

**THE ARAB INVESTMENT FUND
(AIF)**

ANNUAL REPORT 2015

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Statement by the management on the annual report

Today, the executive management and the board of directors have considered and approved the annual report of the Arab Investment Fund (AIF) for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual report gives a true and fair view of AIF's financial position as per 31 December 2015 and of the results of IFU's operations and cash flows for 2015.

Additionally, it is our opinion that the Management's review includes a true and fair account of the development in the operations and financial circumstances of the fund, the results for the year and AIF's financial position.

Copenhagen, 7 April 2016

Executive management:

Tommy Thomsen, CEO



Torben Huss, Executive Vice President

Board of directors:

Michael Rasmussen, Chairman

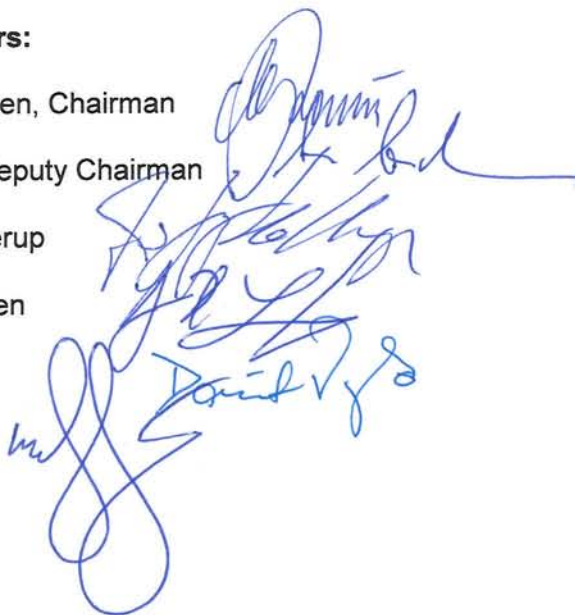
Lars Andersen, Deputy Chairman

Jens Jørgen Kollerup

Bjarne H. Sørensen

Dorrit Vanglo

Mads Kjær



Independent auditors' report

To the board of directors of the Arab Investment Fund (AIF)
Independent auditors' report on the financial statements

We have audited the financial statements of AIF for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation and the agreement between the Ministry of Foreign Affairs and the Auditor General regarding the audit of AIF. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to AIFs preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AIF's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

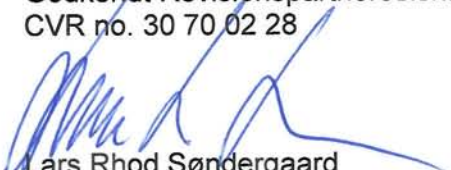
Opinion

In our opinion, the financial statements give a true and fair view of the AIF's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Frederiksberg, 7 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lars Rhod Søndergaard
State Authorised
Public Accountant



Henrik Barner Christiansen
State Authorised
Public Accountant

Financial highlights

	2015	2014	2013	2012	7/12-31/12 2011
	DKKm	DKKm	DKKm	DKKm	DKKm
Financial highlights 2011 - 2015					
INCOME STATEMENT					
Gross contribution from projects ¹	9	17	(13)	(1)	0
Operating income ²	5	12	(17)	(5)	(0)
Net income for the year	5	13	(17)	(4)	(0)
BALANCE SHEET AT 31 DECEMBER					
Share capital investment in projects at cost	7	7	4	0	0
Project loans at cost	64	26	38	3	0
Total investment in projects at cost	71	33	42	3	0
Accumulated value adjustments	10	1	(15)	(1)	0
Investments in projects, net	81	34	27	2	0
Cash	68	107	102	143	75
Paid-in capital during the year	0	0	0	75	75
Total equity capital	147	142	129	146	75
Total balance	149	142	129	146	75
ADDITIONAL DATA					
New projects contracted (no.)	0	1	1	2	0
Portfolio of projects (no.)	4	4	3	2	0
Investments contracted	0	37	37	47	0
Investments disbursed	41	0	39	3	0
Undisbursed contracted investments incl. guarantees	51	84	41	44	0
Binding commitments not yet contracted	0	0	0	0	90
KEY RATIOS					
Gross yield from projects ³	16,5%	54,3%	(89,4%)	(51,9%)	N/A
Gross yield from share capital investments ³	59,5%	132,1%	-192,3%	N/A	N/A
Gross yield from project loans and guarantees ³	5,5%	38,6%	-81,6%	-51,9%	N/A
Net income for the year/Average total equity capital	3,5%	9,3%	(12,0%)	(3,7%)	(0,4%)

