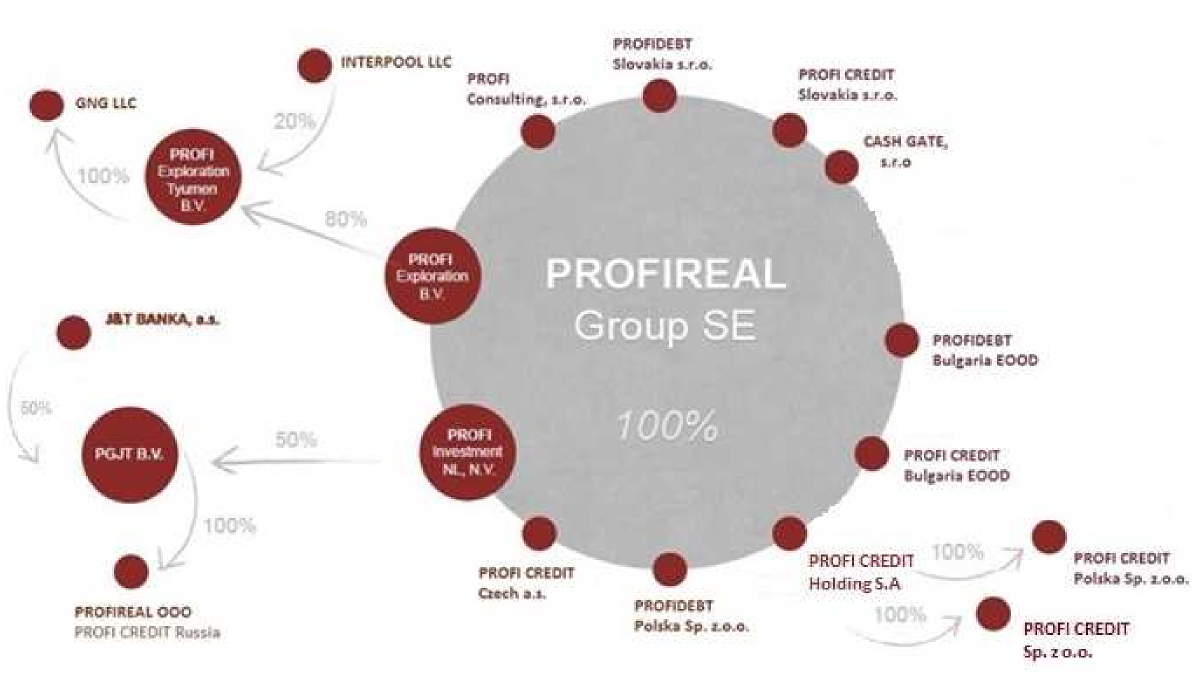
PROFIREAL GROUP SE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Profireal Group Structure



PROFI CREDIT focuses on countries of Central and Eastern Europe

Company Bodies

Board of Directors (valid in 2014)

David Chour	Chairman
Petr Vrba	Vice-chairman (terminated on February 11, 2014)
Karol Jurák	Vice-chairman (terminated on February 11, 2014)
Zdeněk Lhotský	Member
Joop Michel	Member
Gerben van den Berg	Member
Dennis Kramer	Member
Hendrik van Wijlen	Member (terminated on February 11, 2014)

Subsidiaries

PROFI CREDIT Czech, a.s.
Registered Office
Klimentská 1216/46, Nové Město
110 00 Praha 1

Offices:
Pardubice
Praha
Brno
Ostrava
Mladá Boleslav
České Budějovice

Executives
David Chour
Petr Vrba
Karol Jurák (terminated on February 11, 2014)
Rudolf Cejnar
Vladimír Michniewicz (terminated on February 11, 2014)
Jana Matičková (appointed on February 12, 2014)

PROFI CREDIT Slovakia, s.r.o.
Registered Office
Pribinova 25
824 96 Bratislava

Offices:
Bratislava
Banská Bystrica
Košice
Nitra

Executives
Miroslav Jurenka
Petr Vrba

Richard Lörincz
Aleš Oborník

PROFI CREDIT Poland Sp. z o.o.
Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Offices:
Bielsko-Biala
Wroclaw
Opole
Katowice
Krakow
Lodz
Warszawa
Poznan
Torun
Gdansk

Szcecin
Olsztyn
Bialystok
Kielce
Lublin
Rzerszów
Zielona Góra
Katowice Zachód
Bydgoszcz
Warszawa II.

Executives
Petr Vrba
Slawomir Pavlik
Pavel Strnádek (terminated on June 03, 2014)
Marek Štejnar (appointed on June 11, 2014)

PROFI CREDIT Bulgaria Ltd.
Registered Office
49 Bulgaria Blvd.
1404 Sofia

Offices:
Pleven
Bourgas
Plovdiv
Sofia

Executives
Petr Vrba
Zdravko Raichev
Nikolay Kolev (terminated on February 11, 2014)
Svetoslav Nikolov
Jaromír Všetečka (appointed on February 11, 2014)

Profidebt Slovakia, s.r.o.
Registered Office
Mliekarenská 10
821 09 Bratislava

Offices:
Bratislava

Executives
Marcel Mešter (terminated on July 2, 2014)
Karol Jurák (terminated on February 11, 2014)
Marián Ganaj (terminated on February 11, 2014)
Pavol Antálek
David Chour (appointed on on February 11, 2014)
František Tesař (appointed on on February 11, 2014)

PROFIDEBT POLSKA Sp. z o.o.
Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Executives
Karol Jurák (terminated on April 17, 2014)
Vladimir Michniewicz (terminated on April 17, 2014)
Roman Kouba (terminated on April 17, 2014)
Jarosław Chęciński (appointed on April 17, 2014)
Sławomir Pawlik (appointed on April 17, 2014)

PROFIDEBT Bulgaria Ltd
Registered Office
49 Bulgaria Blvd.
1404 Sofia

Executives
Zdravko Raychev
Nikolay Kolev

PROFI Consulting, s. r. o.
Registered Office
Pernštýnské nám. 80
530 02 Pardubice

Offices:
Pardubice

Executives
David Chour
Filip Souček (terminated on February 28, 2014)
Václav Říha

PROFI Investment NL N.V.
Registered Office
Martinus Nijhofflaan 2
2624ES Delft
The Netherlands

Executives
David Chour
Zdeněk Lhotský
Dennis Jacobus Marlies Kramer
Winchester Trust & Consultancy B.V.

Cash Gate, s.r.o.
Registered Office
Klimentská 1216/46110 00 Praha 1, Nové Město

Offices:
Pardubice
Praha

Executives:
David Chour
Filip Souček (terminated on February 28, 2014)
Vladimir Michniewicz (terminated on February 28, 2014)
František Tesař (appointed on March 1, 2014)

PGJT B.V.
Registered Office
Martinus Nijhofflaan 2
2624ES Delft
The Netherlands

Subsequent change in executives in 2014:
David Chour (terminated on May 26, 2014)

Executives:

Nicolaas Scholtens
Dennis Jacobus Marlies Kramer
Libor Marek
David Chour

PROFI Exploration B.V.
Registered Office
Martinus Nijhofflaan 2
2624ES Delft
The Netherlands

Executives:

David Chour
Zdeněk Lhotský
Dennis Jacobus Marlies Kramer
Winchester Trust & Consultancy B.V.

PROFI Exploration Tyumen“ B.V.
Registered Office
Anna van den Vondelstraat 3H
1054GX Amsterdam
The Netherlands

Executives:

Almares Management B.V.

GNG LLC
Registered Office
Volodarskogo str. 14,
625003 Tyumen, Tyumen area
Russia

Executives:

Vladimir Vladimirovich Romanov

Profi Credit Sp. z.o.o.

Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Offices:
Bielsko-Biala
Wroclaw
Opole
Katowice
Krakow
Lodz
Warszawa
Poznan
Torun
Gdansk
Szcecin
Olsztyn
Bialystok
Kielce
Lublin
Rzerszów
Zielona Góra
Katowice Zachód
Bydgoszcz
Warszawa II.

