Grameen America, Inc.
Consolidated Financial Statements
December 31, 2014 and 2013

Grameen America, Inc.
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December 31, 2014 and 2013

Independent Auditor's Report

To the Board of Directors of
Grameen America, Inc.

We have audited the accompanying consolidated financial statements of Grameen America, Inc. ("the Organization"), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP, 400 Campus Drive, P.O. Box 988, Florham Park, NJ 07932
T: (973) 236 4000, F: (973) 236 5000, www.pwc.com/us

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grameen America, Inc. at December 31, 2014 and 2013, and its changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

June 19, 2015

Grameen America, Inc.
Consolidated Statements of Financial Position
December 31, 2014 and 2013

(in thousands of dollars)	**2014**	**2013**
Assets		
Current assets		
Cash and cash equivalents	$ 4,660	$ 9,906
Contributions and grants receivable	5,853	7,163
Program loan receivables, net	32,499	19,819
Other assets	150	218
Total current assets	43,162	37,106
Contributions and grants receivable	2,080	2,946
Furniture and equipment, net	251	120
Other assets	46	298
Total assets	$ 45,539	$ 40,470
Liabilities		
Current liabilities		
Accounts payable	$ 18	$ 94
Accrued expenses	520	418
Notes payable	1,265	256
Other current liabilities	67	30
Total current liabilities	1,870	798
Notes payable	15,808	12,459
Total liabilities	17,678	13,257
Net assets		
Unrestricted	20,223	13,909
Temporarily restricted	7,638	13,304
Total net assets	27,861	27,213
Total liabilities and net assets	$ 45,539	$ 40,470

The accompanying notes are an integral part of these consolidated financial statements.

Grameen America, Inc.
Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2014 and 2013

(in thousands of dollars)	**2014**	**2013**
Changes in unrestricted net assets		
Revenues		
Contributions	$ 1,902	$ 1,556
Program loan interest income	3,879	$ 2,189
Net assets released from restrictions	13,126	12,185
Total revenues and other support	18,907	15,930
Expenses		
Program services	10,952	7,724
Management and general	1,641	1,331
Total expenses	12,593	9,055
Increase in unrestricted net assets	6,314	6,875
Changes in temporarily restricted net assets		
Contributions	7,460	12,870
Net assets released from restrictions	(13,126)	(12,185)
(Decrease) increase in temporarily restricted net assets	(5,666)	685
Increase in net assets	648	7,560
Net assets		
Beginning of the year	27,213	19,653
End of year	$ 27,861	$ 27,213

The accompanying notes are an integral part of these consolidated financial statements.

Grameen America, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013

(in thousands of dollars)	**2014**	**2013**
Operating activities		
Change in net assets	$ 648	$ 7,560
Adjustments to reconcile change in net assets		
to net cash provided by operations		
Bad debt expense	343	191
Depreciation expense	42	12
Contributed securities	(29)	-
Liquidation of contributed securities	29	-
Change in operating net assets		
Derease (increase) in contributions and grants receivable	2,176	(559)
Increase in accounts payable and accrued expenses	26	187
Decrease (increase) in other assets and other liabilities	66	(209)
Net cash provided by operating activities	3,301	7,182
Investing activities		
Disbursements to borrowers under program-related loans	(100,992)	(62,579)
Payments received on program-related loans receivable	88,018	53,678
Change in restricted cash	258	-
Purchase of furniture, equipment and software	(173)	(122)
Net cash used in investing activities	(12,889)	(9,023)
Financing activities		
Proceeds from notes payable	6,000	5,698
Repayments of notes payable	(1,658)	(168)
Net cash provided by financing activities	4,342	5,530
Net (decrease) increase in cash	(5,246)	3,689
Cash and cash equivalents		
Beginning of year	9,906	6,217
End of year	$ 4,660	$ 9,906
Supplemental disclosure of cash flow information		
Contributed securities	$ 29	$ -

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of dollars)

1. Nature of Operations

Grameen America, Inc. is the parent organization of the wholly-controlled entities including Grameen America LLC, Grameen America California LLC, Grameen America Indiana LLC, Grameen America Nebraska LLC, Grameen America Iowa LLC, Grameen America North Carolina LLC, Grameen America New Jersey LLC, Grameen America Texas LLC, Grameen America Massachusetts LLC, Grameen Puerto Rico LLC, and Grameen America Puerto Rico LLC, collectively referred to in the financial statements as “the Organization”.