¹ Information about composition of the contribution from projects including value adjustments can be found in "Financial review 2015" on page 9

² Operating income = gross contribution from projects less operating expenses

³ Gross contribution from projects/Average investment in projects - value adjusted

Gross contribution from share capital investments/Average share capital in projects - value adjusted

Gross contribution from project loans and guarantees/Average project loans - value adjusted

Management's review

Legal mandate

The Arab Investment Fund (AIF) was established by the Danish State in 2011 with the purpose of supporting the freedom and reform efforts in the Middle East and North Africa by promoting growth and employment in the region through private sector investments.

The following seven countries are presently eligible for financing under AIF: Morocco, Algeria, Tunisia, Libya, Jordan, Egypt and Iraq.

Investments in 2015

The political situation in North Africa and the Middle East is still unstable. With no immediate prospect of improvement, Danish companies are reluctant to enter new investments in the region. This is the primary reason why AIF did not make any new investments in 2015.

Since the establishment in 2011, AIF has entered five investments with a total contracted amount of DKK 121m. The total expected number of direct employees in these projects is 286.

Limited scope for future investments

At end-year 2015, AIF had limited capital of DKK 15m available for new investments. No fill-up of capital is currently planned. Should investments materialise outside of the capital scope of AIF, IFU may be able to cover these.

Managed by IFU

AIF is managed by IFU, and as it applies for IFU, all investments made by AIF are made on commercial terms. The partners will be Danish companies wishing to engage in business in one of the region's eligible countries.

IFU has established an office in Cairo in order to monitor business developments and identify possible new investment opportunities for AIF and Danish companies, as well as in order to be in close contact with the responsible agencies and authorities in the region. The office is based within the premises of the Danish Embassy.

Sustainability reporting

AIF is applying IFU's sustainability policy and offering advice to project companies on how to implement it.

IFU's Sustainability Policy, provides the framework for the environmental, social and governance (ESG) requirements in the companies in which IFU invests. IFU is committed to ensuring that the project companies reduce sustainability risks, contribute to sustainable development and in general achieve high sustainability standards, which IFU believes adds value to the project company and enhances business opportunities.

IFU is a signatory to the UN Global Compact, and our commitment to this important UN initiative remains undiminished¹

IFU promotes the Global Compact principles through its investments and thereby strives to create shared value by:

- respecting and promoting all basic human rights, including labour rights and occupational health and safety, and addressing adverse human rights impacts that the investment may cause or contribute to as outlined in e.g. the UN Guiding Principles on Business and Human Rights;
- enhancing positive development effects, including the creation of jobs and income, payment of taxes, contribution to government revenue, transfer of know-how and cleaner technologies, training and education, gender equality, community health and food security and other corporate social responsibility-related activities;
- securing corporate governance and business ethics, including anti-corruption, anti-fraud, transparency and stakeholder engagement;
- improving environmental performance through a preventative and precautionary approach that addresses environmental challenges, including climate change, loss of biodiversity and land use changes; and
- ensuring good animal welfare, including proper treatment of animals used for food production and for other commercial purposes and testing.

The investees must continuously work towards achieving satisfactory long-term results in sustainability, and such activities must be anchored in their business plan.

Each year IFU carries out an internal assessment of its managed portfolio on compliance with its CSR policy. Each project is classified into one of five categories as follows: Excellent, Good, Fair, Poor and Critical. The assessment of the 4 active AIF projects is included in the overall assessment of IFU projects. For further information, see IFU's annual report.