Executives:

Petr Vrba
Slawomir Pawlik
Marek Štejnar

Profi Credit Holding S.A.

Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Executives:

Petr Vrba
Slawomir Pawlik
Jarosław Chęciński
Marek Štejnar

PROFIREAL OOO
Registered Office
Ligovsky prospect 196084,
266 lit.O, Saint-Petersburg
Russia

Executives:

Nikolay Binev Kolev

Jan Lovas (terminated on May 1, 2014)

Petr Vrba

Pavel Shelepin

Elena Hegerova (appointed on May 1, 2014)

Business Activities

PROFIREAL Group SE (the "Group") is a diversified financial services group which provides consumer loans and invests across Central and Eastern Europe. The Group is active in the Czech Republic, Slovakia, Poland, Bulgaria and from 2013 also in Russia and is organised into two divisions: PROFI CREDIT and PROFI INVESTMENT.

In the previous years there was another separate division – PROFIDEBT. PROFIDEBT was a debt collection and recovery business focusing on retail receivables with market presence in the Czech Republic and Slovakia. In January 2014 Profireal Group sold the subsidiary Profidebt, s.r.o. (Czech Republic) and the receivables portfolio of Profidebt Slovakia, s.r.o. to the company Intrum Justitia, a European leader in credit management service. The result of Profidebt division is therefore recognized as Discontinued operation.

In 2014 PROFI INVESTMENT division was established in order to support business activities. Its main activity consists in searching investment opportunities and interesting projects having an international overlap and local ambitions. Since February 2014 the portfolio of the PROFI INVESTMENT division includes also PROFIDEBT Slovakia s.r.o.

PROFI CREDIT primarily offers instalment credit, loans and other financial services such as payment protection insurance. Since 2003, PROFI CREDIT has also been providing loans to small and medium-sized enterprises and entrepreneurs, although these still account for about 10% of the loan book. As at 31 December 2014, PROFI CREDIT's loan portfolio amounted to EUR 513 million (an increase of 21% compared to 2013). Historically, PROFI CREDIT has provided almost 912 thousand private individual loans and almost 22 thousand business loans, respectively.

In 2014, the consolidated profit after tax of the financial group was EUR 19.35 million.

The PROFIREAL Group focuses on sustainable growth and intends to invest EUR 2.11 million in research and development in 2015.These costs are mainly related to the development of a new information system. The investment including information technology shall reach EUR 1.28 million in 2015. Planned investments are to be used for the purchase of assets. The Group does not intend making any significant changes in the workforce.

Report of the Board of Directors

In 2014, the Group provided its clients with loans and credits totalling EUR 300.99 million through its PROFI CREDIT division, which represents 6 percent increase in comparison with 2013 when it provided loans amounting to EUR 284.55 million. Since 2000, PROFIREAL Group has lent its clients more than EUR 1.9 billion. In 2014, 125,380 clients received a loan or credit from the Group and the average credit amount was EUR 2,401.

Results

The PROFIREAL Group continued to focus on several personnel projects supporting employee effectiveness and skills development. The programme targeting talented university students that was continuing to facilitate the recruitment of new employees was again very successful.

The PROFIREAL Group continued to focus on the optimisation of business processes.

Increasing the quality of the scoring system and extending the training system for credit advisors (external employees) are steadily our preferences. The number of credit advisors increased by 10 percent from 2013 to 2014, which represented 4,841 credit advisors by the end of 2014.

The total consolidated assets of the financial group increased by 10 percent, from EUR 338.7 million at the end of 2013 to EUR 371.3 million. The total consolidated revenues including discontinued operations of the financial group went up by 12 percent between 2013 and 2014, amounting to EUR 163.82 million.

In 2014, the consolidated profit before tax of the financial group was EUR 27.84 million (in 2013, it was a profit of EUR 23.47 million). The consolidated net profit of the Group in 2014 was EUR 19.35 million (in 2013, it was a profit of EUR 19.98 million). The aggregate consolidated accumulated loss in 2014 amounted to EUR 153.97 million, of which EUR 158 million represents a loss that arose from the elimination of revaluation of transferred investments as part of the Group restructuring which took place in 2007.

As of 31 December 2014, the Group reported an equity of EUR 24.7 million (as of 31 December 2013 it was EUR 6.44 million). The deficit on equity in the past was incurred due to the initial costs of forming foreign Group entities and initiating their business activities but also due to the limited financing over the last years as a result of the global crisis.

Risk management and financial instruments

Exposure to various risks arises in the normal course of the Group's business. These risks include credit risks, interest rate risks, currency risk, liquidity risk, capital risk, operation risk and compliance risk.

Principal financial assets of the Group include cash at bank and cash and loans and advances to customers which represent a maximum exposure of the Group to risk in relation to financial instruments.

- ***Credit risk***

Credit risks of the Group predominantly relate to loans and advances to customers. The balances presented in the consolidated statement of financial position are reported net of provisions for impaired receivables which are charged based on the estimate of the Group's management taking into account historical experience and impacts associated with existing economic conditions.

Credit risks attached to liquid funds are limited as the counterparties are banks with high rating assessments determined by international rating agencies.

Debt Recovery
Companies in the Profireal Group use their own network of external collection specialists for the recovery of their own or purchased receivables.

Credit Risk Collateralisation
The principal limitation of the credit risk exposure relates to the fact that the Group has its credit risk diversified into a significant number of clients and geographically within the entire Group. Contracts for the provision of loans are also collateralised by bills of exchange and a guarantee or a security is required.

Collateral for Received Loans
The Group uses its assets as collateral for received bank and non-bank loans. These assets include real estate and receivables from provided loans. In terms of the collateral, it is important for companies to monitor the amount of the receivable from advanced loans which are not impaired.

The Group reports no significant concentration of credit risks as its exposure is distributed among a significant number of counterparties and customers.

- **Liquidity risk**

The liquidity risk represents the risk that the Group will not have sufficient funds available to settle the amounts owed arising from financial contracts at the given moment of time.

Under its contracted limits of overdraft facilities, the Group can apply for additional drawing of funds at any point of time and thus deal with the difficulties arising from a potential lack of funds.

- **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The companies in the Profireal Group have concluded long-term loan contracts which are renewed and adjusted on an annual basis. For these reasons, the interest rate risk is minimised. In addition, the Group has the possibility to change, as and when required, the interest rates attached to advanced loans.

- **Currency risk**

Currency risk includes the risk of the change in the value of financial instrument as a result of a change in market foreign currency rates and potential impact of these changes in the profit and loss. The table in Note 30 d) to the financial statements shows the structure of assets and liabilities in the Group.

The Group is not significantly exposed to the currency risk. PROFI CREDIT Poland is the only exception. The company has drawn a credit in EUR and provides loans in PLN. Instalments to the creditor are paid in EUR. In 2012 PROFI CREDIT Poland changed the conditions of this loan contract and started to draw the credit in CZK that is less volatile than EUR in relation to PLN.

- **Operational Risks**

Operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Group assesses these risks on a regular basis and undertakes measures aimed at systematic detection and minimisation of these risks.

- **Capital Risks**

The Group’s policy is to achieve a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The Group as loans and credits provider is mainly influenced by the fact that it leverages its business by using external financing. There are no real seasonality impacts on its financial position but rather a volatility of financial markets might positively or negatively influence the Group’s financial position.

- **Compliance Risks**

Internal procedures and training aimed at keeping knowledge of laws and regulations up to date:

- Ethical code and whistle-blower code;
- Compliance with the ethical code is discussed with employees at least once a year; and
- Procedures aimed at hiring ethical staff (including references).

Business Outlook for the Coming Years

For the 2015 financial year, the Group will continue seeking long-term diversified funding for all group companies, which influences the Group’s profitability. This factor is closely connected with the necessity to find additional financial sources for the future growth of business of all the Group’s companies. The Company will continue in ensuring adequately priced and stable financial sources.