Grameen America Inc. is a not-for-profit organization incorporated in December 2007 under the laws of the Commonwealth of Massachusetts. The mission of the Organization is to assist with alleviating poverty in the United States through entrepreneurship, in accordance with the Grameen model of micro lending initiated by professor Muhammad Yunus and the Grameen Bank of Bangladesh. The Organization’s model includes providing micro loans at manageable interest rates, creating a culture of savings and individual responsibility through mutual cooperation, and educating the working poor through financial management. The Organization currently operates in New York (NY), Omaha (NE), Indianapolis (IN), Charlotte (NC), San Francisco (CA), Los Angeles (CA), San Jose (CA), Union City (NJ), Austin (TX), Boston (MA), and San Juan (Puerto Rico). Grameen America, Inc. also maintains administrative offices in New York, NY.

2. Summary of Significant Accounting Policies

Basis of Accounting
The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, in conformity with generally accepted accounting principles in the United States of America.

Principles of Consolidation
The consolidated financial statements include the financial statements of the Organization and its wholly-controlled entities. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to recoverability of program loans receivable and the collectability of contributions and grants receivable. Actual results may differ from those estimates.

Income Tax Status
The Organization is a not-for-profit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) as determined by the Internal Revenue Service in its letter dated June 21, 2012. Management is not aware of any circumstances that would change the original determination.

Cash and Cash Equivalents
Cash equivalents are highly liquid investments with an original maturity of three months or less.

(in thousands of dollars)

Program Loans Receivable, Net
The Organization uses the allowance method to account for potentially uncollectible loans to program participants. Program participants are individuals who meet the Federal poverty guidelines, and who are given small loans to start or expand a business generating income for the individual. The participants are charged simple interest on the declining balance of the loan. Generally the terms of the loans are for one year or less, with equal weekly payments. The Organization's business depends on the creditworthiness of its participants and their ability to fulfill their obligations to the Organization and the members of their borrowing group. The Organization maintains an allowance that reflects management's judgment and estimation of losses inherent in the portfolio. The Organization reviews its allowance for adequacy considering economic conditions and trends and credit quality indicators, including past write-off experience and level of past due loans. Based on the review performed, an allowance of 1.5% - 2.5% of gross program loans receivable is recorded.

Concentrations of Credit Risk
Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash and program loans receivable. Cash is deposited with high-credit quality financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC), up to $250. The account balances fluctuate during the year and can exceed this limit. The Organization regularly monitors the financial stability of the banks and does not believe it is exposed to any significant credit risk on its cash. The Organization's program loans receivable are derived from micro loans provided to individuals. Concentrations of credit risk with respect to loans receivable are limited because a large number of customers make up the Organization's customer base. At December 31, 2014 and 2013, no single borrower represents greater than 0.02% and 0.04%, respectively, of total program loans receivable. The Organization manages credit risk through credit limits and monitoring procedures. The Organization performs ongoing credit evaluations of its borrowers but does not require collateral to support the loans.

The Organization is dependent on donations and contributions for funding. The Organization believes that its relationships with its principal contributors are satisfactory and that it will be able to raise the funding required. For the years ended December 31, 2014 and 2013, the largest five donors accounted for approximately 53% and 54%, respectively, of unrestricted and temporary restricted contributions revenues. These donors comprised 79% and 71%, respectively, of contributions and grants receivable as of December 31, 2014 and 2013.

Furniture and Equipment
All furniture and equipment is recorded at cost. Additions and improvements are capitalized, while repairs are expensed in the year incurred. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which are between 3 and 10 years.

Net Assets
Net assets are classified in two categories: unrestricted or temporarily restricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets are contributions with temporary, donor-imposed time or purpose restrictions. At December 31, 2014 and 2013, all temporarily restricted net assets relate to donations to the Organization to provide loans and services at the various branch locations.

(in thousands of dollars)

Revenues and Support
Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met.

The Organization reports contributions in the temporarily restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities and changes in net assets. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period. Based on historical collection trends, no allowance for uncollectible contributions and grants receivable was recorded as of December 31, 2014 and 2013.