¹ For further information please see IFU's Communication on Engagement (COE), which constitutes IFU's mandatory reporting as required according to section 99a (7) of the Danish Financial Statements Act. The complete COE can be found on IFU's website (<http://www.ifu.dk/en/values/sustainable-investments/ifus-sustainability-communication>).

Operational framework

AIF is legally a part of IFU, but is accounted for separately, and AIF's capital must be kept separate from IFU's capital. AIF cannot commit itself in excess of its capital.

IFU's board of directors and executive management act as board of directors and executive management for AIF.

AIF will participate with share capital, loans and guarantees on commercial terms in investments in cooperation with private investors.

AIF's revenues will consist of interest, dividends and profit from sale of shares.

Financial review 2015

AIF recorded net income of DKK 5m in 2015 compared to net income of DKK 13m in 2014. The positive result in 2015 is primarily due to a continued strong contribution from one of AIF's share capital investments.

Total contributions from AIF's project-related activities were DKK 9m against DKK 17m in 2014.

Share capital investments contributed DKK 7m and project loans contributed DKK 3m. In 2014 the figures were DKK 7m and DKK 10m respectively.

Operating expenses (management fee) was DKK 4.5m in 2015 similar to 2014.

Financial income, net of financial expenses, was DKK 0.1m in 2015 against DKK 0,5m in 2014.

In preparing the financial statements, management makes a number of estimates and assumptions of future events that will affect the carrying amount of assets and liabilities. The areas where estimates and assumptions are most critical to the financial statements are the fair value measurement of share capital investments and the fair value measurement of project loans. The note on accounting policies provides more details.

Cash flow and balance sheet items

AIF ended 2015 with cash totalling DKK 68m compared to DKK 107m in 2014.

Undisbursed commitments were DKK 51m at year-end 2015 compared to DKK 84m in 2014.

AIF's equity capital at the end of 2015 was DKK 147m compared to DKK 142m in 2014.

Events after the balance sheet date

AIF's investment in the Phoenix Iraq project has been cancelled in early 2016. This releases DKK 51m in available funds for other investments.

Apart from this, no events have occurred after the balance sheet date, which have materially affected the financial position of AIF.

Outlook for 2016

In 2016, AIF expects to enter into agreements for DKK 20-25m in 1-2 new investments. AIF expects to record a result about break-even for 2016.

Accounting policies

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C (medium-sized enterprises).

Accounting policies in general

Otherwise, the accounting principles applied are unchanged from last year.

Presentation and classification

AIF's income statement and balance sheet vary from the standard tables of the Danish Financial Statements Act, because they are presented on the basis of AIF's special character as an investment fund (long-term investments) and with a view to providing the best possible clarity of information to the reader of the accounts. The deviation is in concurrence with section 23 (4) of the Danish Financial Statements Act.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Fund, and provided that the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Fund, and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Adjustment subsequent to initial recognition is effected as described below for each item.

Information brought to AIF's attention before the time of finalising the presentation of the Annual Report and which confirms or invalidates affairs and conditions existing at the balance sheet date, is considered at recognition and measurement.

Income other than value adjustments is recognised in the income statement when earned, just as costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as value adjustments.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

Foreign currency adjustment

Foreign currency transactions are initially recognised in DKK using the exchange rate at the transaction date. Loans, receivables, payables and other monetary items denominated in foreign currencies, which have not been settled at the balance sheet date, are converted into DKK using the exchange rate prevailing at the balance sheet date. All exchange rate adjustments, including those that arise at the payment date, are recognised in the income statement as value adjustments, financial income or financial expenses, depending on their nature.

Non-monetary items

Monetary balance sheet items are translated at the exchange rates prevailing at the balance sheet date, whereas non-monetary items are translated at transaction date rates.

Income statement

Contribution from share capital investments

Contribution from share capital investments includes declared dividends (after tax), contributions from divested share capital investments and value adjustments in relation to the outstanding portfolio at year-end. Dividends are included in the income statement at the declaration date.

Contribution from project loans and guarantees

Contributions from project loans and guarantees include invoiced interest, value adjustments, including exchange rate adjustments in relation to the portfolio, the effect of derivatives and other value adjustments, principally of interest receivables.

