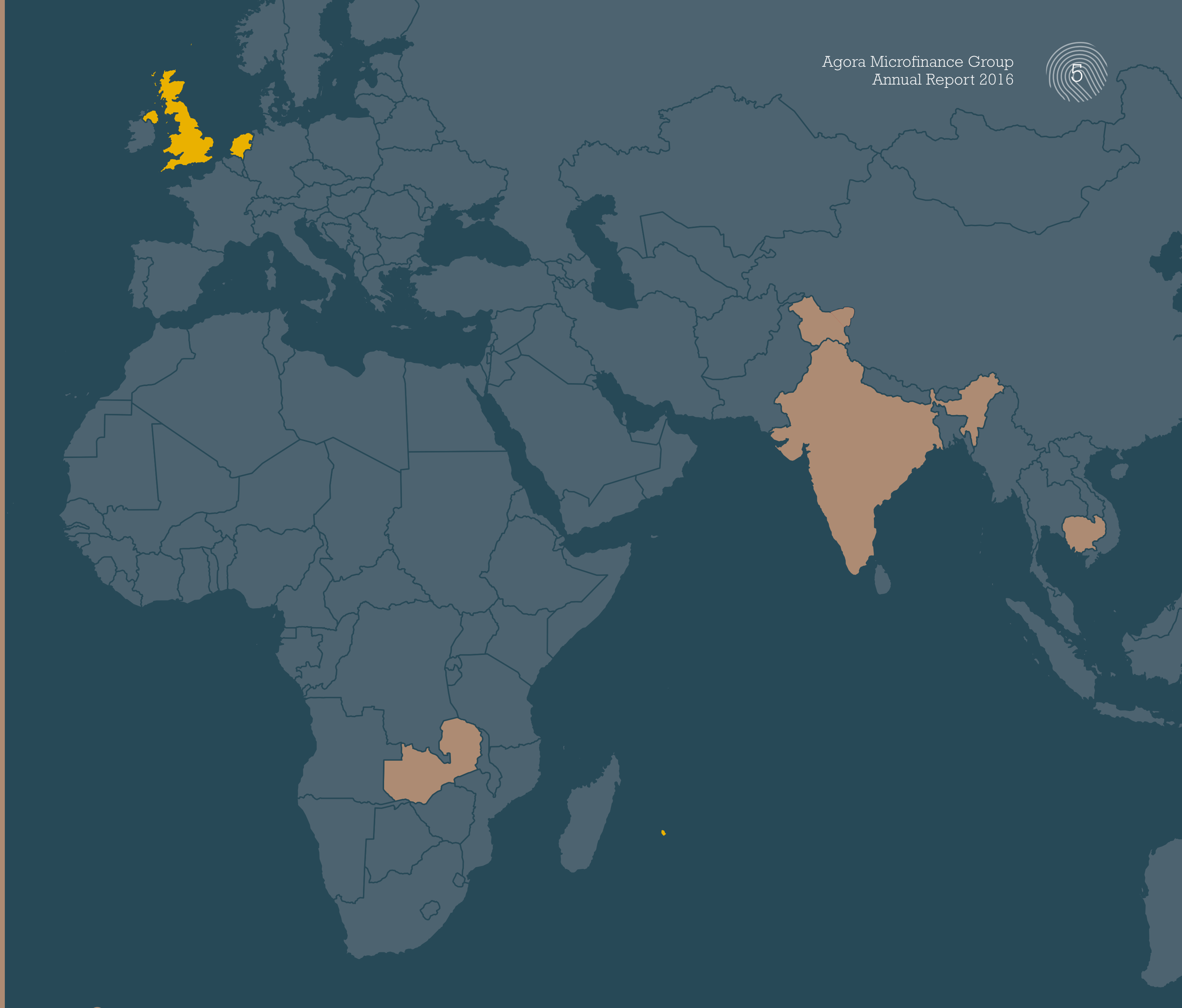
Agora Microfinance N.V., a Dutch domiciled holding company invests in equity of financial institutions. Moringaway, a Mauritius GBL2 Company, provides short-to-medium term debt to microfinance institutions.

Equity investees: AMK MFI Plc (Cambodia), Agora Microfinance Zambia Ltd, Agora Microfinance India Limited

Financial advisor: Agora Microfinance Partners LLP, is a financial advisor registered with the Companies House and regulated by the Financial Conduct Authority in the United Kingdom.

Mission

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



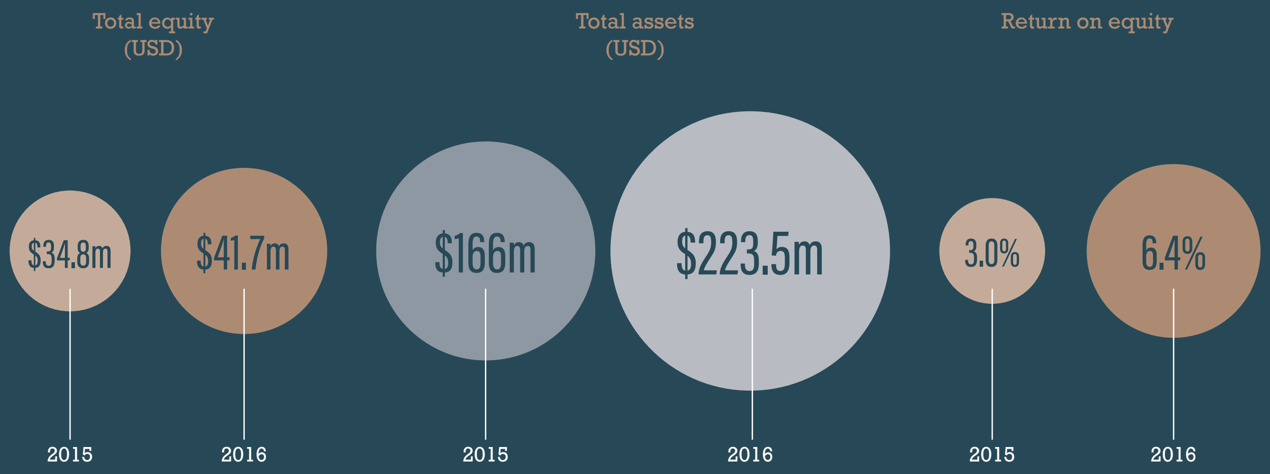
Investee locations
(Zambia, India & Cambodia)

Investing/advisory companies
(United Kingdom, The Netherlands, Mauritius)

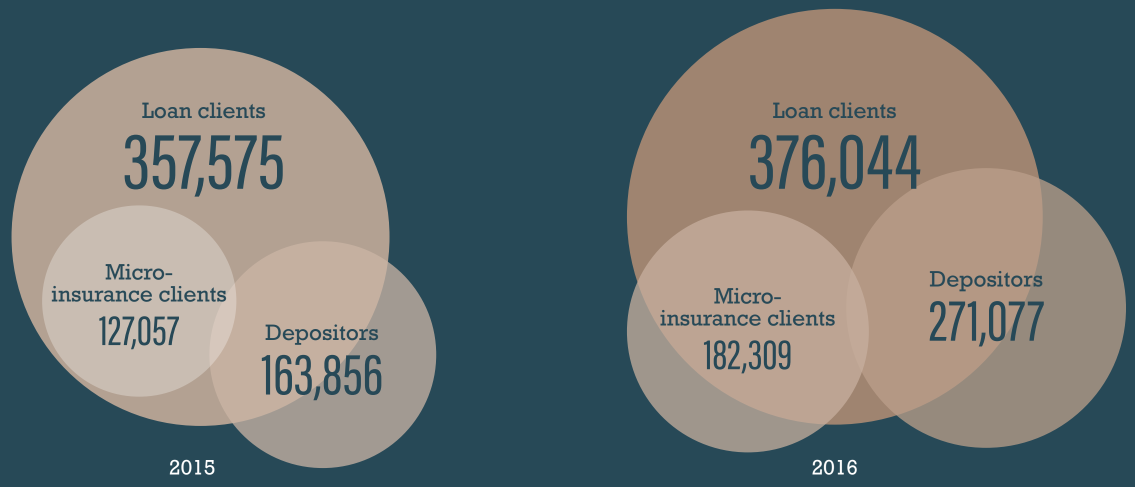
Areas of Operations

Agora Microfinance N.V.
Financial and Operational Highlights

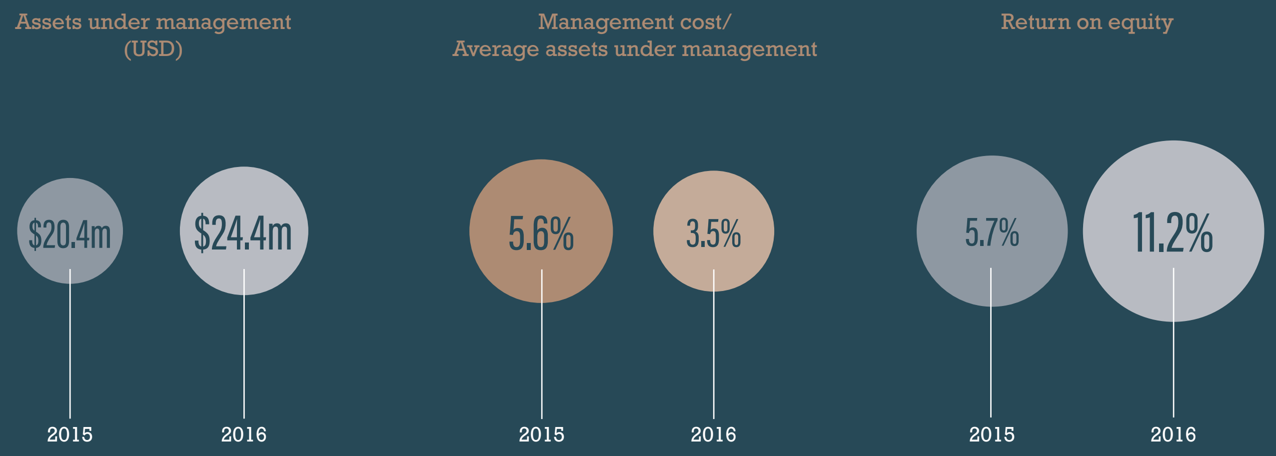
AMNV Consolidated figures



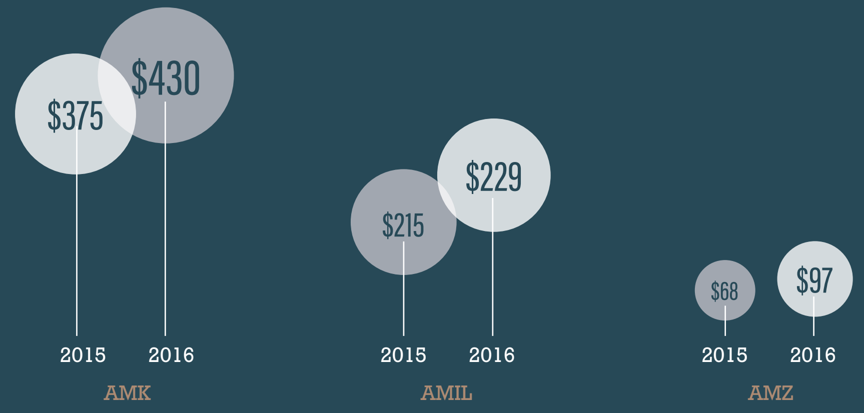
Total clients



AMNV Stand-alone figures



Average loan sizes
(USD)