Contributed Services and Property
Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation.

The Organization generally pays for services requiring specific expertise. However, some individuals may volunteer their time and perform a variety of tasks that assist the Organization as well as serving on the Board of Directors. For the years ended December 31, 2014 and 2013, donated legal and other services requiring specialized skills in the amount of $1,115 and $1,160, respectively, and donated salaries and benefits of $350 for the year ended December 31, 2014 were reflected within contributions revenues and management and general expenses in the consolidated statements of activities and changes in net assets. For the years ended December 31, 2014 and 2013, donated space for offices in the amount of $227 and $117 was reflected within contributions revenues and management and general expenses in the consolidated statements of activities and changes in net assets (See Note 7).

3. Program Loans Receivable

Program loans receivable consisted of the following at December 31, 2014 and 2013:

	2014	2013
Program loans receivable	$ 33,008	$ 20,120
Allowance	(509)	(301)
Program loans receivable, net	$ 32,499	$ 19,819

(in thousands of dollars)

4. Furniture and Equipment, Net

Furniture and equipment consisted of the following at December 31, 2014 and 2013:

	2014	2013
Furniture	$ 23	$ 14
Equipment	212	117
Software and Other	113	44
Less: Accumulated depreciation	(97)	(55)
Furniture and equipment, net	$ 251	$ 120

5. Notes Payable

Notes payable at December 31, 2014 and 2013 consisted of fixed-rate loans from foundations, institutions and individuals with various interest rates ranging from 0% to 3%, respectively, per annum and due in varying amounts through 2021. The agreements contain provisions whereby the Organization is required to maintain specific financial ratios (i.e., current ratio, net asset, capital, liquidity), and maintain net income at break-even. Additionally, the Organization was required to submit annual audited financial statements within 180 days of the end of fiscal year depending on the loan agreement. At December 31, 2014 and 2013, the Organization was in compliance with the financial covenants. At December 31, 2013, the Organization was not in compliance with all reporting covenants since they did not submit the annual audited financial statements within 180 days. However, the Organization obtained a waiver from their lenders on this covenant requirement.

The scheduled principal repayments under these notes as of December 31, 2014 are as follows:

2015	$ 1,265
2016	4,320
2017	2,594
2018	4,394
2019	3,500
2020 and later	1,000
	$ 17,073

(in thousands of dollars)

6. Commitments and Contingencies

The Organization leases office space in New York, Omaha, Indianapolis, Charlotte, San Francisco Los Angeles, San Juan, San Jose, Boston, Austin, and Jersey City. These leases expire over periods ranging from June 2015 through December 2019. The remaining minimum payment obligations under these leases are as follows:

2015	$	909
2016		728
2017		676
2018		588
2019		527
	$	3,428

Total rent expense for the years ended December 31, 2014 and 2013 is $395 and $236, respectively, excluding rent expense related to donated office space discussed in Note 2 above.

Contributions and grants receivable at December 31, 2014 consisted of unconditional promises to give from foundations, institutions and individuals. The scheduled receivables under these commitments are as follows:

Less than 1 year	$	4,253
1–5 years		2,080
	$	6,333

7. Functional Allocation of Expenses

Expenses are presented on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated for the programs and supporting services benefited based on management's estimates.

	December 31, 2014		
	Program Services	**Support Services**	**Total Expenses**
Salaries and benefits	$ 7,476	$ 861	$ 8,337
Professional fees	969	476	1,445
Office expense	703	101	804
Rent and utilities	586	80	666
Other expense	688	20	708
Travel	390	43	433
License and insurance expense	45	17	62
Advertising and events	95	43	138
	$ 10,952	$ 1,641	$ 12,593

(in thousands of dollars)

	December 31, 2013		
	Program Services	**Support Services**	**Total Expenses**
Salaries and benefits	$ 5,045	$ 607	$ 5,652
Professional fees	1,024	537	1,561
Office expense	490	56	546
Rent and utilities	332	41	373
Other expense	385	15	400
Travel	320	28	348
License and insurance expense	32	5	37
Advertising and events	96	42	138
	$ 7,724	$ 1,331	$ 9,055

8. Subsequent Events

The Organization performed an evaluation of subsequent events through June19, 2015, which is the date the consolidated financial statements were available to be issued.