Other contributions from projects

Other contributions from projects include value adjustments, including exchange rate adjustments in relation to receivables, the effect of derivatives and interest from receivables.

Operating expenses, net

The Industrialisation Fund for Developing Countries (IFU) manages the administration and accounting of the fund.

Operating expenses, net comprise expenses for Management, administrative staff, office expenses, depreciation of fixed assets and leasehold improvements, etc.

Financial income, net

Financial income, net comprises interest income on cash and bonds, realised and unrealised capital gains and losses on bonds, interest expenses, exchange rate adjustments on cash and bank charges.

Balance sheet

Investments in projects – general

As AIF's main activity is related to investments, the fund applies for the accounting principles describes in the Danish Financial Statements Act section 38 on measurement of investments and the corresponding financial obligations at fair value.

Share capital investments and project loans are reported at the estimated fair value as at the reporting date. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

When estimating the fair value of an investment, AIF seeks to use a methodology which is appropriate in light of the nature, facts and circumstances relating to the investment and its materiality in the context of the total investment portfolio. Methodologies are applied consistently from period to period, except when a change would result in a better estimation of fair value.

Because of the uncertainties inherent in estimating fair value for unquoted investments, a degree of caution is applied when exercising judgement and making the necessary estimates.

For all investments the value determined by using the methods described below will be adjusted, if considered necessary and appropriate, by taking the following factors into account:

- The financial status and most recent results of and expectations for the project company.

- Risk of remittance, if any.
- Specific circumstances relating to the partners, project, country, region and/or sector.
- Current market conditions.
- Tax issues.

AIF's percentage interests in project investments are in a number of cases above 20 per cent, but always remain below 50 per cent. The project companies are not considered related parties, as no controlling or significant influence is exercised.

Share capital investment in projects, net

If the Fund receives a binding offer in writing during the 12-month period prior to the reporting date, this offer is used as a starting point for the valuation of the investment.

Quoted share capital investments

All quoted share capital investments are valued according to the most recent market price listed on or before the reporting date. If the market is not considered liquid, i.e. if a sale of the investment may cause a significant movement in the stock price, an illiquidity discount is applied.

Unquoted share capital investments

Investments are valued at cost until AIF receives audited accounts covering a period of at least two years of operational activities of the project company following the first disbursement by AIF.

Unquoted share capital investments having met the two-year operational criteria (as defined above) are divided into two groups dependant on the size of AIF's outstanding investment.

In this context the larger investments are defined as those for which AIF's outstanding investment, measured either at cost or at intrinsic value, is above or equal to DKK 20m. These investments are valued by either the discounted cash flow method, by an earnings multiple, if appropriate and reliable transaction/earnings multiples are available, or by the net assets methodology, if appropriate.

All other unquoted share capital investments having met the two-year operational criteria are initially valued at intrinsic value according to the most recent financial statement of the company received by AIF.

For all share capital investments, quoted as well as unquoted, formal exit agreements, if any, will be taken into account when performing the valuation.

Project loans, net

Project loans are measured at nominal value at actual exchange rates prevailing at the balance sheet date, except for project loans with an outstanding balance of more than DKK 20m with a fixed interest rate, which are valued at the net present value of the future cash flow.

For all loans the value is adjusted, if necessary and appropriate, by taking into account specific terms as agreed, if any, the expected sales value and accessibility of pledged assets, if any, and the historical record of debt service and actual defaults.

Interest receivable related to projects

Interest receivable related to projects and other receivables are measured at fair value, i.e. at actual exchange rates prevailing at the balance sheet date and after adjustments for risk of loss.

Other receivables

Included in other receivables are administrative receivables and accrued interest receivables from bonds, both measured at cost.

Cash and bonds

Bonds are stated at the official prices quoted at the balance sheet date except for drawn bonds, which are stated at par value. Realised and unrealised gains or losses on bonds are recognised in the income statement under financial income, net.

Provision for losses

Provision for losses comprises anticipated losses related to guarantee agreements. Adjustments of provision for losses related to guarantee agreements are recognised in the income statement as "Other value adjustments" under "Contribution from project loans and guarantees".