Moringaway
Financial Highlights

Loans outstanding (USD)		Gross interest yield	
$1.3m	$1.2m	9%	10.8%
2015	2016	2015	2016

Operating expense / average total assets

2015	2016
4.1%	3.4%

Message from the Principals

Gerhard Bruckermann

Tanmay Chetan

The year 2016 was a landmark year for the Agora group. This was the first year in its short history when all of its subsidiaries and affiliates turned profitable while still focused on their wider socio-economic goals. For the Agora Group, this achievement creates a strong foundation for expansion and consolidation.

In our equity investments, both of our green-field operations achieved full-year financial break-even for 2016. Both AMIL (India) and AMZ (Zambia) were in their fifth full year of operations when they achieved this milestone. For Agora, this is a useful marker for our future plans, especially when planning further green-field operations.

It is particularly remarkable that AMZ has been able to achieve financial break-even while staying true to its mission. It is the only MFI in Zambia to have a predominantly rural portfolio, as indicated by its average loan size of <$100, and remains the cheapest source of loans for rural Zambians. In addition, it was able to achieve break-even at a moderate size, with a loan portfolio of under $2 million and total clients at 15,000. Its loan book remained spotless with NPLs at below 0.5%.

AMIL, on the other hand, has had an organic but strong path to financial viability. Operating as a start-up in a market constrained by an interest rate cap and high borrowing costs, AMIL has nevertheless managed to achieve a small margin in its operations. This has been made possible through a lean structure and strong operating efficiency. At the same time its loan book remained strong with NPLs at under 2%.

Both AMIL and AMZ have also added a number of feathers in their caps quite early in their lives. Not only have they developed digitised loan processes managed through tablets and phones, both institutions have added mobile payments services and micro-insurance to their product mix. In the years to come, AMZ will expand into SME lending and also aim to obtain a deposit license; while AMIL will focus on geographical expansion and increased depth of outreach. Both are poised for substantial growth in the coming years.

AMK MFI Plc (AMK), our flagship equity investment in Cambodia, returned a stable and strong performance for its fifth year in a row. While significantly expanding in its micro-insurance and payments business during the year, AMK also saw a strong growth in its deposit portfolio. Despite some pressure on loan portfolio quality, AMK ended the year with one of a best performing loan books in the market with NPLs just a little over 1%.

Altogether, AMNV's stand-alone financial performance for the year was strong, with Return on Equity of 11.2% and Operating Costs of the holding company at 3.5% (2015: RoE of 5.7% and Management Costs at 5.6% respectively).

In our new wholesale debt venture (Moringaway), we are focusing on innovative institutions with a particular emphasis on rural finance and technology. Our current portfolio is small and profitable, and we expect to build on the initial experience and expand strongly in the coming years. During the year our first loan from this facility, made to a Kazakh MFI, came to an end and was repaid in full. We continued lending to our affiliates at market rates while we surveyed the market for other opportunities. We expect to add new markets and institutions to the portfolio in the coming year.

It is a reason for satisfaction and some pride that our combined reach now extends to 800,000+ customers in three countries, serviced through hundreds of branch offices, ATMs, agents and field staff. While AMK accounts for a major share of this business, our other subsidiaries have proved the robustness of their business models and are also on the path to substantial growth, expansion and finally, strong impact. We aim to keep moving forward and reaching more unbanked populations in the years to come.

2016: A Year of Stability, Viability and Growth

Background: When the Agora group was created in 2009, it began its activities with two green-field operations in Zambia and India, which presented two diametrically opposite market environments. Later on during 2010-2013, the group acquired an initial minority and subsequently a majority stake in its third investment in Cambodia. The Cambodian market in 2009-2010 was experiencing some after effects of the financial crisis as well as its own stress of over-lending at the time. During 2011, both its green-field operations in Zambia and India began operating. The focus for Agora during the past five years, therefore was to establish its three investments well in their respective markets...

THE AGORA EQUITY PORTFOLIO COVERS THE FULL SPECTRUM OF INNOVATIVE START-UPS TO ITS MATURE BANKING INSTITUTION IN CAMBODIA

2016: A Year of Stability, Viability and Growth

High efficiency got better

Since its inception, Agora has been a proponent of efficient operations in its investees. High levels of operating efficiency enable reaching smaller (poorer) customers as well as keeping delivery costs and the price of products affordable in the markets. Its three MFIs' current operating efficiency levels, as seen in terms of customers per staff, can be seen in the chart alongside. All three MFIs showed further improvements during the year over their previous levels and were operating at levels much ahead of their peers in their respective markets and can be seen on the chart shown on bottom right (comparison using MIX Market data).

Another element of efficiency that is both an opportunity as well as crucial to stay abreast of the market, is the possibility of technology not only as an enabler to scale, but also as a critical tool for customer experience and efficiency. Agora's MFIs have been market leaders in the use of technology for delivering financial products and services. All these efforts results in high operating efficiency, which in turns creates opportunities for better customer experience and costs.

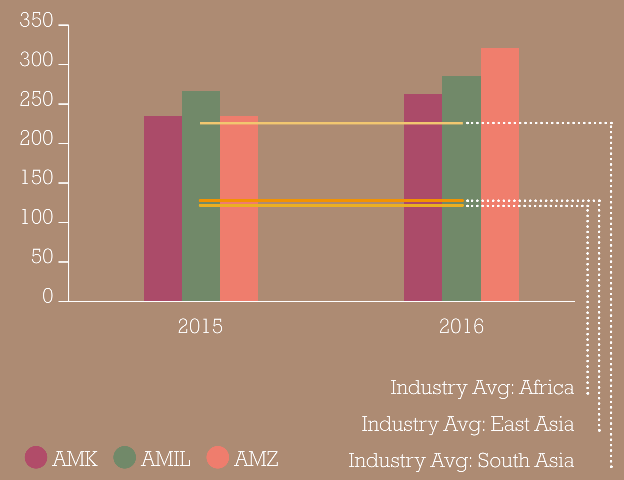
Stability continued in Cambodia

Agora's initial involvement in Cambodia came about in 2010, at a time when the credit market was under some stress. Largely as a result of Agora's strategic interventions, during 2010-2012 AMK pushed ahead with purpose on branching out into non-credit product lines such as mobile/agent banking, deposits and micro-insurance, while at the same time carefully controlling its credit risk.

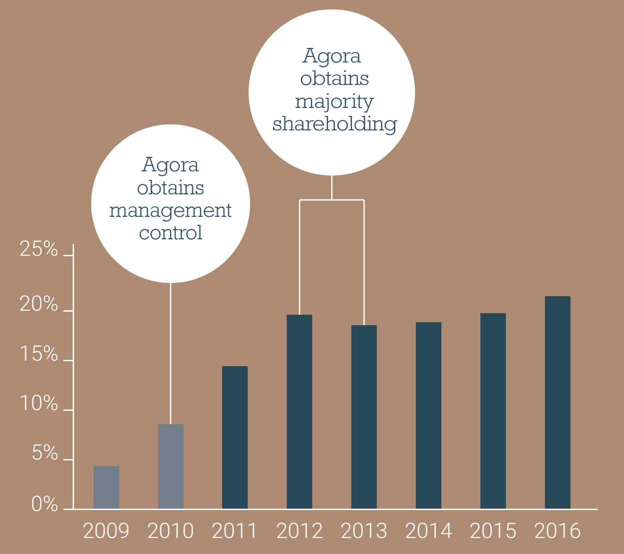
In part due to Agora's intervention in aspects such as operating strategy and establishment of the right leadership structure, the financial results of AMK showed a strong turnaround and subsequent stability which has been maintained for over the last 5 years.

35%
Asset growth

Operating efficiency: customers per staff



AMK – return on equity



Financial viability achieved in green-field operations in India and Zambia

Both of Agora's green-field operations presented unique challenges when the operations began. In India, an interest rate cap had been enforced and cost of funds was high for a start-up. In Zambia, operating costs in rural areas were prohibitively high due to lack of infrastructure, and population densities and average loan sizes were quite low. Additionally both the currencies have had a history of volatility, with Zambia particularly prone to market shocks on international copper prices, its main export.

In such environments, Agora had to ensure that the business models reflected the realities of these markets, and solutions found to manage these challenges. Through a pro-active strategy focusing on operating efficiency – especially through the early adoption of many technology innovations – both these investees registered their first annual profits in 2016, a significant milestone.

Strong growth in all markets

All three of Agora's investees registered strong growth numbers, resulting in a growth of over 35% on the asset size of the holding company. In particular, the loan books – the main asset – of the three investees registered continued strong growth.

Growth has remained steady in all markets, largely due to better reach and product suitability in the case of more competitive markets of Cambodia and India. In Zambia where competition is not a concern, growth is dependent more on internal capacity and the last two years have seen very strong evolution.

Further, the total reach of the group exceeded 660,000 unique customers and almost 850,000 regular accounts (loans, deposits and insurance) in addition to over 1 million money transfers in Cambodia alone.

In conclusion, the three elements captured in this note – stability, viability and growth – are closely intertwined and each feeds off from the other elements. Stable financial and operational performance is a pre-requisite for the achievement of better social outcomes, as has been well proven and documented in the case of AMK, Agora's Cambodian subsidiary. Both AMIL and AMZ are well on the same path based on the strong foundations laid during 2016.