Management will carefully monitor each subsidiary focusing on products and services with an acceptable return as well as cost controlling as a whole. In 2015, Group companies will continue implementing a cost reduction programme that will affect the number of personnel in line with revenue developments in each subsidiary. To ensure a sound future financial result, Group companies will persistently focus on maintaining the quality of the portfolio and reasonable risk management.

Management has decided to break off the activities joined with oil extraction within PROFI INVESTMENT division. The outlook for the year 2015 is to arrange a profitable sale of the subsidiary in this segment. The result of oil extraction is therefore stated as Discontinued operation as well as a result of former Profidebt division.

In 2015 management will complete the restructuring process of Group entities in Poland as described in the Chapter 3.

In addition, the Group will emphasise projects focused on new product development that will target additional potential customers and clients from the retail and small business sector.

In 2014, companies in the Group managed to conclude loan contracts with banking and non-banking entities and sold bonds for the aggregate amount of up to EUR 62,3 million. The main part of this amount is covered by new credit lines provided by a current non-banking creditor. In the first half of 2015, companies in the Group obtained other loan contracts or other funding in the approximate amount of EUR 13.2 million. Given that both sides are satisfied with the cooperation started with banking and non-banking entities in previous years, the PROFIREAL Group commenced another negotiation with these creditors with the aim of funding the Czech, Slovak, Bulgarian and Polish entity. At this time, the development of the negotiations is very positive and we anticipate concluding the new loan credit lines in the amount of EUR 171,7 million in the second half of 2015. The main part of this loan will be used for the direct funding of loans and borrowings newly provided to clients.

FINANCIAL PART

Consolidated Financial Statements
Prepared in Accordance with International Financial Reporting Standards
as Adopted by the EU
for the Year Ended 31 December 2014

Consolidated Statement of Comprehensive Income

	NOTE	Year ended 31 December 2014 EUR '000	Year ended 31 December 2013 EUR '000
Interest income	5	147 332	116 508
Interest expenses	5	41 436	36 829
Net interest income		**105 896**	**79 679**
Provisions for credit risks	6	33 064	27 815
Net interest income after provisions for credit risks		**72 832**	**51 864**
Net fees and commissions	7	-8 581	-4 140
General administrative expenses	8	38 428	34 205
Net insurance income	9	8 570	10 563
Other operating income/(expenses), net	10	-2 727	1 036
Share of loss of a joint venture		-1 319	-24
Profit before taxation		**30 347**	**25 094**
Income tax	11	8 491	3 485
Profit after taxation		**21 856**	**21 609**
Profit from continuing operations		21 856	21 609
- attributable to Owners of the Group		*21 856*	*21 609*
- attributable to Non-controlling interest		*0*	*0*
Loss for the year from discontinued operations	13	-2 504	-1 629
Profit for the period		**19 352**	**19 980**
Profit for the year attributable to:			
Owners of the Group		*19 505*	*19 980*
Non-controlling interest		*-153*	*0*
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		-1 157	-1 108
Total comprehensive income for the year		**18 195**	**18 872**
Total comprehensive income for the year attributable to:			
Owners of the Group		*18 310*	*18 872*
Non-controlling interests		*-115*	*0*
		18 195	**18 872**

Consolidated Statement of Financial Position

	NOTE	31 December 2014 EUR '000	31 December 2013 EUR '000
Cash and balances with banks	16	6 498	3 959
Loans and advances to customers (net)	17	342 215	287 034
Deferred expenses and accrued income and other assets	18	6 356	5 436
Deferred tax asset	24	6 068	2 400
Income tax	11	0	0
Assets classified as held for sale	14	1 964	30 326
Intangible assets (net)	19	2 317	1 666
Property and equipment (net)	20	4 234	3 917
Investment in a joint venture	3	2 657	3 976
Total assets		**372 310**	**338 714**
Amounts owed to loan advisors	21	5 767	6 208
Liabilities arising from finance leases	22	1 458	1 311
Bank loans and overdrafts	25	5 050	3 789
Other received loans	26	283 995	249 219
Bonds issued	23	5 199	0
Tax liabilities	11	7 404	3 704
Deferred tax liabilities	24	1 387	358
Other liabilities	28	26 453	22 332
Provisions	27	7 908	8 807
Liabilities directly associated with assets classified as held for sale	14	2 993	36 543
Total liabilities		**347 614**	**332 271**
Share capital	30	9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve	31	242	1 437
Accumulated loss		-153 978	-174 006
Profit or loss for the current period		19 505	19 980
Attributable to the owners of parent company		24 801	6 443
Non-controlling interest		-105	0
Total equity		**24 696**	**6 443**
Total liabilities and equity		**372 310**	**338 714**

The consolidated statement of financial position is prepared according to the order of liquidity of assets and liabilities, as this presentation provides more reliable and accurate information on assets and liabilities.

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Accumulated loss	Result of the period	Attributable to owners of the parent company	Non-controlling interest	Total
Balance at 1 January 2013	**9 000**	**150 032**	**2 545**	**-180 792**	**8 229**	**-13 369**	**0**	**-10 986**
Appropriation of net result	0	0	0	8 229	-8 229	0	0	**0**
Other movement in retained earnings related to previously non-consolidated subsidiaries	0	0	0	-1 443	0	-1 443	0	**-1 443**
Foreign currency translation reserve	0	0	-1 108	0	0	-1 108	0	**-1 108**
Result for the period	0	0	0	0	19 980	19 980	0	**19 980**
Comprehensive income for the period	0	0	-1 108	0	19 980	18 772	0	**18 772**
Balance at 31 December 2013	**9 000**	**150 032**	**1 437**	**-174 006**	**19 980**	**6 443**	**0**	**6 443**
Appropriation of net result	0	0	0	19 980	-19 980	0	0	**0**
Other movement in retained earnings related to previously non-consolidated subsidiaries	0	0	0	48	0	48	10	**58**
Foreign currency translation reserve	0	0	-1 195	0	0	-1 195	38	**-1 157**
Result for the period	0	0	0	0	19 505	19 505	-153	**19 352**
Comprehensive income for the period	0	00	**-1 195**	**0**	**19 505**	**18 310**	**-115**	**18 195**
Balance at 31 December 2014	**9 000**	**150 032**	**242**	**-153 978**	**19 505**	**24 801**	**-105**	**24 696**

Consolidated Statement of Cash Flows

	NOTE	2014 EUR '000	2013 EUR '000
OPERATING ACTIVITY			
Profit before tax		32 801	23 442
Adjustments for non-cash transactions:			
Depreciation of property and equipment		1 013	960
Impairment of assets		304	-
Amortisation of intangible assets		164	139
Gain on the sale of property and equipment		162	42
Increase/(decrease) in provisions		34 381	29 325
Financial expenses		41 618	41 372
Unrealized FX (gains)/ losses		1 974	-3 237
Other non-cash changes		-2 990	5 492
Cash flow from operating activities before changes in working capital		109 428	97 535
Increase in receivables		-66 339	-95 692
Increase in payables		2 897	2 347
Cash flow from operating activities		45 985	4 190
Income tax paid		-12 278	-6 260
Interest paid		-42 939	-42 813
NET CASH FLOW FROM OPERATING ACTIVITIES		**-9 232**	**-44 883**
INVESTING ACTIVITIES			
Sale of investment (net of cash)		3 828	-
Acquisition of new companies/non-consolidated entities		226	-3 956
Purchases of property and equipment		-1 693	-2 481
NET CASH FLOW FROM INVESTING ACTIVITIES		**2 361**	**-6 437**
FINANCING ACTIVITIES			
Payments of liabilities arising from finance leases		-570	-292
Net increase/(decrease) in bank loans		-5 775	2 676
Net increase in other loans		10 608	58 468
Bonds issue		5 199	-
NET CASH FLOW FROM FINANCING ACTIVITIES		**9 462**	**60 852**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2 592**	**9 532**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**4 577**	**2 922**
Impact of exchange differences on cash and cash equivalents		-105	-7 877
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**15**	**7 064**	**4 577**
Cash of continuing operations		**6 498**	**3 959**
Cash of discontinued operations – classified as held for sale		**566**	**618**

1. General Information

PROFIREAL Group SE (hereinafter the “Company“) is a European limited liability company formed under Dutch law.