Current liabilities

Current liabilities related to projects are measured at fair value. Other current liabilities are measured at amortised cost, which in most cases corresponds to nominal value.

Cash flow statement

The cash flow statement has been prepared in accordance with the direct method and shows AIF's cash flow from operating, investing and financing activities as well as AIF's cash position at the beginning and end of the year.

Cash comprises cash at hand less short-term bank debt.

INCOME STATEMENT

	2015 <u>DKK 1,000</u>	2014 <u>DKK 1,000</u>
NOTE		
1/ Contribution from share capital investments	6,973	6,789
2/ Contribution from project loans and guarantees	2,502	9,801
3/ Other contributions from projects	<u>(2)</u>	<u>-</u>
GROSS CONTRIBUTION FROM PROJECTS	<u>9,473</u>	<u>16,590</u>
Operating expenses, net	<u>(4,500)</u>	<u>(4,500)</u>
OPERATING INCOME	<u>4,973</u>	<u>12,090</u>
4/ Financial income, net	<u>118</u>	<u>532</u>
NET INCOME FOR THE YEAR	<u><u>5,091</u></u>	<u><u>12,622</u></u>

The net income for the year has been transferred to the equity.

BALANCE SHEET AT 31 DECEMBER

ASSETS

NOTE		2015	2014
		<u>DKK 1,000</u>	<u>DKK 1,000</u>
	FIXED ASSETS		
	Share capital investment in projects at cost	6,928	6,928
	Value adjustments	<u>8,282</u>	<u>1,309</u>
5/	Share capital investment in projects, net	15,210	8,237
	Project loans at cost	63,575	26,251
	Value adjustments	<u>1,755</u>	<u>(50)</u>
6/	Project loans, net	<u>65,330</u>	<u>26,201</u>
	Total fixed assets	<u>80,540</u>	<u>34,438</u>
	CURRENT ASSETS		
7/	Interest receivable related to projects	614	-
	Cash	<u>67,759</u>	<u>107,413</u>
	Total current assets	<u>68,373</u>	<u>107,413</u>
	TOTAL ASSETS	<u>148,913</u>	<u>141,851</u>

BALANCE SHEET AT 31 DECEMBER

LIABILITIES AND EQUITY CAPITAL

NOTE		2015	2014
		<u>DKK 1,000</u>	<u>DKK 1,000</u>
	EQUITY		
	Paid-in capital	150,000	150,000
	Retained earnings	<u>(3,058)</u>	<u>(8,149)</u>
8/	Total equity	<u>146,942</u>	<u>141,851</u>
9/	CURRENT LIABILITIES	<u>1,971</u>	<u>-</u>
	Total liabilities	<u>1,971</u>	<u>-</u>
	TOTAL EQUITY, PROVISION FOR LOSSES AND LIABILITIES	<u>148,913</u>	<u>141,851</u>
10/	UNDISBURSED COMMITMENTS TO PROJECTS AND CLEARANCES IN PRINCIPLE		
11/	AVAILABLE CAPITAL FOR NEW INVESTMENTS		
12/	FINANCIAL HIGHLIGHTS		

CASH FLOW STATEMENT

	2015 <u>DKK 1,000</u>	2014 <u>DKK 1,000</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Dividends from projects received	-	591
Interest from projects received	2,433	1,665
Other project related payments	(2)	-
Operating expenses, net	(4,501)	(3,553)
Net payments related to financial income and expenses	<u>119</u>	<u>536</u>
Net cash from operating activities	<u>(1,951)</u>	<u>(761)</u>
CASH FLOW FROM (TO) INVESTING ACTIVITIES		
Received from project loans	3,284	6,555
Received from derivatives, loans	(383)	-
Disbursement of project loans	<u>(40,604)</u>	<u>-</u>
Net cash from (to) investing activities	<u>(37,703)</u>	<u>6,555</u>
CASH FLOW FROM (TO) FINANCING ACTIVITIES		
Net cash from (to) financing activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	(39,654)	5,794
CASH BEGINNING OF YEAR	<u>107,413</u>	<u>101,619</u>
CASH END OF YEAR	<u>67,759</u>	<u>107,413</u>