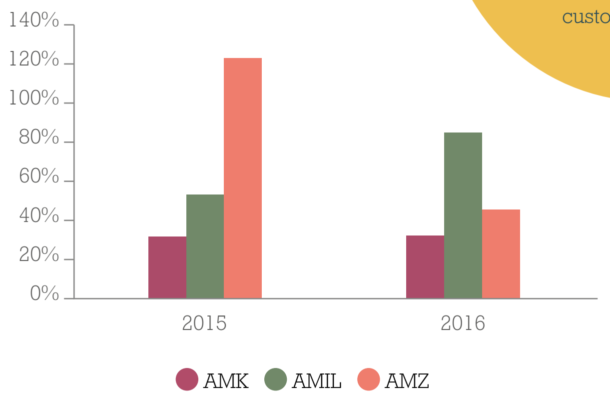
300+
branches

3,000
mobile agents

660k
customer households

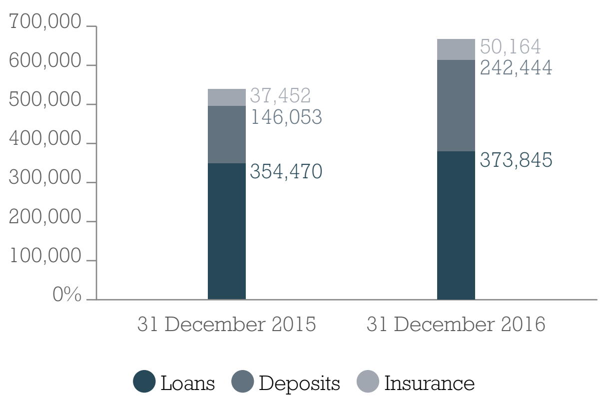
850K
customer accounts

Annual loan book growth



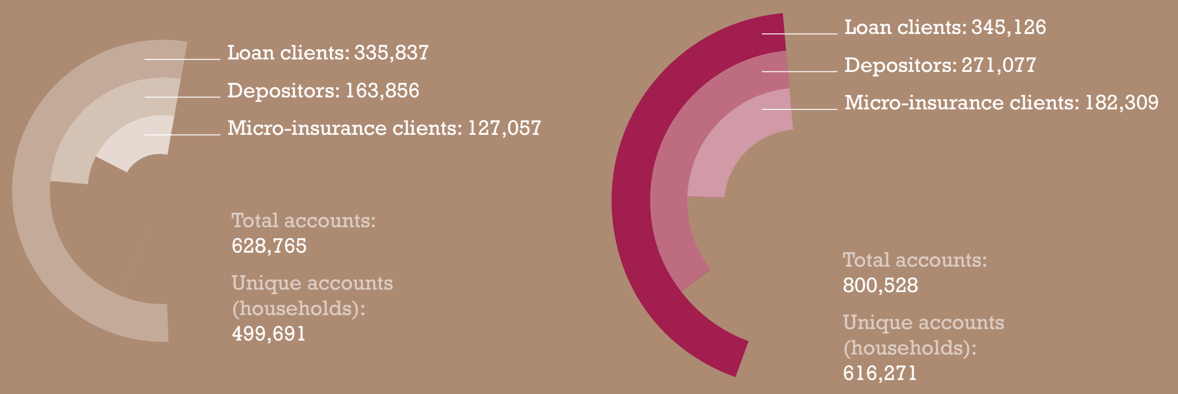
* AMIL data is for April-March periods, the official financial year for AMIL

Unique customers

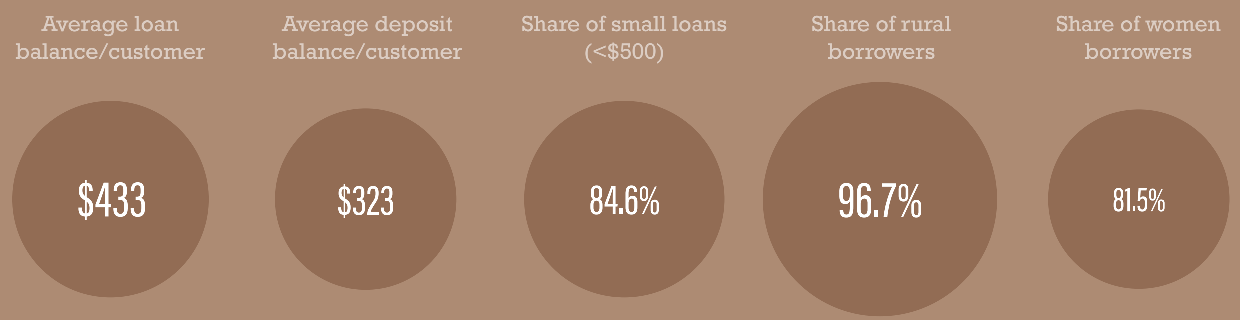


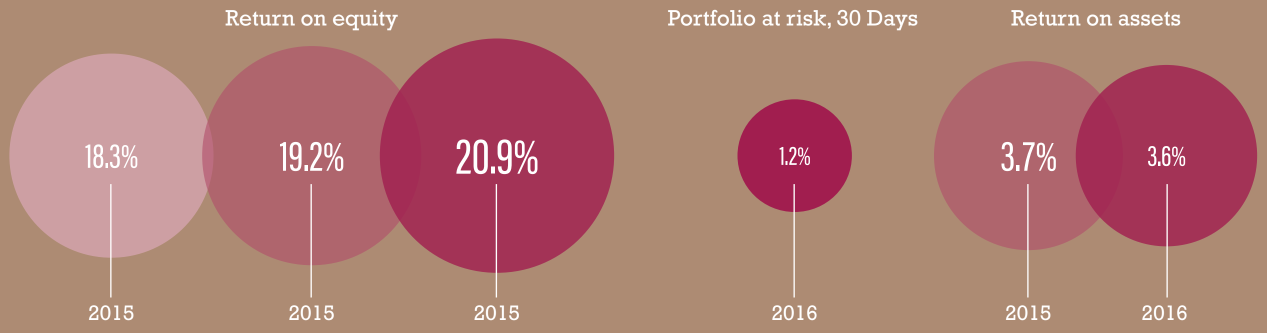
AMK Microfinance Institution Plc

Accounts



2016 Statistics





Agora Microfinance India Limited

15,929
Customers 2016-17

11,408
Customers 2015-16

Loans outstanding (USD)

$2.5m — 31 March 2016
$3.6m — 31 March 2017

Portfolio at risk, 30 days

1.9% — 31 March 2017

Return on assets

-2.2% — 2015-16
1.4% — 2016-17

Capital adequacy

47.4% — 2015-16
52.0% — 2016-17

* AMIL's financial year runs from 1 April-31 March

Return on equity

3.2% — 2016-17

The company achieved full financial break-even in the year being reported.

Agora Microfinance Group
Annual Report 2016 19

Agora Microfinance Zambia Limited

AMZ
AGORA MICROFINANCE ZAMBIA

14,989
Customers 2016

10,330
Customers 2015

Loans outstanding (USD)

2015	2016
$701,272	$1.5m

Portfolio at risk, 30 days

31/12/16
0.2%

Return on assets

2015	2016
-39.4%	0.8%

Capital adequacy

2015	2016
39.3%	24.6%

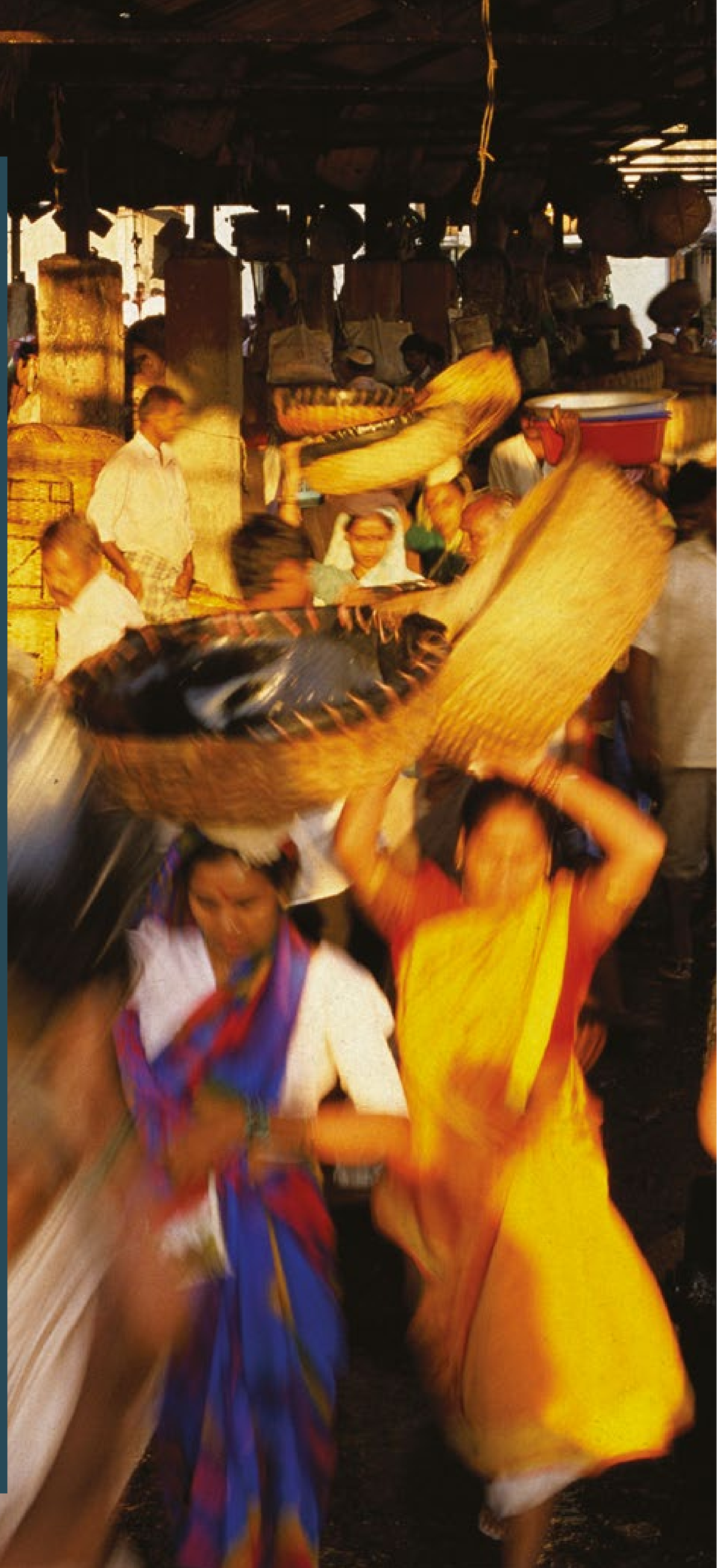
Return on equity

2016
2.9%

The company achieved full financial break-even in the year being reported.