The Company was formed on 9 August 2007 by a Deed of Association and registered in the Register of Companies maintained by the Chamber of Commerce in Amsterdam as PROFIREAL Group N.V. (naamloze vennootschap – limited liability company) based in Amsterdam, the Netherlands.

On 9 August 2007, the initial share capital of EUR 45,000 was paid in. On 8 October 2007, one of the owners of the Company invested 100 percent of the share capital of PROFI CREDIT Czech, a.s. in the Company and acquired 4,116,353 new shares with a nominal value of EUR 1 each.

On 8 October 2007, the new owner, Profireal Holding a.s., acquired 4,658,647 shares in the same nominal value in exchange for the equity investments in the following companies: PROFI CREDIT Slovakia, spol. s r.o. (100%), PROFI CREDIT Polska Sp. z o.o. (100%), PROFI CREDIT Bulgaria e.o.o.d (100%), Profidebt s.r.o. (100%), Profidebt Slovakia s.r.o. (100%), Profi Financial s.r.o. (10%), Profi Consulting s.r.o. (100%), Profidebt Polska Sp. z o.o. (100%), and Profiserwis Polska Sp. z o.o. (100%).

On 13 November 2007, 180,000 shares in the same nominal value were issued. These shares were paid from the Company’s internal funds. Following these investments, the Company’s paid-in share capital amounted to EUR 9,000 thousand.

On 21 December 2007, the Company (successor company) merged with Profireal Holding a.s. (dissolving company) and adopted the legal status of SE.

Until 8 February 2011 the registered office of the Company was located at Arlandaweg 12, 1043 EW Amsterdam, the Netherlands.

From 8 February 2011 the registered office of the Company was located at Saturn Building, Saturnsstraat 25 j, 2132 HB Hoofddorp, the Netherlands.

Since 1 July 2012 the registered office of the Company has been located at Martinus Nijhofflaan 2,17th floor, 2624 ES Delft, the Netherlands. The registered office of the Company was changed to Delft as most of the board members are based there and therefore most activities were carried out in Delft.

2. Principal Activities

PROFIREAL Group SE (hereinafter the "Company") together with its subsidiaries that were founded by it, form the Profireal Group (hereinafter the "Group"). The principal activities of PROFIREAL Group SE involve the holding of equity investments and funding of the Group companies.

The principal activities of the Group are as follows:

1. Provision of loans and borrowings from own funds; and
2. Financial investments.

Principal activities of companies as of 31 December 2014:

Name of the entity	Direct holding %	Principal activity	Registered office
PROFI CREDIT Czech, a.s.	100.0	Provision of loans and borrowings	Praha, Czech Republic
PROFI CREDIT Slovakia, spol. s r. o.	100.0	Provision of loans and borrowings	Bratislava, Slovakia
PROFI CREDIT Bulgaria EOOD	100.0	Provision of loans and borrowings	Sofia, Bulgaria
Profidebt Slovakia, s.r.o.	100.0	Trading with receivables and debts/dormant entity	Bratislava, Slovakia
Profidebt Polska Spolka Z O.O.	100.0	Trading with receivables and debts/dormant entity	Bielsko Biala, Poland
PROFI Consulting, s.r.o.	100.0	Provision of services	Pardubice, Czech Republic
Profidebt Bulgaria, EOOD	100.0	Trading with receivables and debts/dormant entity	Sofia, Bulgaria
Profi Investment, N.V.	100.0	Financial investments	Delft, Netherlands
Cash Gate, s.r.o.	100.0	Provision of loans and borrowings/dormant entity	Praha, Czech Republic
PROFI Exploration B.V	100.0	Holding company	Delft, Netherlands
PROFI CREDIT Holding S.A.	100.0	Holding company	Bielsko Biala, Poland

Name of the entity	Indirect holding %	Principal activity	Registered office
PGJT B.V.	50.0	Holding company	Amsterdam, Netherlands
Profireal OOO	50.0	Financial intermediation	Saint Petersburg, Russia
PROFI Exploration Tyumen" B.V.	80.0	Holding company	Amsterdam, Netherlands
GNG LLC	80.0	Oil and gas extraction	Tyumen, Russia
PROFI CREDIT Sp. z.o.o.	100.0	Provision of loans and borrowings	Bielsko Biala, Poland
PROFI CREDIT Polska Sp. z o. o.	100.0	Provision of loans and borrowings	Bielsko Biala, Poland

During 2009, the Company transformed its registered shares to bearer shares. Management of the Company discloses the structure of shareholders on the basis of the information available at the moment of the share's transformation. Management is not aware of any subsequent changes in the ownership structure.

Mr David Beran is the ultimate controlling party of the Group.

Shareholder	Ownership percentage
David Beran	99 %
Others	1 %

3. Significant Changes in the Group in the Year Ended 31 December 2014

In January 2014 Profireal Group sold in related transactions the assets representing the major part of Profidebt division - the subsidiary Profidebt, s.r.o. (Czech Republic) and the receivable portfolio of Profidebt Slovakia, s.r.o. to the company Intrum Justitia, a European leader in credit management service. The result of Profidebt division is therefore stated as Discontinued operation (IFRS 5).

In 2014 Profireal Group has also sold the subsidiaries Cash Gate Slovakia, s.r.o. and Cash Gate Polska Sp. z .o.o.

4. Principal Accounting Policies

Going Concern Assumption

The Group has been hit by the global financial and economic crisis influencing the sector severely. The Group is exposed to increased risk mainly due to limited financing in the last years and increased underlying credit risk from its loans. As of the balance sheet date, the Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans. Because the Group is profitable in last years the Equity in 2014 continue being positive and reached the amount of EUR 24,696 thousand.

Herein presented consolidated financial statements for the year ended 31 December 2014 are based on the current best estimates and the management of the Group believes that they give a true and fair view of the Group’s financial results and financial position, using all relevant and available information at the reporting date.

The Group believes that, as of the balance sheet date, the Group has adequate resources to repay its liabilities on a timely basis or is negotiating extension with the necessary level of probability to succeed. In the contrary case, management has prepared contingency plans for maintaining sufficient cash flows for the Group entities to continue running their businesses. The majority of the loan facility from the non-banking entity was prolonged in 2014 till 31 December 2020. In addition, the Group obtained in 2014 additional funds to finance the future development of sales in the following years.

As such, the management is not aware of any events or conditions that may indicate that the Group’s continuance as a going concern may be questionable. The going concern assumptions used in the preparation of the consolidated financial statements appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Company.

Basis of the Preparation of the Consolidated Financial Statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union.

The consolidated financial statements include a consolidated statement of financial position, a consolidated statement of comprehensive income, a consolidated statement of changes in shareholders’ equity, a consolidated cash flow statement and notes to the consolidated financial statements containing accounting policies and explanatory disclosures.

The consolidated financial statements were prepared on the accruals basis of accounting whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate, and on the going concern assumption.

These consolidated financial statements have been prepared under the historical cost convention as modified by the re-measurement to fair value when required by IFRS.

The presentation of consolidated financial statements in conformity with IFRS requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and their reported amounts of revenues and expenses during the reporting period (see below). Actual results could differ from those estimates.

These consolidated financial statements are presented in thousands of Euros (“EUR ‘000”), unless stated otherwise.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

Basis of Consolidation

The Company uses the full consolidation method only in respect of controlled companies (refer to the structure of the Group in Note 2).

The consolidated financial statements include the financial statements of companies in which the Group exercises controlling influence (subsidiary undertakings) and which are prepared as of 31 December 2014. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial information relating to Profireal Group SE is presented in the consolidated financial statements. Accordingly, in accordance with article 2:402 of the Netherlands Civil Code, the company financial statements only contain an abridged income statement.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All significant intra-group transactions, related balances, income and expenses are eliminated from the consolidated statement of financial position and consolidated statement of comprehensive income upon consolidation.