NOTES

	2015 <u>DKK 1,000</u>	2014 <u>DKK 1,000</u>
1 <u>Contribution from share capital investments</u>		
Dividends from projects	-	591
Value adjustments, portfolio	<u>6,973</u>	<u>6,198</u>
Contribution from share capital investments	<u>6,973</u>	<u>6,789</u>
2 <u>Contribution from project loans and guarantees</u>		
Interest income and fees related to project loans and guarantees	3,022	1,870
Value adjustments excl. exchange rate adjustments, loan portfolio	-	8,206
Exchange rate adjustments, project loans	1,809	(69)
Value adjustments, derivatives	(2,354)	-
Value adjustments, interest and fees	<u>25</u>	<u>(206)</u>
Contribution from project loans and guarantees	<u>2,502</u>	<u>9,801</u>
3 <u>Other contributions from projects</u>		
Other income and expenses	<u>(2)</u>	<u>-</u>
Other contributions from projects	<u>(2)</u>	<u>-</u>
4 <u>Financial income, net</u>		
<u>Financial income</u>		
Interest income, cash and bonds	<u>194</u>	<u>534</u>
Financial income	<u>194</u>	<u>534</u>
<u>Financial expenses</u>		
Interest expenses, bank charges and exchange rate adjustments	<u>(76)</u>	<u>(2)</u>
Financial expenses	<u>(76)</u>	<u>(2)</u>
Financial income, net	<u>118</u>	<u>532</u>

	2015 DKK 1,000	2014 DKK 1,000
5 <u>Share capital investment in projects, net</u>		
Share capital investment in projects beginning of year at cost	6,928	4,078
Project loans or interest converted into share capital during the year	<u>-</u>	<u>2,850</u>
Share capital investment in projects end of year at cost	<u>6,928</u>	<u>6,928</u>
Accumulated value adjustments beginning of year	1,309	(2,039)
Value adjustments, portfolio during the year	6,973	6,198
Value adjustments related to conversions during the year	<u>-</u>	<u>(2,850)</u>
Accumulated value adjustments end of year	<u>8,282</u>	<u>1,309</u>
Share capital investment in projects, net end of year	<u>15,210</u>	<u>8,237</u>
Accumulated value adjustments end of year are comprised of:		
Plus values	11,133	4,160
Value adjustments excl. plus values	<u>(2,851)</u>	<u>(2,851)</u>
	<u>8,282</u>	<u>1,309</u>

	2015 DKK 1,000	2014 DKK 1,000
6 <u>Project loans, net</u>		
Project loans beginning of year at cost	26,251	37,560
Disbursements during the year	40,604	-
Repayments during the year	(3,284)	(6,555)
Project loans converted into share capital during the year	-	(2,850)
Exchange rate adjustments during the year relative to cost	4	(4)
Write-offs during the year	-	(1,900)
Project loans end of year at cost *	63,575	26,251
Accumulated value adjustments beginning of year	(50)	(12,941)
Reversed value adjustments, loans written off	-	1,900
Exchange rate adjustments realised	(4)	4
Value adjustments incl. exchange rate adjustments, during the year	1,809	8,137
Value adjustments related to conversions during the year	-	2,850
Accumulated value adjustments end of year	1,755	(50)
Project loans, net end of year	65,330	26,201
Accumulated value adjustments end of year are comprised of:		
Exchange rate adjustments relative to cost	-	(50)
Value adjustments excl. exchange rate adjustment	1,755	-
	1,755	(50)
*) Project loans end of year at cost are comprised of:		
Senior project loans	63,575	26,251
	63,575	26,251
*) Project loans end of year at cost in DKK distributed according to currency denomination:		
	2015 Currency	2014 Currency
USD ¹	6,200	-
EUR	3,080	3,520
	63,575	26,251

¹⁾ USD 0.9m is hedged against DKK (USD 0 m in 2014)