Agora's Equity Portfolio: A Meeting Point for Social and Market Objectives

Agora's choice of investments is driven by a strong social mandate. The objective behind every investment is to maximise the chance of success for the customer, usually the financially unbanked and often economically disadvantaged families. The belief behind Agora's work is that rightly tailored financial products provide both investment and risk capital to customer families, and thereby create the environment for them to improve their livelihoods and hopefully escape poverty.



Agora strongly believes in the power of commercial capital to achieve meaningful social outcomes. It seeks commercial capital that is patient, expects a healthy but not an excessive return, and is interested in social outcomes as its core philosophy.

The best example of a successful partnership that follows the above philosophy in Agora's portfolio is that of its Cambodian subsidiary, AMK MFI Plc. The MFI was established by an international non-profit, and when the time came for the non-profit to exit, Agora was able to not only step in as a similar-minded investor, but also aided the search for other such investors, and at the same time ensured that the non-profit could exit with a reasonable financial return. Once becoming the shareholder, Agora continued the original mission and focus of AMK to reach remote rural areas in Cambodia and create a suite of products for the less-banked in the country. Today, with over 800,000 accounts overlapping loans, deposits, insurance and over a million money transfers per year, AMK is not only the largest financial institution in the country (by customer numbers), it is also the institution of first choice amongst the rural and the poor. Its average loan size as an indicator of its deep reach remains lowest by some margin in a competitive market where there is constant pressure to shift to bigger customers to boost financial margins. Over the years, AMK has built credible research and social performance systems as part of its core strategy and all decisions are filtered through this lens. This is the approach Agora aims to bring to all its investees.

As Agora strives to attain similar levels of depth, scale and quality in its operations in India and Zambia, AMK provides a ready reference and often a clear template for its other subsidiaries. The first stage of its green-field investments in India and Zambia was to attain operational viability, which was achieved this year. The next phase will build on AMZ and AMIL's early successes to develop these institutions further to meet the dual objectives of strong financial performance along with clear social objectives. In Zambia, for example, AMZ is already diversifying into micro-insurance and payment services and aims to start offering deposit product upon obtaining a deposit license in the coming two years. In India too, payments and insurance products are part of the product offer of AMIL, and the vast unmet demand in urban slums can only be met by institutions that can specialise in this unique market, which is what AMIL is trying to achieve.

Technology plays a crucial role in all of its operations. Firstly, it helps investees become more efficient and lower delivery costs, thereby allowing some of the efficiency gains to be passed onto customers in the form of lower costs. Secondly, it can potentially improve customer experience as well as ease of access in many forms. AMK's mobile agent network – 2,500 agent strong – provides easy access for payments and deposits, and is extremely popular amongst its rural clientele. AMZ recently began working as a super-agent of mobile network operators' agents and has seen a remarkable early demand in its branches of operations. Similarly AMIL has teamed up with a payment service provider to allow customers to make digital payments for bills and tickets at its offices. All three investees also use a digitised loan assessment process which has been developed independently by them. While many of these initiatives are at early stages of implementation, Agora expects significant value to be added to its portfolio through such efforts.

In conclusion, in the coming 2-3 years, Agora expects that both its Zambian and Indian subsidiaries will emerge as market leaders that deliver a range of financial products in an efficient, sensitive manner to the under-banked populations in their communities.

Alongside these subsidiaries, Agora is actively looking to expand its investments and operations to other countries in its regions of operation. Active discussions are underway in a few markets, and are likely to bear fruit during the course of 2017 and 2018.

AMK IS NOT ONLY THE LARGEST FINANCIAL INSTITUTION IN THE COUNTRY (BY CUSTOMER NUMBERS), IT IS ALSO THE INSTITUTION OF FIRST CHOICE AMONGST THE RURAL AND THE POOR.

Team Profiles: Investees

Kea Borann, CEO, AMK MFI Plc

One of the founding managers of AMK when he started working with the company within its first year of operations (in 2003), Borann is a leader of exemplary track-record and has played a multitude of roles at AMK. In the past he has been the Finance Manager, the CFO and the Deputy CEO of AMK, before taking on the role of its CEO in 2012. Under Borann's leadership during the past 5 years, AMK has grown from strength to strength and has shown consistently impeccable performance. Borann is one of the new-generation high calibre leaders of Cambodia and is very highly regarded by the industry and more widely within the Cambodian society. He is also the Dy-Chair of the Cambodian Microfinance Association, CMA.

By training, Borann is an accredited ACCA member and holds a BBA in Finance and Accounting.

Meenal Patole, CEO, AMIL

Meenal is the founder (promoter) CEO of AMIL, an institution that she built out of her own initiatives from scratch. Meenal brings over two decades of experience in microfinance (and livelihood) implementation, consulting, research and ratings. A native of Mumbai, she is also extremely well versed with the socio-cultural norms of the region which has helped AMIL find its feet in Mumbai in a somewhat challenging market. As a promoter-CEO, Meenal handles all aspects of the management of the Company and in addition is also a respected voice in the industry, wherein she sits on the Board of the national microfinance association, MFIN.

Meenal holds an M.A. in Political Science from the Jawaharlal Nehru University, New Delhi and an M.Phil in Planning and Development from the Indian Institute of Technology, Mumbai.

Abdukodir Sattorov, CEO, AMZ

Abdukodir (Abdu) was appointed CEO of AMZ in July 2016. A Tajik national, Abdu had built significant regional experience prior to joining AMZ, having worked in Zambia and Uganda as the COO/Regional Manager of a large microfinance network previously. In addition, he also brings considerable experience of working in central Asia, especially in Tajikistan and Azerbaijan. As the CEO of AMZ, in his short tenure Abdu has overseen strong growth and under his leadership the company turned profitable during 2016, a significant milestone for a young institution.

Abdu holds a Bachelor's degree in Accounting and Audit from the Tajik State University of Commerce.

Team Profiles: Holding Company and Financial Advisor

**Tanmay Chetan
Group CEO**

Tanmay is one of the founding promoters of Agora, and oversees its operations as the Group CEO. In his current role he manages the equity investments (Chair of Boards of the three investees) and also handles the Advisory Company as its Managing Partner. His additional roles include Chairing the Supervisory Board of AMNV and a Director of Moringaway. In his role, Tanmay focuses mainly on the development and execution of strategy at different levels of the structure. He brings considerable prior experience of microfinance operations, consulting and ratings.

Tanmay holds a Master's Degree in Public Administration from the Harvard Kennedy School and an MBA from IIFM, Bhopal (India).

**Rebecca McKenzie
Head of Credit Operations**

Rebecca is a co-founder of the Agora Group and has been involved in the operations since inception. Rebecca currently manages the credit operations of the group, which includes deal-sourcing for Moringaway and periodic credit arrangement for equity investees through the holding company. In addition she also sits on the Boards of the three equity investees and is a Managing Director of the holding company. Rebecca brings considerable experience of investment banking, microfinance governance and compliance from her previous roles.

Rebecca holds a Diploma in Corporate Finance from the London Business School and a Bachelor's of Arts in European Studies from Scripps College, Claremont, California.

OUR TEAM: PASSIONATE, SENSITIVE AND EFFECTIVE

Team Profiles: Holding Company and Financial Advisor

Medha Wilson
Head of Investor Relations

Medha has been involved with the Agora Group since 2012, initially as the CFO for its Indian investee, and since 2013 as the main Investor Relations person for the Group. Medha manages Agora's dialogues with potential and current investors, in addition to being a member of the Audit and Finance Committee of AMIL. She brings significant experience of Audit, Assurance and Advisory as well as microfinance project management from her previous roles.

Medha holds a Bachelor's Degree in Econometrics and Mathematical Economics from the London School of Economics and an ACA from the Institute of Chartered Accountants in England and Wales.

Cathy McConnell
Communications, HR and Office Manager

Cathy has worked with the Agora Group since 2009 in various roles, and currently manages most of the back-office functions of the Advisor based in London, including communications, HR, accounts and Administration. Cathy brings almost two decades of experience of marketing, communications and enterprise management.

Cathy holds a NHD (Diploma) in Marketing from Natal Technikon, South Africa.

Directors' Report and Audited Financial Statements 2016

Agora Microfinance N.V.

Agora Microfinance N.V.
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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 2016.

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. The Company thereafter invited new investors during 2012-2014 and at present has three shareholders, two individual persons and Stichting Agora Microfinance, a Foundation registered under the laws of the Netherlands.

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 off 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. to represent and manage the interests of third parties;

E. to act as 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 in Zambia and India performed well during the year and recorded their first annual net profits. Its Cambodian subsidiary continued its strong financial performance during the year.

There were no changes to its Supervisory Board or its Management Board during the year.

The equity portfolio of the Company for the year consisted of the following three subsidiaries:

- AMK MFI Plc, Cambodia (''AMK'')
- Agora Microfinance India Limited (''AMIL'')
- Agora Microfinance Zambia Limited (''AMZ'')

Directors' Report (Continued)

Risks and risk management

The Company's activities are exposed to a variety 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, 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 2016

Operational and 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 1.21% (AMK), 0.65 % (AMIL) and 0.23% (AMZ).

Political and regulatory risks: During the year, the most significant regulatory development was positive and was in India, where 100% foreign ownership in non-banking finance companies was allowed for the first time. As a post balance-sheet event, therefore the Company was able to increase its shareholding in AMIL. Another post balance-sheet development, in Cambodia was the introduction of an interest rate cap in March 2017, to a nominal rate of 18%. At the time of this financial statement, the interpretation of this cap and its likely impact on AMK was still being reviewed. However, initial signs are of a manageable but material negative impact on the bottom-line of AMK in the short term (2017-2018).

Currency risks: None of the Company's operating currencies showed considerable volatility during the year. Net currency impact was therefore positive for 2016.

Capital and liquidity risks: The Company's business of private equity investments depends on a mix of dividends, borrowings and equity capital raise 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%).