The Group has no associates.

The Group accounts for all business combinations using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree’s identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts for the combination using those provisional values.

The Group recognises any adjustments to those provisional values within twelve months of the acquisition date, with effect from the acquisition date, i.e. retrospectively.

Income and Expense Recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the original effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other related income/expenses from loans (e.g. contractual fines, fees) is accrued and discounted using the effective interest rate to the net carrying value of an asset over its expected useful life.

The fees paid by the debtor with respect to the provision of a loan to a customer are part of the effective interest rate and are reported in the consolidated statement of comprehensive income line item 'Interest income'. Other fees and commissions are recognised on an accruals basis in the period to which they relate.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Non-interest income is recognised on an accruals basis and is always measured at the fair value of the consideration received.

Interest expenses related to interest bearing instruments are reported in the consolidated statement of comprehensive income on an accruals basis using the effective interest rate method. Other expenses are reported in the consolidated statement of comprehensive income on an accruals basis.

Non-interest expenses are recognised on an accruals basis.

Insurance Services

Within the Group, PROFI CREDIT offers insurance services taking the form of the Bonus product. A customer pays an insurance premium for the provision of this insurance coverage in the contracted amount according to contractual terms stated in the contract.

This insurance covers the possible failure to repay the instalments made by a customer based on clearly defined conditions. For this reason, it is necessary to separate the recognition of the loan itself from the increase in the insurance.

The insurance contract itself is separated from the Bonus product and reported separately in accordance with the requirements arising under IFRS 4. Initial recognition of insurance premium is recorded as deferred income in the line 'Other liabilities' and released over the life of insurance to the income statement. Income and expenses relating to insurance services are disclosed in 'Net insurance income'.

Provision for insurance claims

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders.

The following method is used to determine the provision for outstanding claims:

The provision is calculated based on statistical methods. Estimates of expected losses are developed using historical claims experience, actual versus estimated claims experience and other known trends and developments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).
Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Amounts received or receivable as an incentive for the conclusion of an operating lease contract are recognised on a straight-line basis over the lease term.

Foreign Currency Translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency), that is, the local currency. For the purpose of the consolidated financial statements, the results and financial position of each entity are translated and expressed in EUR which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the ECB rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the consolidated statement of comprehensive income

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using the ECB's exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve, which is a legal reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Taxation

The final amount disclosed in the consolidated statement of comprehensive income includes the tax currently payable and change in the balance of deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax reported under IFRS differs from the deferred tax reported in the local financial statements. These differences result from a different method of the calculation of write-offs of receivables and depreciation of assets and a recognition of receivables arising from loans and repurchases in the consolidated statement of financial position..

Property and Equipment and Intangible Assets

Property and equipment and intangible assets are stated at cost less accumulated depreciation/amortisation charges and impairment provisions and increased by technical improvements.

The cost of assets, except for land and assets under construction, is depreciated annually through the consolidated statement of comprehensive income line item 'General administrative expenses' over the expected useful lives of assets using the straight-line method as follows:

Cars	20 %
Computers, printers, servers, copy machines	20 %
Other office equipment (safe, projector)	20 %
Furniture	10 % – 20 %
Air-conditioning	10 %
Other low-value assets (mobile phones, calculators, etc.)	50 %
Marketing study	20 % – 25 %
Buildings	2 %
Software	10 % - 35 %

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The Group specifically does not depreciate land, works of art, tangible and intangible assets under construction and technical improvements, unless they are brought into a condition fit for use.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of Tangible and Intangible Assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. The test includes the comparison of the carrying value and the recoverable value of the assets.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in expenses.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets with normal delivery terms are recognised using settlement date accounting. The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash).

Loans and Advances to Customers

Upon initial recognition, loans and advances to customers are carried at fair value adjusted by transaction costs, if any, and subsequently remeasured at amortised cost using the effective interest rate method.

Provisions against impaired receivables are recognised in the consolidated statement of comprehensive income if there is objective evidence that an asset is impaired (deteriorating financial position of the debtor, delays in payments, etc). The recognised provision is determined as equal to the difference between the carrying value of an asset and the present value of the estimated future cash flows discounted using the effective interest rate calculated upon initial recognition. The provision is decreased or released if the objective reasons for the impairment of the receivable cease to exist or if the receivable is sold or written off. The provisions are utilised upon the sale or write-off of receivables.

The Group determines the level of provisions on an individual basis for individually significant loans and receivables. Loans and receivables which are not individually significant and which demonstrate similar characteristics in terms of credit risk exposure and where there is objective evidence of impairment, the Group determines provisions on a collective basis.

If the receivable from the customer is past its due date, it is possible to prepare an individual repayment schedule reflecting an additional credit risk exposure relating to the customer in default. In the event of a new calculated repayment schedule, the treatment is similar as is the case when a new receivable originates.

Purchased receivables are valued based on the anticipated cash flow (collection) arising from these receivables and using the effective interest rate for the calculation of interest income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank and Other Loans

Interest-bearing bank and other loans and overdrafts are initially recognised at fair value adjusted for transaction costs, if any, and are subsequently remeasured at amortised cost using the original effective interest rate method.

Amounts Owed to Loan Advisors

At initial recognition, amounts owed to loan advisors are recognised at fair value adjusted for transaction costs, if any, and subsequently remeasured at amortised cost using the effective interest rate method.

Discontinued operations

The above mentioned bases and principles apply also for the valuation of financial instruments of discontinued operations.

Provisions

In accordance with IFRS, the Group recognises a provision when, and only when:

- It has a present obligation (legal or constructive) as a result of a past event;
- It is probable that the settlement of the obligation will cause an outflow of resources embodying economic benefits; and
- A reliable estimate can be made of the amount of the obligation.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions against Losses arising from Loans and Advances

Determining whether loans and advances are impaired requires an estimation of anticipated cash flows arising from these financial assets. This estimation is made by the Group's management on the basis of a professional judgment concerning the knowledge of the portfolio quality and individually significant loan receivables. In arriving at provisioning levels, the Group refers to its historical experience with the recovery of past due receivables.

Provisions against receivables arising from contractual fines, penalties, recognised court fees, fees for legal representation and agreements on the recognition of debt are recognised on the basis of the historical experience with the recovery of these receivables and anticipated cash-flow.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group’s investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Non current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

The Group presents in the statement of comprehensive income a single amount comprising the total of the post-tax profit or loss of discontinued operations and or on the disposal of the assets or disposal group(s) constituting the discontinued operation for current year and comparative period.

The Group discloses in the notes an analysis of the single amount presented in the statement of comprehensive income into the revenue, expenses and pre-tax profit or loss of discontinued operations; the related income tax expense as required by paragraph 81(h) of IAS 12; and the gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation and the net cash flows attributable to the operating, investing and financing activities of discontinued operations.

The presented consolidated financial statements for the year ended 31 December 2014 are based on the current best estimates and management of the Group believes that they give the truest and fairest view of the Group's financial results and financial position using all relevant and available information at the consolidated financial statements date.

Correction of an error related to prior period

The management of PROFI CREDIT Czech, a.s. has identified the misstatement in IFRS financial statements occurring since the year 2011. The mistake was analysed and considered as not material. As such, correction of this mistake was recorded via profit and loss account for the year ended 31 December 2014. The correction resulted in decrease of interest revenues in 2014 in the amount of EUR 3,460 thousand, increase of deferred tax asset by EUR 657 thousand, total net P&L impact EUR 2,803 thousand.