	2015 DKK 1,000	2014 DKK 1,000
7 <u>Interest receivable related to projects</u>		
Interest receivable related to projects before value adjustments	614	-
Interest receivable related to projects	614	-
8 <u>Total equity capital</u>		
Paid-in capital beginning of year	150,000	150,000
Paid-in capital during the year	-	-
Paid-in capital end of year	150,000	150,000
Retained earnings beginning of year	(8,149)	(20,771)
Net income for the year	5,091	12,622
Retained earnings end of year	(3,058)	(8,149)
Total equity capital end of year	146,942	141,851
9 <u>Current liabilities</u>		
Derivatives *	1,971	-
	1,971	-
*) Stated amount for 2015 concerns a hedged amount of USD 0.9m with term from 2015 to 2021.		
10 <u>Undisbursed commitments to projects and clearances in principle</u>		
Undisbursed commitments to projects are comprised of undisbursed contractual commitments and binding commitments not yet contracted. The stated amount of guarantees is net of provision for losses, if any.		
Amounts payable on share capital and loan agreements	51,225	83,863
Undisbursed commitments to projects	51,225	83,863
11 <u>Available capital for new investments</u>		
Total equity	146,942	141,851
Investments in projects, net		
Share capital investments in projects, net	(15,210)	(8,237)
Project loans, net	(65,330)	(26,201)
Undisbursed commitments to projects	(51,225)	(83,863)
Available capital for new investments	15,177	23,550

12 Financial highlights

Financial highlights (table) - see page 6

Management

Board of directors

The Danish Minister for Foreign Affairs appoints the chairman, the deputy chairman and the other members of the board of directors for three-year terms. Each appointment is personal.

According to the Act on Denmark's international development cooperation, AIF's board is appointed for a three-year period. The current three-year term ends on 31 July 2018.

Since 1 January 2013, an observer from the Ministry of Foreign Affairs has been appointed to AIF's board of directors.

The board of directors usually convenes six to eight times a year. On the recommendation of the executive management, it makes decisions about investments and key issues.

Michael Rasmussen, Chairman, board member since 2000

MSc (Economics).

CEO, Nykredit.

Other board memberships: Nykredit Bank A/S (chairman), Totalkredit A/S (chairman).

Lars Andersen, Deputy Chairman, board member since 1994

MSc (Economics). Managing Director, The Economic Council of the Labour Movement.

Other board memberships: DSB, Industripension Holding A/S, Industriens Pensionsforsikring A/S, Arbejdernes Landsbank A/S.

Jens Jørgen Kollerup, board member since 2009

MSc (Dairy science).

Managing Director, Ormholt A/S.

Other board memberships: Arctic Group A/S, Vermund Larsen A/S (chairman).

Bjarne H. Sørensen, board member since 2012

MSc (Civil Engineering). Ambassador (retired).

Other board memberships: Care Danmark.

Dorrit Vanglo, board member since 2012

MSc (Economics).

CEO, Lønmodtagernes Dyrtidsfond.

Other board memberships: Kapitalforeningen LD (chairman), EKF, the Danish Committee on Corporate Governance, Committee on Foundation Governance.

Mads Kjær, board member since 2015

Managing Director, The Way Forward ApS.

Other board memberships: Kjaer Group A/S (chairman and owner), Andersen & Martini A/S, Udsyn A/S (chairman), Lunar Way A/S.

Morten Elkjær, board observer since 2013

MSc (Economics). Ambassador, Head of Department, Ministry of Foreign Affairs.

Executive Management

The Danish Minister for Foreign Affairs appoints the CEO.

Tommy Thomsen, CEO

Management/shipping trainee education, A.P. Moller – Maersk Group.

Harvard University's graduate school of business administration, International Senior Management Program.

Board memberships: Director, Port of Singapore International, Director, Panama Canal Advisory Board, Director, Danish Shipowners' Club, Chairman, Danish Maritime Fund.

Torben Huss, Executive Vice President

MSc (Political Science and Public Administration), Copenhagen University, PhD (Business Economics), Copenhagen Business School.

Board memberships: JØP.