Market risks: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments. Market risk consists of interest rate risk and foreign currency risk. While we discuss currency risks as a separately, interest-rate risks can potentially also create some uncertainty in the business. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. On the asset side, this relates to the loan pricing methods followed by the group's subsidiaries. On the liabilities within the Group, there is no current exposure to floating interest rates and the primary risk lies with interest rate movements for its subsidiaries at the time of their renewal of existing borrowing lines.

Such market risks can manifest themselves in the loss of clientele, downward pressure on pricing or in extreme cases to client over-indebtedness.

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 also have a Risk Committee and a Board Asset-Liability committee to better supervise risk management.

Directors' Report (Continued)

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 90% of the Company's portfolio is in the dollarised 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 happening in all parts of the operations.

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 its investees are geared to generate positive returns. Liquidity management in its investees is carried out by specialised teams and asset-liability management is a core function.

Market and interest rate risk: To manage the interest-rate risks arising on the asset side of the business, the Company's subsidiaries keep a close watch on market developments and the interest-rate movements through their respective market research functions. For example, the Board and the ALCO in AMK provides the management with an interest-rate band for many products within which AMK can amend interest rates in response to market pressures or opportunities. The interest-rate risk in India is limited on account of a hard interest-rate cap that exists at present, and which results in relatively uniform pricing of loans in the market. In Zambia, on the other hand, AMZ remains a leader in pricing of small rural loans on account of its efficiency, increased scale and careful product design.

On the liability side of the subsidiaries' balance sheet, floating interest rates are currently not in force on any of the borrowings, and therefore the fluctuations in interest rates manifest primarily at the time of loan renewals. While this can potentially be a real risk for subsidiaries, our experience has shown that the movements are typically on account of hedging costs (FX risk) rather than significant changes to the underlying pricing mechanism used by lenders (LIBOR + margin). Interest rates quoted in USD/EUR have been consistent over the last 5 years for both Cambodia and Zambia, though this does not provide guarantees for the future.

Therefore at present the subsidiaries' focus their efforts of managing hedging costs more carefully, through back-to-back arrangements and cross-currency swaps (in Cambodia) or sometimes taking on USD/EUR exposure for short periods (in Zambia) due to prohibitive hedging costs.

Risk mitigation

Established microfinance strategy: The Company has been in the business of microfinance since 2011, and has an established and a 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 is to establish operating 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 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, a focus on geographical and market diversification, 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.

Directors' Report (Continued)

Post balance sheet events

The post balance sheet events are described under the Notes to the financial statements.

Result for the period

During the year under review, the Company recorded a profit of USD 2,459,704, the improved result reflecting the profitability of the group, wherein all of its investees registered profits for the year. The financial break-even of its two green-field operations in Zambia and India was achieved during the year: this is of particular significance to the group and helps create a healthy overall group structure.

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 2017 include amongst other things, prospective new investors into the Company, further equity investments into AMIL and AMZ, and further overall expansion and consolidation of the portfolio.

In particular, the Company expects that much of its efforts in 2017 will be towards managing any negative effects of the new interest rate regulation in Cambodia, through careful adaptation of operating strategies and acceleration of its fee based businesses. Alongside, it expects to continue investing judiciously to support the strong growth and operating performance of its green-field subsidiaries in India and Zambia.

The Company will look to raise additional funding to continue looking for new investment opportunities, though it is likely that operational responsibilities could take priority during 2017.

Managing directors:

Ms R McKenzie

Mr R W van Hoof

Mr S P de Haseth

Supervisory board:

Mr T Chetan

Mr G E Bruckermann

Amsterdam, The Netherlands
1st June 2017

Consolidated Balance Sheet

as at 31 December 2016 (before proposed appropriation of net result and expressed in USD)

		31-Dec-16 (USD)	31-Dec-15 (USD)
Assets			
Non-current assets			
Financial fixed assets	1	-	208,211
Goodwill	2	3,101,603	3,289,285
Regulatory reserve AMK	3	29,400,092	5,847,526
Tangible assets	4	6,620,636	4,567,240
Intangible assets	5	291,455	389,984
Long-term loans and advances, net	6	33,382,484	31,678, 234
Total non-current assets		**72,796, 270**	45,980,479
Current assets			
Short-term loans and advances, net	6	119,401,829	97,090,071
Interest receivable and other accruals	7	5,137,385	3,956,802
VAT receivable – holding company	8	2,796	50,716
Deposits with other financial institutions	9	-	573,489
Cash at bank	10	26,167,807	18,006,471
Other assets		-	362,651
Total current assets		**150,709,817**	120,040,201
Total assets		**223,506,087**	166,020,681

Consolidated Balance Sheet

as at 31 December 2016 (Continued) (before proposed appropriation of net result and expressed in USD)

		31-Dec-16 USD	31-Dec-15 USD
Equity and liabilities			
Capital and reserves	11		
Issued and paid-up share capital		269,718	331,137
Share premium		25,445,232	23,813,361
Other reserves		(846,455)	(836,950)
Retained earnings		(3,265,137)	(4,312,533)
Result for the period		2,459,704	1,047,396
Minority interest	12	17,679,756	14,765,086
Shareholders' equity		**41,742,818**	34,807,498
Non current liabilities			
Long-term borrowings	13	74,152,926	52,574,640
Staff pension fund	14	2,882,677	2,282,237
Term and contractual deposits	15	58,998,425	41,831,339
		136,034,028	96,688,216
Current liabilities			
Interest payable	16	4,188,880	3,239,705
Short-term borrowings	17	8,515,604	4,150,936
Accrued expenses and other liabilities	18	4,859,477	4,930,620
Demand deposits	19	28,165,281	22,203,706
		45,729,241	34,524,967
Total equity and liabilities		**223,506,087**	166,020,681

Consolidated Profit and Loss Account

as at 31 December 2016

		2016 USD	2015 USD
Financial income			
Interest and dividend income	20	49,052,689	36,625,875
		49,052,689	36,625,875
Financial expenses			
Interest expense	21a	(12,962,358)	(8,687,737)
Other financial income/(expenses)	21b	(177,627)	(70,914)
		(13,139,985)	(8,758,651)
Net interest margin		**35,912,703**	27,867,224
Operating expenses			
General and administrative expenses	22	(28,440,812)	(22,526,127)
		(28,440,812)	(22,526,127)
Other income and expenses			
Goodwill amortisation	2	(415,250)	(388,024)
Deferred tax credit, AMZ		10,065	-
		(405,185)	(388,024)
Share in profit/(loss) of participating interests	23		
Agora Microfinance Zambia		-	(420,286)
		-	(420,286)
Profit before tax		**7,066,706**	4,532,788
Corporate profit tax, AMK		(1,582,191)	(1,268,690)
Profit after tax		**5,484,515**	3,264,098
Result minority interest			
Result minority interest on investments	24	(3,024,812)	(2,216,702)
		(3,024,812)	(2,216,702)
Group net profit		**2,459,704**	1,047,396

Consolidated Statement of Cashflows

as at 31 December 2016

	2016 USD	2015 USD
Operating activities		
Profit before income tax	7,066,706	4,532,788
Add back:		
Depreciation and amortisation	1,605,259	1,255,148
Goodwill amortisation	415,250	388,024
Loss on disposal of property and equipment	159,828	-
Accumulated depreciation	567,605	-
Operating cashflows before changes in operating assets and liabilities	**9,814,647**	6,175,960
Changes in operating assets and liabilities		
Balances with central banks	(23,552,566)	(2,086,458)
Deposits/guarantees/short-term investments	573,489	7,397,633
Loans to customers	(24,016,007)	(31,985,276)
Other assets	(770,012)	(1,370,258)
Financial fixed assets and goodwill	395,892	(238,298)
Deposits from customers	23,128,661	24,746,605
Provision for staff pension funds	600,439	491,681
Other liabilities and reserves	3,715,592	5,146,881
	(10,109,864)	8,278,471
Income tax paid/deferred	(1,572,126)	(1,268,690)
Result minority interest	(3,024,812)	(2,216,702)
Net cash from operating activities	**(14,706,802)**	4,793,079
Investing activities		
Acquisition of property and equipment	(4,475,346)	(2,905,923)
Acquisition of software	(109,316)	(145,149)
Net cash used in investing activities	**(4,584,661)**	(3,051,073)

Consolidated Statement of Cashflows

as at 31 December 2016 (Continued)

	2016 USD	2015 USD
Financing activities		
Proceeds from borrowings	25,942,955	7,204,226
Dividends paid	(247,952)	(198,480)
Proceeds from equity contributions	1,638,056	2,805,098
Net cash from financing activities	**27,333,059**	9,810,844
Net increase in cash and cash equivalents	**8,041,595**	11,552,850
Cash and cash equivalents at the beginning of the year*	18,146,393	6,664,661
Foreign exchange difference	(20,180)	(211,040)
Cash and cash equivalents at the end of the year	**26,167,807**	18,006,471

* Cash equivalents at the beginning of the year 1/1/16 include AMZ which has been consolidated from that date.

The cash flow statement has been included in the financial statements for the first time in 2016, including the comparative figures of 2015. In the 2015 financial statements, the cash flow statement was erroneously omitted. The inclusion of the cash flow statement in the 2016 financial statements, including 2015 comparative figures does not have any impact on the equity, balance sheet total, net income, income statement or other disclosures.

Notes to the Consolidated Financial statements

The notes to the consolidated financial statements are numbered i) to xviii), followed by 1 to 36.

i) 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 (a foundation incorporated under Dutch laws) and individual investors.

ii) 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.

iii) Basis of consolidation

The consolidated financial statements include the financial data of the Company and its group companies as at 31 December 2016. 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.

Minority interests in group equity and group net income are disclosed separately. Prior year data is presented as per audited accounts, though some reformatting has been done in places to provide comparable figures.

iv) 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 realise 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).

v) Personnel

As at the end of the year the group had a total staff strength of 2,450 [2015: 2,170], comprising 2,349 staff in AMK (2015: 2,126), 54 in AMIL (2015: 44) and 47 in AMZ (2015:44).

vi) Directors

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

vii) 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 Profit and 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.

Financial Statements of foreign entities held are translated into the Company's reporting currency at exchange rates ruling on 31 December of 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 Profit and Loss statement as part of the gain or loss on sale. Profit and Loss statements of subsidiaries are converted at average exchange rates for the year.