Changes in Accounting Policies in 2014

Standards and Interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- **IFRS 10 "Consolidated Financial Statements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **IFRS 11 "Joint Arrangements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **IFRS 12 "Disclosures of Interests in Other Entities"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **IAS 27 (revised in 2011) "Separate Financial Statements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"** – Transition Guidance, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 (revised in 2011) "Separate Financial Statements" –** Investment Entities, adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IAS 32 "Financial instruments: presentation" –** Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

The adoption of these amendments to the existing standards has not led to any changes in the Entity's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations adopted by the EU were in issue but not yet effective:

- **Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)"** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015),

- **Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015),

- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),

- **IFRIC 21 "Levies**" adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at 27 June 2014:

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018),

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016),

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2018),

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"** - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 27 "Separate Financial Statements"** - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).

- **Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)"** resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Entity anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Entity in the period of initial application except for IFRS 9. The Group is not able to quantify the impacts of adoption of IFRS 9 yet as it is being analysed.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the entity's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement", would not significantly impact the financial statements, if applied as at the balance sheet date.

5. Net Interest Income

	2014 EUR '000	2013 EUR '000
Interest income		
- from loans and advances to financial institutions	20	2
- from loans to customers	147 312	116 506
Total interest income	**147 332**	**116 508**
Interest expenses		
- from loans and advances from financial institutions	543	175
- from amounts owed to non-financial institutions	40 893	36 654
Total interest expenses	**41 436**	**36 829**
Total net interest income	**105 896**	**79 679**

Interest income from the loans to customers includes interest arising both from loans to customers and from debt recovery efforts.

6. Provisions for Credit Risks

	2014 EUR '000	Discontinued operations	Total including discontinued operation	2013 EUR '000
Charge for provisions for the period	33 064	-2 503	30 561	27 815
Total provisions for credit risk	**33 064**	**-2 503**	**30 561**	**27 815**

7. Net Fees and Commissions

Net fees and commissions include:

	2014 EUR '000	2013 EUR '000
Fee and commission expense for services and transactions	10 033	5 219
Fee and commission income from services and transactions	1 452	1 079
Total net fees and commissions expense	**-8 581**	**-4 140**

Fee and commission expense for services and transactions includes expenses relating to the operation of the network of salespersons and their bonuses for arranging loans.

8. General Administrative Expenses

Structure of general administrative expenses:

	2014 EUR '000	2013 EUR '000
Staff costs		
Payroll costs	15 005	12 813
Social security contributions	3 486	3 110
Other staff costs and payments made to the members of management	727	1 240
Total staff costs	**19 218**	**17 163**
Other administrative expenses		
Data processing expenses	889	1 011
Office lease expenses	2 163	1 749
Business transactions expenses	21	71
Advertising and marketing expenses	5 493	4 397
Advisory and legal services expenses	4 172	3 669
Telecommunication and postal expenses	1 154	1 405
Material consumption including fuel	950	1 212
Representation expenses	435	268
Travel expenses	472	447
Sundry administrative expenses	2 194	1 830
Insurance services	115	0
Total other administrative expenses	**18 058**	**16 059**
Depreciation of assets		
Amortisation of intangible assets (refer to Note 16)	161	118
Depreciation of property and equipment (refer to Note 17)	991	865
Total	**1 152**	**983**
Total general administrative expenses	**38 428**	**34 205**

The Group had 791 employees as of 31 December 2014 (2013 – 756), all employees are employed outside the Netherlands.

Advisory and legal services expenses include the fee paid to the Group auditor. The total compensation (including discontinued operations) paid to the Group auditor is as follows.

EUR’000	Deloitte Accountants B.V.	Other Deloitte firms	Total 2014	Total 2013
Audit fees	20	254	274	280
Audit related fees	0	7	7	5
Tax advisory	0	41	41	40
Other non-audit fees	0	40	40	0
Total	**20**	**342**	**362**	**325**

9. Net Insurance Income

	2014 EUR '000	2013 EUR '000
Net earned insurance	10 006	11 972
Costs of insurance claims	1 436	1 409
Total net insurance income	**8 570**	**10 563**

Insurance income relates to the BONUS product, which is offered by the Group companies. The deferral of instalments under predetermined conditions is possible and it is compensated for by a higher price of the product. Under IFRS 4, this product meets the definition of a ‘hidden insurance contract’, therefore the difference between the standard product and the BONUS product is recognised as insurance income.

10. Other Operating Income/ (Expenses), net

	2014 EUR '000	2013 EUR '000
Gain from the sale of assets	163	40
Income from other services	309	111
Received compensation of deficits and damage	19	40
FX Gains/(Losses)	-1 974	3 126
Sundry operating and financial income	4 569	522
Interior group income	29	0
Total other operating income	**3 115**	**3 839**
Charge for provisions	2	-138
Gain from the disposal and impairment of assets	-287	-273
Deficits and damage, fines and penalties	10	0
Charge for provisions for non-credit amounts due	1 634	-263
Legal fees	241	1 200
Credit related fees	1 631	1 142
Sundry operating expenses	2 165	907
Other taxes	446	228
Total other operating expenses	**5 842**	**2 803**
Total other operating income/(expenses) net	**-2 727**	**1 036**

11. Income Tax

	2014 EUR '000	2013 EUR '000
Income tax charge/(credit):		
Tax payable charged to expenses	11 263	6 051
Deferred tax recognised in income with respect to origination and recognition of temporary differences	-2 772	-2 566
Total tax recognised in expenses	**8 491**	**3 485**

Income tax includes the amounts of taxes paid by individual companies from the taxable profit for the year and calculation of deferred tax.

In the following table, the Company used the rate for the calculation of tax in the amount used in individual countries where the Company operates.

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2014 EUR '000	2013 EUR '000
Profit/(loss) before tax	30 347	25 094
Tax at the local tax rate in the Netherlands of 25% (2013: 25%)	-171	676
Tax at the local tax rate in the Czech Republic of 19% (2013: 19%)	422	987
Tax at the local tax rate in the Slovak Republic 23% (2013: 23%)	2 060	1 411
Tax at the local tax rate in Poland of 19% (2013: 19%)	3 241	1 336
Tax at the local tax rate in Bulgaria of 10% (2013: 10%)	110	207
Tax effect of non-tax deductible expenses in determining taxable profit	5 602	1 434
Income tax for the period	11 263	6 051
Recognised deferred tax	-2 772	-2 567
Income tax for the period	**8 491**	**3 484**
Effective tax rate	**28.0%**	**14.0%**

12. Dividends

In 2014 and 2013, the General Meeting decided not to declare and pay out any dividends.

13. Discontinued Operations

In January 2014 Profireal Group sold the subsidiary Profidebt, s.r.o. (Czech Republic) and the receivable portfolio of Profidebt Slovakia, s.r.o. to the company Intrum Justitia, a European leader in credit management service. The result of Profidebt division is therefore stated as Discontinued operation.

In March 2013, a new subsidiary Profi Exploration was founded for the purposes of new future investment activities. Subsequently in March and July 2013 the subsidiaries GNG LLC and Profi Exploration Tyumen were founded for oil extraction activities in Russia. Nevertheless in 2014 management has decided to break off these activities. The result of oil extraction is therefore part of Discontinued operation (IFRS 5).

Profit for the year from discontinued operations

	Year ended 31 December 2014 EUR '000	**Year ended 31 December 2013 EUR '000**
Interest income	3	11 287
Interest expenses	332	4 544
Net interest income	**-329**	**6 743**
Provisions for credit risks	-2 503	2 136
Net interest income after provisions for credit risks	**2 174**	**4 607**
Net fees and commissions	-5	-2 668
General administrative expenses	933	4 862
Other operating income/(expenses), net	-3 486	1 272
The loss recognized on the measurement to fair value less costs to sell	-304	0
Loss before taxation	**-2 554**	**-1 651**
Income tax	-50	-22
Loss after taxation	**-2 504**	**-1 629**
Loss after taxation from discontinued operations attributable to owners of the Group	-2 351	-1 629
Loss after taxation from discontinued operations attributable to Non-controlling interests	-153	0

14. Assets classified as held for sale

	2014	**2013**
	EUR '000	**EUR '000**
Assets held for sale	1 964	30 326
Liabilities associated with assets held for sale	2 993	36 543

	2014	**2013**
	EUR '000	**EUR '000**
Cash	566	618
Loans and advances to customers net	8	28 928
Other assets	1 390	780
Assets held for sale	**1 964**	**30 326**
Bank loans	0	7 036
Other loans	2 861	27 029
Other liabilities	132	2 478
Liabilities associated with assets held for sale	**2 993**	**36 543**

15. Cash Flow from discontinued operations

	2014	2013
	EUR '000	EUR '000
Cash and cash equivalents at the beginning of the year	138	481
Operating activity	-1 802	-698
Investing activity	-631	-248
Financing activity	2 861	1 120
Impact of FX translation	0	-37
Cash and cash equivalents at the end of the year	**565**	**618**

16. Cash and Cash at Bank

	2014	2013
	EUR '000	EUR '000
Cash	3 470	856
Deposits at bank	3 028	3 103
Total cash and cash at bank	**6 498**	**3 959**

Cash at bank and cash include the Group's cash and short-term deposits with the original maturity of three months and less.

17. Loans and Advances to Customers (net)

a) Total loans and advances to customers (net)

	2014	2013
	EUR '000	EUR '000
Loans to customers	487 620	403 654
Other advances to customers	25 410	23 276
Gross loans and advances to customers	**513 030**	**426 930**
Provisions for loans to customers	170 348	139 668
Provisions for other advances to customers	467	227
Total loans and advances to customers (net)	**342 215**	**287 034**

b) Structure of the loan portfolio

The loan portfolio of the Group as of 31 December 2014 includes the following allocation to categories:

	Gross	Collateral used	Exposure not secured by collateral	Provisions	Carrying amount	Provisions
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	%
Non-impaired	233 218	0	233 218	1 119	232 099	0%
Impaired	279 812	0	279 812	169 696	110 116	61%
Total	**513 030**	**0**	**513 030**	**170 815**	**342 215**	**33%**

The loan portfolio of the Group as of 31 December 2013 includes the following allocation to categories:

	Gross	Collateral used	Exposure not secured by collateral	Provisions	Carrying amount	Provisions
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	%
Non-impaired	208 908	0	208 908	903	208 004	0%
Impaired	218 022	0	218 022	138 992	79 030	64%
Total	**426 930**	**0**	**426 930**	**139 895**	**287 034**	**33%**

Advanced loans are usually collateralised by a blank promissory note in favour of the creditor and an aval by the co-debtor and are, therefore, considered with a zero value.

The structure of loans by categories of customers is as follows:

	2014 EUR '000	2013 EUR '000
Loans to retail customers	320 084	265 771
Loans to corporate customers	22 131	21 263
Total	**342 215**	**287 034**

The structure of loans by geographical area is as follows:

	2014 EUR '000	2013 EUR '000
Czech Republic	106 638	100 626
Slovakia	101 800	83 006
Poland	102 678	77 707
Bulgaria	31 099	25 695
Total	**342 215**	**287 034**

Aging analysis of loans:

	Before due dates EUR '000	1-90 days EUR '000	91-180 days EUR '000	181 days and more EUR '000	Total EUR '000
Loans at 31 Dec 2014	285 403	12 953	6 623	37 236	**342 215**
Loans at 31 Dec 2013	240 762	9 380	4 118	32 774	**287 034**

Given the focus of its activities, the Company monitors the aging analysis of individual repayments rather than individual loans.

c) Provisions for loans and advances

The charge for and use of provisions for loans and advances:

	2014 EUR ´000	Discontinued operations	Total including discontinued operations	2013 EUR '000 continuing operations only
Provisions for loans and advances at 1 January	**139 896**	**2 503**	**142 399**	**117 733**
Charge for provisions	33 064	-2 503	30 561	27 815
Net charge for provisions	**33 064**	**- 2 503**	**30 561**	**27 815**
Use of provisions for the write-off and assignment of amounts due	542	0	542	844
Impact of translation to EUR	-1 603	0	-1 603	-4 808
Provisions for loans and advances at 31 December	**170 815**	**0**	**170 815**	**139 896**

Provisions against loans and receivables from customers by categories:

	2014 EUR '000	2013 EUR '000
Individually impaired	0	0
Collectively impaired	170 815	139 896
Total	**170 815**	**139 896**

18. Deferred Expenses and Accrued Income and Other Assets

	2014 EUR '000	2013 EUR '000
Deferred expenses	3 692	2 102
Accrued income	201	182
Estimated receivables	2	8
Trade receivables	690	942
Short-term prepayments made	1 334	1 353
Other non-current financial assets	7	7
Goods	34	24
Other loans in the Group	264	384
Others	132	434
Total	**6 356**	**5 436**

19. Intangible Assets

	Software EUR '000	Intangible assets under construction EUR '000	Other intangible assets EUR '000	Total EUR '000
Balance at 31 December 2012	**1 130**	**754**	**108**	**1 992**
Additions	50	935	110	1 095
Impact of translation to EUR	-45	-41	-1	-87
Disposals	1	142	0	143
Classified as held for sale - discontinued operations	144	0	20	164
Balance at 31 December 2013	**990**	**1 506**	**197**	**2 693**
Additions	62	826	48	936
Impact of translation to EUR	-8	-21	-1	-30
Disposals	9	107	0	116
Classified as held for sale - discontinued operations	-9	0	0	-9
Balance at 31 December 2014	**1 044**	**2 204**	**244**	**3 492**
ACCUMULATED AMORTISATION				
Balance at 31 December 2012	**932**	**80**	**70**	**1 082**
Amortisation for the period	75	27	16	118
Impact of translation to EUR	-50	8	-3	-45
Eliminated on Disposal	0	0	0	0
Classified as held for sale - discontinued operations	125	0	3	128
Balance at 31 December 2013	**832**	**115**	**80**	**1 027**
Amortisation for the period	86	40	36	162
Impact of translation to EUR	-7	-3	-1	-11
Eliminated on Disposal	10			10
Classified as held for sale - discontinued operations	-7	0	0	-7
Balance at 31 December 2014	**908**	**152**	**115**	**1 175**
NET BOOK VALUE				
Balance at 31 December 2013	**158**	**1 391**	**117**	**1 666**
Balance at 31 December 2014	**136**	**2 052**	**129**	**2 317**

20. Property and Equipment

	Land and buildings EUR '000	Assets under construction EUR '000	Equipment, fixtures and fittings EUR '000	Total EUR '000
COST OR VALUATION				
Balance at 31 December 2012	**2 011**	**194**	**6 759**	**8 964**
Additions	4	335	1 571	**1 910**
Impact of translation to EUR	-167	-5	-254	**-426**
Disposals	20	279	438	**737**
	0	0	762	**762**
Balance at 31 December 2013	**1 828**	**245**	**6 876**	**8 949**
Additions	45	382	1 285	**1 712**
Impact of translation to EUR	-20	2	-91	**-113**
Disposals	0	373	650	1 022
Classified as held for sale - discontinued operations	0	0	-840	-840
Balance at 31 December 2014	**1 852**	**252**	**7 421**	**10 365**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
Balance at 31 December 2012	**732**	**0**	**4 624**	**5 356**
Depreciation for the year	60	0	805	865
Impact of translation to EUR	-64	0	-286	-349
Eliminated on disposal	22	0	302	324
Classified as held for sale - discontinued operations	0	0	516	516
Balance at 31 December 2013	**706**	**0**	**4 326**	**5 032**
Depreciation for the year	38	0	952	991
Impact of translation to EUR	-8	0	189	181
Eliminated on disposal	0	0	601	601
Classified as held for sale - discontinued operations	0	0	-528	-528
Balance at 31 December 2014	**736**	**0**	**4 555**	**5 291**
NET BOOK VALUE				
Balance at 31 December 2013	**1 122**	**245**	**2 550**	**3 917**
Balance at 31 December 2014	**1 116**	**252**	**2 866**	**4 234**

Information on finance leases is disclosed in Note 22.