The following rates have been applied for the various currencies:

	2016	2015
EUR/USD	1.05256	1.0927
USD/KHR	4037	4050
USD/THB	35.7608	36.0006
USD/INR	67.9547	66.326
USD/ZMW	9.89208	10.9719

USD: United States Dollar; EUR: Euro; KHR: Khmer Riel; THB: Thai Baht; INR: Indian Rupees; ZMW: Zambian Kwacha

Notes to the Consolidated Financial Statements (Continued)

viii) 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.

ix) Accounting policies

a) 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 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 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-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 recongised in the Profit and Loss statement as "proceeds received from participating interests."

Receivables

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

b) 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 recongised.

Goodwill is amortised on a straight-line basis over a 10-year period, which has been determined as the period during which an investment will realise its expected value.

c) 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.

Notes to the Consolidated Financial Statements (Continued)

d) 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 capitalization are taken directly to the Profit and Loss statement.

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 impairments 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.

e) 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.

f) 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.

g) Cash at bank

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

h) Other assets and liabilities

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

x) Principles of determination of result

a) General

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

b) 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.

c) 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.

d) 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.

e) 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.

Notes to the Consolidated Financial Statements (Continued)

f) Loan loss provisions

In the accounts of the subsidiaries there are loan loss provisions for the coverage of bad debts. In all 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.

xi) 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 services to be provided the Investment Advisor is entitled to a monthly retainer and reimbursement of specific ad-hoc expenses.

xii) Appropriation of result

During the year under review, the Company recorded a profit of USD 2,459,704.

xiii) Governance

There were no changes to the Supervisory Board during the year ended 31 December 2016 and up to the date of this report.

xiv) Dividends

The Company received a dividend from AMK during the year, issued for the results of 2015.

xv) New investments

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

xvi) Management opinion on-going concern

The Company shows an improved and strong financial position for the year ended 2016, boosted by the achievement of profits of all its subsidiaries. In the opinion of the management there is sufficient certainty around the going-concern nature of the Company's business.

xvii) Post balance sheet events

- The Company increased its shareholding in AMIL to 90% through further investments in early 2017.
- The National Bank of Cambodia introduced new regulation mandating an interest rate cap of 18% in March 2017. The regulation applies to new loans made from April 2017 onwards.
- The Company made follow-on investment into AMZ during March 2017.

xviii) Other commitments not shown in the balance sheet

- The Company facilitated a commercial Bank loan to AMIL by offering a letter of comfort to the lender as a post balance sheet activity. The loan is priced significantly lower than AMIL's existing borrowings.

Notes to the Consolidated Financial Statements (Continued)

1. Financial assets

Agora Microfinance Zambia Ltd - equity

	31-Dec-16 USD	31-Dec-15 USD
Opening balance	-	43,833
Acquisition of new shares	-	855,138
Result for the year	-	(215,759)
Revaluation impact	-	(204,526)
FX impact	-	(270,474)
Balance (NAV) as at 31 December	**-**	208,211

The Company made additional investments into AMZ during the year. The new investment increased the Company's equity stake from 66% to 75%. This transaction also brings the Company's voting shares to 50%. Control was achieved during the course of 2016. Due to the relative small size of the investment the management deems consolidation to be effective as of 1/1/2016. As a result, the subsidiary is no longer being reported under 'Financial Fixed Assets' on the consolidated financial statements.

2. Goodwill

	31-Dec-16 USD	31-Dec-15 USD
Accumulated goodwill as at 1 January	4,071,574	3,609,630
Additional goodwill during the year	227,568	461,943
Impairment in value	-	-
Goodwill as at 31 December	**4,299,142**	4,071,574
Accumulated amortisation as per 1 January	782,289	394,265
Amortisation during the year for past investments	407,157	360,963
Amortisation for goodwill acquired during the year	8,093	27,061
Accumulated amortisation as at 31 December	**1,197,539**	782,289
Balance as at 31 December	**3,101,603**	3,289,285

Notes to the Consolidated Financial Statements (Continued)

2. Goodwill (continued)

Goodwill amortisation by investment

	31-Dec-16 USD	31-Dec-15 USD
AMK	2,260,326	2,587,987
AMIL	759,997	701,298
AMZ	81,280	-
Balance as at 31 December	**3,101,603**	3,289, 285
Annual amortisation		
AMK	327,661	327,661
AMIL	85,505	60,363
AMZ	2,084	-
Total	**415,250**	388,024

Goodwill amortisation on new investments

	31-Dec-16 USD	31-Dec-15 USD
Total goodwill on new investments	**227,568**	461,943
Monthly amortisation AMIL, India	(1,202)	(3,850)
Monthly amortisation AMZ, Zambia	(695)	-
Amortisation for the year	**(8,093)**	(27,061)

*Amortisation start dates for new goodwill: 1 August 2016 for AMIL and 1 October 2016 for AMZ

During 2016 the Company obtained goodwill on additional investments in AMIL in July 2016, and in AMZ in September 2016. 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. The amortisation on new goodwill has been applied for 5 months on the July investment and 3 months on the September investment.

Notes to the Consolidated Financial Statements (Continued)

3. Regulatory reserve (AMK)

	31-Dec-16 USD	31-Dec-15 USD
Deposits with National Bank of Cambodia (NBC)	29,400,092	5,847,526
	29,400,092	5,847,526

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 as a sum of 10% of the Company's registered share capital and a reserve requirement calculated at 8% of customer deposits. The capital reserve is refundable when the Company voluntarily liquidates and has no deposit liabilities. The deposit reserve earns an interest rate of 3% per annum.

4. Tangible assets

Fixed assets (furniture, fixture, vehicles and equipment)

	31-Dec-16 USD	31-Dec-15 USD
Holding company	-	-
Consolidated subsidiaries		
Balance as at 1 January	4,567,240	2,760,658
FX impact on opening balance	62,155	16,342
Additions during the year	4,475,346	2,905,383
Disposals/write offs/write-backs	(1,145,506)	(67,062)
Depreciation during the year	(1,338,599)	(1,048,081)
Closing balance of fixed assets as at 31 December	**6,620,636**	4,567,240

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 recongised under "general and administrative expenses" in the Profit and Loss statement.

Notes to the Consolidated Financial Statements (Continued)

4. Tangible assets (continued)

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 USD	AMZ USD	AMIL USD	AMK USD
Tangible assets at cost	11,155,246	242,961	28,011	10,884,275
Accumulated depreciation	(4,534,610)	(157,436)	(21,713)	(4,355,462)
	6,620,636	**85,525**	**6,298**	**6,528,813**

5. Intangible assets

Software

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Consolidated subsidiaries		
Balance as at 1 January	389,984	382,534
FX impact on opening balance	5,516	-
Additions during the year	164,500	145,149
Disposals/write offs/write-backs	(1,884)	67,601
Amortisation during the year	(266,660)	(207,067)
Balance as at 31 December	**291,455**	389,984

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.

Notes to the Consolidated Financial Statements (Continued)

5. Intangible assets (continued)

Amortisation of the intangible fixed assets is recongised under "general and administrative expenses" in the Profit and 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 AMZ) and 5 years (AMK) and depreciation is charged on a straight-line basis.

	Total USD	AMZ USD	AMIL USD	AMK USD
Software at cost	1,649,169	39,797	18,590	1,590,782
Accumulated amortisation	(1,357,714)	(22,481)	(11,327)	(1,323,907)
Balance as at 31 December	**291,455**	**17,316**	**7,263**	**266,875**

6. Loans and advances

	31-Dec-16 USD	31-Dec-15 USD
Holding company	-	-
Consolidated subsidiaries		
Short-term loans and advances	119,437,035	97,111,248
Long-term loans and advances	36,363,033	33,333,785
Gross loans and advances	**155,800,068**	130,445,033
Loan loss reserve, short-term loans	(35,206)	(21,177)
Loan loss reserve, long-term loans	(2,980,549)	(1,655,551)
Net loans and advances	**152,784,312**	128,768,306

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.

Notes to the Consolidated Financial Statements (Continued)

7. Interest receivable and other accruals

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Other receivables	**7,425**	-
Consolidated subsidiaries		
Interest receivable	2,408,279	1,974,489
Other receivables/prepayments/assets	2,721,682	1,982,313
Balance as at 31 December	**5,137,385**	3,956,802

8. VAT receivable

	31-Dec-16 USD	31-Dec-15 USD
Opening balance	50,716	50,129
Reconciliation of opening balance	-	(19,498)
FX impact	(2,036)	(4,743)
Amounts received	(65,039)	-
Amounts due	19,154	24,829
Balance as at 31 December	**2,796**	50,716

Notes to the Consolidated Financial Statements (Continued)

9. Deposits with other financial institutions

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Other deposits	-	-
Consolidated subsidiaries		
AMIL	-	32,879
AMK	-	540,609
AMZ	-	-
Balance as at 31 December	**-**	573,489

10. Cash at banks and current accounts

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Deutsche Bank AG, Amsterdam, current account	1,576,036	992,110
Consolidated subsidiaries		
AMIL	723,854	109,697
AMK	23,738,497	16,904,663
AMZ	129,421	-
Balance as at 31 December	**26, 167,807**	18,006,471

Cash at banks is available on demand.

Notes to the Consolidated Financial Statements (Continued)

11. Capital and reserves

The authorised share capital of the Company comprises different share series: ordinary shares, Series A and Series B shares and Share Classes Ordinary, A1, A2, A3, B1, B2, and B3 shares. The different share classes provide investors with flexibility to choose the use of their investments by type and geography of investments. The total authorised share capital of the Company is as follows: 10 million ordinary shares of nominal value of EUR 0.10 per share; 10 million Class A shares of nominal value EUR 0.01 per share; and 10 million Class B shares of nominal value EUR 0.01 per share. Therefore the total authorised share capital of the Company is EUR 1.2 million.

	Issued and paid-up share capital USD	Share premium USD	Retained earnings USD	Result for the period USD	Other reserves USD
Opening balance as at 1 January 2016	331,137	23,813,361	(4,312,533)	1,047,396	(836,950)
Transfer to retained earnings	-	-	1,047,396	(1,047,396)	-
Share capital contribution	6,142	-	-	-	-
Share premium contribution	-	1,631,871	-	-	-
Other reserves (subsidiaries)	-	-	-	-	(77,108)
Other reserves (FX, holding company)	(67,560)	-	-	-	67,603
Result for the period	-	-	-	2,459,704	-
Balance at 31 December 2016	**269,718**	**25,445,232**	**(3,265,137)**	**2,459,704**	**(846,455)**

Share classes*	#Authorised shares	Authorised capital (EUR)	#Issued and paid-up (#shares)	Nominal value (EUR)
Ordinary shares	10,000,000	1,000,000	2,550,557	255,056
Series A shares				
Class Al shares	6,000,000	60,000	82,030	820
Class A2 shares	2,000,000	20,000	-	-
Class A3 shares	2,000,000	20,000	-	-
Series B Shares				
Class B1 shares	6,000,000	60,000	-	-
Class B2 shares	2,000,000	20,000	-	-
Class B3 shares	2,000,000	20,000	-	-
	30,000,000	**1,200,000**	**2,632,587**	**255,876**

* The Company created new share-classes during the year.

Notes to the Consolidated Financial Statements (Continued)

11. Capital and reserves (continued)

The different share classes and their definitions are as follows:

Ordinary shares reflect the entire business of the Company and each share carries one vote.
Series A shares reflect the business of the Company in Asia and each share carries one-tenth of one vote.
Series B shares reflect the business of the Company in Africa and each share carries one-tenth of one vote.
Class A1 shares reflect the part of the Company's overall Asia business.
Class A2 shares reflect the part of the Company's Asia business designated to greenfield investments.
Class A3 shares reflect the part of the Company's Asia business designated to non-greenfield investments.
Class B1 shares reflect the part of the Company's overall Africa business.
Class B2 shares reflect the part of the Company's Africa business designated to greenfield investments.
Class B3 shares reflect the part of the Company's Africa business designated to non-greenfield investments.

Other reserves

	2016 USD
Opening balance as at 1 January 2016	(836,950)
FX impact AMIL	(12,435)
FX impact AMZ	22,728
FX impact AMK	92,697
FX impact, share capital holding company	67,603
Revaluation of equity – AMIL	66,902
Revaluation of equity – AMZ	53,961
Revaluation of equity – AMK	(300,962)
Balance as at 31 December 2016	**(846,455)**

Notes to the Consolidated Financial Statements (Continued)

12. Minority interest

	31-Dec-16 USD	31-Dec-15 USD
Minority interest AMK	13,945,832	11,915,709
Result minority interest AMK	3,003,759	2,267,139
Minority interest AMIL	639,714	632,676
Result minority interest AMIL	18,331	(50,437)
Minority interest AMZ	69,398	-
Result minority interest AMZ	2,722	-
Balance as at 31 December	**17,679,756**	14,765,086

The Company acquired majority (controlling) stakes in AMIL in 2013, in AMK in 2014 and in AMZ in 2016. The result on minority interest for AMK is after netting off dividends received by the Company from AMK.

13. Long-term borrowings

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Shareholder loan	-	250,000
Grameen-Credit Agricole	315,768	-
Consolidated subsidiaries		
AMK	70,857,046	52,222,032
AMIL	2,644,276	102,608
AMZ	335,837	-
Balance as at 31 December	**74,152,926**	52,574,640

The Holding Company obtained a loan from Grameen-Credit Agricole of EUR 300,000 during the year, with the objective of on-lending it to AMZ. All existing shareholder loans and accrued interests were converted into equity during the year. Shareholder loans were converted into equity during the year.

Notes to the Consolidated Financial Statements (Continued)

14. Staff pension fund

	31-Dec-16 USD	31-Dec-15 USD
Consolidated subsidiaries		
Staff pension fund AMK	2,882,677	2,282,237
Balance as at 31 December	**2,882,677**	2,282,237

Staff pension fund, AMK

	31-Dec-16 USD	31-Dec-15 USD
Opening Balance	2,282,237	1,790,556
Addition during the year	831,162	648,890
Interest earned	175,644	137,045
Paid during the year	(195,430)	(258,740)
Reversal	(218,286)	(46,555)
Currency translation	7,350	11,041
	2,882,677	2,282,237

AMK 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 AMK contributes 6%. AMK pays 7% interest per annum on the cumulative balance. The defined benefit is unknown. The funds are contribution benefits. It is therefore different from defined benefit plans which require actuarial assumptions and may require experts.

15. Term and contractual deposits

	31-Dec-16 USD	31-Dec-15 USD
Consolidated subsidiaries		
Deposits from customers, AMK	58,998,425	41,831,339
Balance as at 31 December	**58,998,425**	41,831,339

Only one of the Company's subsidiaries, AMK, is a deposit taking institution. 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 1.00% and 10.00%.

Notes to the Consolidated Financial Statements (Continued)

16. Interest payable

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Interest on shareholder loan	-	9,127
Interest on other borrowings	879	-
	879	9,127
Consolidated subsidiaries		
Borrowings, AMK	1,689, 819	1,514,177
Borrowings, AMIL	-	-
Borrowings, AMZ	11,520	-
	1,702,218	1,523,303
Consolidated subsidiaries		
Customer deposits, AMK	2,485,783	1,716,402
Balance as at 31December	**4,188,880**	3,239,705

17. Current borrowings

	31-Dec-16 USD	31-Dec-15 USD
Consolidated subsidiaries		
AMK	7,937,591	3,205,339
AMIL	-	945,597
AMZ	578,014	-
Balance as at 31 December	**8,515,604**	4,150,936

Notes to the Consolidated Financial Statements (Continued)

18. Accrued expenses and other liabilities

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Audit fees	27,788	36,496
Notarial, legal and tax advisory fees	29,438	3,828
Management and administration fees	-	39,087
	57,226	79,411
Consolidated subsidiaries		
AMIL		
Accrued expenses and other liabilities	42,285	62,571
	42,285	62,571
AMZ		
Accrued expenses and other liabilities	68,768	-
	68,768	-
AMK		
Audit fees	13,900	204,393
Office expenses	121,717	286,169
Staff expenses	1,038,751	505,605
Taxes payable	1,666,286	1,351,222
Trade payables	494,252	33,517
General expenses	4,690	1,080,399
Swap liability	513,655	1,029,385
Other liabilities*	837,946	297,947
	4,691,197	4,788,638
Balance as at 31 December	**4,859,477**	4,930,620

*Other liabilities at AMK include an amount of US$823,157 that relates to unclaimed money transfers that have accumulated over the past three years.

Notes to the Consolidated Financial Statements (Continued)

19. Demand deposits

	31-Dec-16 USD	31-Dec-15 USD
Consolidated subsidiaries		
Easy savings and other accounts on demand, AMK	28,165,281	22,203,706
Balance as at 31 December	**28,165,281**	22,203,706

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 0.5%-3.5% during the year, varying with amounts and currencies.

20. Interest and dividend income

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Interest deposits with subsidiaries (AMK)	-	-
Dividend income AMK	-	-
Interest: loan to AMZ	-	22, 712
Total	**-**	22, 712
Consolidated subsidiaries, interest income on loans		
AMK	47,891,365	36,256,519
AMIL	668,273	346,645
AMZ	493,050	-
Total	**49,052,689**	36,625,875

Notes to the Consolidated Financial Statements (Continued)

21. Financial expenses

	31-Dec-16 USD	31-Dec-15 USD
a) Interest expenses		
Holding company		
Interest expenses loan shareholder	(8,125)	(6,250)
Interest expense on other borrowings	(8,694)	-
	(16,820)	(6,250)
Consolidated subsidiaries		
AMK	(12,488,747)	(8,572,088)
AMIL	(310,058)	(109,398)
AMZ	(146,733)	-
	(12,945,538)	(8,681,487)
Total	**(12,962,358)**	(8,687,737)
b) Other financial income/(expense)		
Holding company		
Processing fee on GCA Loan	(3,158)	-
Reversal interest converted to equity	17,252	-
FX result internal inter-bank transfers and opening balance	(3,843)	(4,919)
FX result AMZ loan	17,681	(10,083)
FX result AMK dividend	(3,689)	(2,397)
Withholding tax AMK dividend	(35,739)	(28,618)
Withholding tax AMZ loan interest	-	(5,443)
Miscellaneous income/(cost)	854	-
Total	**(10,642)**	(51,460)

Notes to the Consolidated Financial Statements (Continued)

21. Financial Expenses (continued)

	31-Dec-16 USD	31-Dec-15 USD
Consolidated subsidiaries		
AMK		
FX result	(108,618)	(303,917)
Loan processing fee, penalty income	1,001,022	824,263
Other fees and commission income	1,792,067	1,611,676
Loan loss provision	(2,152,775)	(1,078,321)
Loan fee, other miscellaneous expenses	(1,211,669)	(1,093,199)
	(679,973)	(39,499)
AMIL		
FX result	-	-
Loan processing fee income	37,533	23,007
Other income	31,007	18,021
Loan loss provision	(18,715)	(11,396)
Loan fee, other miscellaneous expenses	(20,457)	(9,587)
	29,369	20,044
AMZ		
FX result	(11,196)	-
Loan processing fee income	438,120	-
Other income	59,440	-
Loan loss provision	(2,745)	-
Loan fee, other miscellaneous expenses	-	-
	483,619	-
Total	**(177,627)**	(70,914)

Notes to the Consolidated Financial Statements (Continued)

22. General and administrative expenses

	31-Dec-16 USD	31-Dec-15 USD
Holding company		
Investment advisor fee	(660,000)	(691,000)
Audit fees	(33,193)	(41,184)
Tax advisory fees	(11,143)	(5,583)
Legal fees	(65,472)	(25,832)
Management and administration fees	(22,156)	(43,475)
Bank charges	(1,931)	(5,963)
Other cost	-	(290)
	(793,895)	(813,326)
Consolidated subsidiaries		
Operating expenses	(25,023,559)	(19,862,494)
Depreciation and amortisation	(1,605,259)	(1,255,148)
Loans written off	(844,241)	(468,662)
Bank charges	(173,858)	(126,497)
	(27,646,917)	(21,712,801)
Total	**(28,440,812)**	(22,526,127)

Notes to the Consolidated Financial Statements (Continued)

22. General and administrative expenses (continued)

Operating and Administrative Expenses in subsidiaries can be broken down as follows:

	31-Dec-16 USD	31-Dec-15 USD
AMK		
Staff	(14,260,294)	(11,027,354)
Rent	(1,277,350)	(1,215,506)
General administration	(8,973,404)	(7,189,075)
Travel cost	(794,440)	(1,020,713)
Insurance	(202,967)	(51,082)
Consultancy, legal and audit	(996,365)	(848,974)
	(26,504,820)	(21,352,703)
AMIL		
Staff	(243,898)	(247,739)
Rent	(32,939)	(31,075)
General administration	(46,405)	(49,048)
Travel cost	(6,403)	(8,247)
Insurance	(1,099)	(1,228)
Consultancy, legal and audit	(19,431)	(22,760)
	(350,175)	(360,098)
AMZ		
Staff	(503,392)	-
Rent	(43,971)	-
General administration	(146,144)	-
Travel coat	(61,075)	-
Insurance	(2,908)	-
Consultancy, legal and audit	(34,431)	-
	(791,922)	-
Total operating expenses of subsidiaries	**(27,646,917)**	(21,712,801)

Notes to the Consolidated Financial Statements (Continued)

23. Result on investments

	31-Dec-16 USD	31-Dec-15 USD
Result on AMZ	-	(215,759)
Revaluation impact	-	(204,526)
	-	(420,286)

AMZ is treated as a subsidiary and therefore shown under subsidiaries rather than under investments. A detailed explanation of this can be referred to under Notes 1 and 25.

24. Result minority interest

	31-Dec-16 USD	31-Dec-15 USD
AMK	(3,003,759)	(2,267,139)
AMIL	(18,331)	50,437
AMZ	(2,722)	-
	(3,024,812)	(2,216,702)

Stand-Alone Balance Sheet

as at 31 December 2016 (before proposed appropriation of net result and expressed in USD)

		31-Dec-16 USD	31-Dec-15 USD
Assets			
Fixed assets			
Financial fixed assets	25	18,758,234	15,415,884
Goodwill	2	3,101,603	3,289,285
Total fixed assets		**21,859,837**	18,705,169
Current assets			
Loans receivable	26	333,449	-
Interest receivable	27	39,228	7,365
VAT receivable	8	2,796	50,716
Deposits with financial institutions	28	625,590	625,590
Cash at bank	29	1,576,036	992,110
Total current assets		**2,577,098**	1,675,780
Total assets		**24,436,934**	20,380,949

Stand-Alone Balance Sheet

as at 31 December 2016 (Continued) (before proposed appropriation of net result and expressed in USD)

		31-Dec-16 USD	31-Dec-15 USD
Equity and liabilities			
Capital and reserves	11		
Issued and paid-up share capital		269,718	331,137
Share premium		25,445,232	23,813,361
Other reserves		(846,455)	(836,950)
Retained earnings		(3,265,137)	(4,312,532)
Result for the period		2,459,704	1,047,396
Shareholders' equity		**24,063,062**	20,042,411
Non current liabilities			
Shareholder loan		-	250,000
Other borrowings	30	315,768	-
Total non-current liabilities		**315,768**	250,000
Current liabilities			
Interest payable	16	879	9,127
Accrued expenses	31	57,226	79,411
Total current liabilities		**58,105**	88,538
Total equity and liabilities		**24,436,934**	20,380,949

Stand-Alone Profit and Loss Account

as at 31 December 2016 (before proposed appropriation of net result and expressed in USD)

		31-Dec-16 USD	31-Dec-15 USD
Financial income			
Interest and dividend income	32	306,233	234,407
		306,233	234,407
Financial expenses			
Interest expense	33	(16,820)	(6,250)
Other financial income/(expenses)	34	(3,093)	(45,210)
		(19,912)	(51,460)
Net interest margin		**286,321**	182,946
Operating expenses			
General and administrative expenses	35	(793,895)	(813,326)
		(793,895)	(813,326)
Other income and expenses			
Goodwill amortisation	2	(415,250)	(388,024)
		(415,250)	(388,024)
Share in profit/(loss) of participating interests			
AMIL	25	19,079	(52,370)
AMK	25	3,355,373	2,544,705
AMZ	25	8,075	(420,286)
		3,382,527	2,072,049
Profit before tax		**2,459,704**	1,047,396
Corporate income tax		-	-
Profit after tax		**2,459,704**	1,047,396

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.

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 in so far as the Supervisory Directors do not determine that all of the profits or a specified sum shall be added to the reserves.

25. Financial fixed assets

AMK - equity

	31-Dec-16 USD	31-Dec-15 USD
Opening balance	14,603,123	12,187,528
Foreign exchange impact during the year	92,697	75,232
Result on investment [share in profit/(loss)]	3,355,373	2,544,705
Revaluation impact	(300,962)	(204,342)
Balance as at 31 December	**17,750, 231**	14,603,123

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

Notes to the Stand-Alone Financial Statements (Continued)

25. Financial fixed assets (continued)

AMZ - equity

	31-Dec-16 USD	31-Dec-15 USD
Opening balance	208,211	43,833
Acquisition of new shares	113,500	855,138
Goodwill on investments during the year	(83,364)	-
Foreign exchange impact during the year	22,728	(270,474)
Result of AMZ [share in profit/(loss)]	8,075	(215,759)
Revaluation impact	54,428	(204,526)
Contingent liability	(468)	-
Balance as at 31 December	**323,111**	208,211

The Company made additional investment into AMZ during the year as indicated above. The new investment increased the Company's equity stake from 66% to 75%. This includes the acquisition of a further 2.5% of voting shares from Concern Worldwide under an agreement to pass on the same number of non-voting shares to a future staff association of AMZ. This is recorded as a contingent liability above. Further, due to gradually increasing control in governance during 2015 and 2016, the management determines that the consolidation for 2016 should be for the entire year, that is, effective from 1/1/2016. As a result, the subsidiary is no longer being reported under 'Financial Fixed Assets' on the consolidated financial statements.

AMIL - equity

	31-Dec-16 USD	31-Dec-15 USD
Opening balance	604,551	435,744
Acquisition of new shares	151,000	501,720
Goodwill on investments during the year	(144,204)	(461,943)
Foreign exchange impact during the year	(12,435)	(43,599)
Result of AMIL [share in profit/(loss)]	19,079	(52,370)
Revaluation impact	66,902	224,999
Balance as at 31 December	**684,892**	604,551

One round of equity investment was made in July 2016, as shown above.

Notes to the Stand-alone Financial Statements (Continued)

26. Loans receivable

	31-Dec-16 USD	31-Dec-15 USD
GCA-AMNV loan to AMZ	333,449	-
Balance as at 31 December	**333,449**	-

AMNV made a ZMW-denominated loan to AMZ. The loan was obtained from Grameen-Credit Agricole in EUR.

27. Interest receivable

	31-Dec-16 USD	31-Dec-15 USD
Interest - loan to AMZ	2,984	-
Interest deposits with AMK	28,819	7,365
Other receivables	7,425	-
Balance as at 31 December	**39,228**	7,365

28. Deposits with financial institutions

	31-Dec-16 USD	31-Dec-15 USD
FD with AMK - USD facility	623,327	623,327
Savings and current accounts with AMK	2,263	2,263
Balance as at 31 December	**625,590**	625,590

29. Cash at banks

	31-Dec-16 USD	31-Dec-15 USD
Deutsche Bank AG, Amsterdam, current account	1,576,036	992,110
Balance as at 31 December	**1,576,036**	992,110

*Cash at banks is available on demand.

Notes to the Stand-alone Financial Statements (Continued)

30. Other borrowings

	31-Dec-16 USD	31-Dec-15 USD
Grameen-Credit Agricole	315,768	-
Balance as at 31 December	**315,768**	-

A loan of EUR 300,000 was obtained and on-lent to Agora Microfinance Zambia in local currency. The borrowing carries an interest rate of 6% (EUR) and matures in 2018.

31. Accrued expenses

	31-Dec-16 USD	31-Dec-15 USD
Audit fees	27,788	36,496
Notarial, legal and tax advisory fees	29,438	3,828
Management and administration fees	-	39,087
Balance as at 31 December	**57,226**	79,411

32. Interest and dividend income

	31-Dec-16 USD	31-Dec-15 USD
Interest deposits with subsidiaries (AMK)	21,454	7,365
Interest: loan to AMZ	29,498	22,712
Dividend income AMK	255,281	204,330
Total	**306,233**	234,407

Notes to the Stand-Alone Financial Statements (Continued)

33. Interest expense

	31-Dec-16 USD	31-Dec-15 USD
Interest expenses on shareholder loan	(8,125)	(6,250)
Interest expense on other borrowings	(8,694)	-
Total	**(16,820)**	(6,250)

34. Other financial income/(expenses)

	31-Dec-16 USD	31-Dec-15 USD
Legal charges and processing fee claimed from AMZ	7,549	-
Processing fee on GCA loan	(3,158)	-
Reversal interest converted to equity	17,252	-
FX result internal inter-bank transfers and opening balance	(3,843)	(4,919)
FX result AMZ loan	17,681	(10,083)
FX result AMK dividend	(3,689)	(2,397)
Withholding tax AMK dividend	(35,739)	(28,618)
Withholding tax AMZ loan interest	-	(5,443)
Miscellaneous income/(cost)	854	-
Total	**(3,093)**	(51,460)

35. General and administrative expenses

	31-Dec-16 USD	31-Dec-15 USD
Investment advisor fee	(660,000)	(691,000)
Audit fees	(33,193)	(41,184)
Tax advisory fees	(11,143)	(5,583)
Legal fees	(65,472)	(25,832)
Management and administration fees	(22,156)	(43,475)
Bank charges	(1,931)	(5,963)
Other cost	-	(290)
Total	**(793,895)**	(813,326)

Notes to the Stand-Alone Financial Statements (Continued)

36. Performance share classes

	2016			2015		
	Total	Ordinary	A1	Total	Ordinary	A1
Total issued shares	**2,632,587**	2,550,557	82,030	2,500,000	2,500,000	-
Earnings for the year	**2,459,704**	2,377,875	81,828	1,047,396	1,047,396	-
Earnings per share		0.932	0.998		0.419	-

Earnings have been allocated following the principles of dividend distribution set out in the Articles of the Company. Only two share classes were in existence in the year.

Other Information

Shareholding

Further investments were raised during the year, from existing (anchor) investor as well as one new investor. Accordingly, changes to shareholding took place. New share classes were also introduced during the year as explained under Note 11.

Managing directors:

Ms R McKenzie

Mr R W van Hoof

Mr S P de Haseth

Supervisory board:

Mr T Chetan

Mr G E Bruckermann

Amsterdam, The Netherlands
1st June 2017

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