21. Amounts Owed to Loan Advisors

	2014 EUR '000	2013 EUR '000
Accrued expenses	1 674	1 749
Payables arising from outstanding commissions	3 769	4 355
Other	324	104
Total	**5 767**	**6 208**

22. Liabilities Arising from Finance Leases

	Minimum lease instalment		Present value of minimum lease instalment	
	2014 EUR '000	2013 EUR '000	2014 EUR '000	2013 EUR '000
Liabilities from finance leases:				
Less than one year	609	548	543	479
From two to five years	973	896	915	832
	1 582	**1 444**	**1 458**	**1 311**
Less future finance charges	124	133	0	0
Present value of finance lease liabilities	**1 458**	**1 311**	**1 458**	**1 311**
Less payables maturing within 1 year (reported as short-term payables)	60	55	296	206
Payables after 1 year	146	186	875	831

It is the Group’s policy to lease some of its fixtures and equipment under finance leases. The average lease term is 3 to 4 years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group’s lease obligations approximates their carrying amount.

The Group’s obligations under finance leases are secured by the lessors’ title to the leased assets.

23. Debt securities issued

In December 2012 PROFI CREDIT Czech, a.s. issued debt securities denominated in CZK in the book-entry form in the total value of CZK 3,000,000 thousand, i.e. EUR 109 381 thousand (with the nominal value of individual debt securities amounting to CZK 1) which will mature in ten years from the issuance date. The interest rate on the securities is 18.5 % p.a. and the debt security interest accrued as of 31 December 2014 amounts to EUR 20 thousand. As of 31 December 2014, debt securities in amount EUR 5 199 thousand were placed with interest rate 7.5% p.a. (as at 31 December 2013 EUR 0). The interest rate was changed by amendment before sale to the third parties.

24. Deferred Tax

The table below shows the principal deferred tax liabilities and assets recognised by the Group and their movements during the current and prior period:

	Fixed assets	Tax losses	Loans and other receivables	Other	Total	Discontinued operations	Total including discontinued operations
	EUR '000	EUR '000	EUR'000	EUR '000	EUR'000	EUR'000	
As of 1 January 2013	**182**	**-323**	**2 875**	**-3 213**	**-479**	**-2 319**	**-2 798**
Charged against profit or loss	-16	73	5 346	-2 837	2 566	2 177	4 743
from which Impact of changes in tax rates	0	0	0	0	0	0	0
Charged against equity	0	0	0	0	0	0	0
Impact of translation to EUR	-15	-85	117	-62	-45	78	33
As of 1 January 2014	**151**	**-335**	**8 338**	**-6 112**	**2 042**	**-64**	**1 978**
Charged against profit or loss	**153**	**55**	**5 560**	**-2 997**	**2 771**	**64**	**2 835**
from which Impact of changes in tax rates	0	0	0	0	0	0	0
Charged against equity	0	0	0	0	0	42	42
Impact of translation to EUR	-6	105	-352	121	-132	0	-132
As of 31 December 2014	**298**	**-175**	**13 546**	**-8 988**	**4 681**	**42**	**4 723**

Deferred tax assets and liabilities were mutually offset within individual Group entities. The below table shows an analysis of deferred tax (after the offsetting of certain balances) for financial reporting purposes:

	2014 EUR '000	2013 EUR '000
Deferred Tax Assets	6 068	2 400
Deferred tax liabilities	-1 387	-358
Net deferred tax asset/(liability)	**4 681**	**2 042**

The below table shows the movement in deferred tax assets and liabilities.

	2014 EUR '000	2013 EUR '000
Beginning of year	2 042	-479
Currency translation adjustments	-132	-46
Charged to the statement of comprehensive income	2 771	2 566
End of the year	**4 681**	**2 042**

The deferred income tax asset is comprised of:

	2014 EUR '000	2013 EUR '000
Fixed assets	298	151
Loans and advances	13 546	8 338
Fiscal loss carried forward	-175	-335
Other	-8 988	-6 112
Deferred tax (asset)/ liability	**4 681**	**2 042**

A deferred tax asset is recognised for the carryforward tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Group companies anticipate income growth in the future, thereby assuming that most of the tax losses for the current period will be utilised in future periods. The amount of unused tax losses for which the deferred tax asset was not recognised amounted to EUR 5,399 thousand as of 31 December 2014 (EUR 13,176 as of 31 December 2013).

25. Bank Loans and Overdrafts

	2014 EUR '000	2013 EUR '000
Bank loans	5 050	3 789
Total	**5 050**	**3 789**
Loans are repayable as follows:		
- on demand or within one year	1 961	3 789
- in the second year	3 089	0
- in the third to five year	0	0
Total	**5 050**	**3789**

The table below shows the average interest rate of bank loans.

	2014 %	2013 %
Bank loans	9.50	9.93

Other significant information on the Group's loans:

The Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans during the years ended 31 December 2014 and 2013.

26. Other Received Loans

The Group has received loans from the following non-banking entities:

	2014 EUR '000	2013 EUR '000
Entity 1*	203 936	186 652
Entity 2**	73 755	55 414
Other	6 304	7 153
Total	**283 995**	**249 219**
Loans are repayable as follows:		
- on demand or within 1 year	48 308	31 859
- in the second year	33 838	184 176
- in the third to fifth year	20 177	33 184
- more than five years	181 672	0
Total	**283 995**	**249 219**

Loans by currency:

At 31 December 2014	Total EUR '000	CZK EUR '000	EUR EUR '000	Other
Entity 1*	203 936	83 089	120 847	0
Entity 2**	73 755	52 000	21 755	0
Other	6 304	1 241	3 810	1 253
Total	**283 995**	**136 330**	**146 412**	**1 253**

At 31 December 2013	Total EUR '000	CZK EUR '000	EUR EUR '000	Other
Entity 1*	186 652	85 082	101 570	0
Entity 2**	55 414	35 574	19 840	0
Other	7 153	3 003	990	3 160
Total	**249 219**	**123 659**	**122 400**	**3 160**

*Entity 1 is Solarex Investments BV, a Dutch legal entity.
** Entity 2 is Dairewa PLC, a Cyprus legal entity.

The loans from Entity 1 and Entity 2 are collateralised by a promissory note of the loan recipient and pledged receivables. Other loans are collateralised by a promissory note of the loan recipient only and bear fixed interest rates. The undrawn amount of the loan from Entity 1 is EUR 24,250 thousand (EUR 33,800 thousand as of 31 December 2013). The loan is repayable on 31 December 2020.

The table below shows average interest rate of other received loans.

	2014 %	2013 %
Other received loans	14.59	14.31

The Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans during the years ended 31 December 2014 and 2013.

27. Provisions

	Provision for insurance claims EUR '000	Provision tax EUR '000	Other EUR '000	Total EUR '000	Discontinued operations EUR '000	Total including discontinued operations EUR´000
At 1 January 2014	**5 885**	**1 639**	**1 283**	**8 807**	**0**	**8 807**
Additions to provisions for the period	1 255	1 774	649	3 677	303	3 981
Use of provisions	2 634	1 620	143	4 397	0	4 397
Impact of translation to EUR	-175	-20	15	-180	1	-179
At 31 December 2014	**4 331**	**1 773**	**1 804**	**7 908**	**304**	**8 212**

Provision for Insurance Claims

The adequacy of the provision for insurance claims is determined directly by the provision calculation technique. The provision is recognised when an insurance event occurs as equal to anticipated insurance claims. The Group reports net insurance income (refer to Note 9) and the use of provisions does not exceed the aggregate insurance income.

Provisions for tax and tax accessories are described in note 35.

28. Other Liabilities

	2014 EUR '000	2013 EUR '000
Trade payables	2 180	717
Deferred income - Bonus loans	19 287	15 281
Accrued expenses	227	536
Estimated payables	508	1 208
Payables to employees, social security and health insurance	929	606
Untaken holiday	272	215
Other	3 050	3 548
Total	**26 453**	**22 111**

Deferred income relates to the BONUS product and represents the difference between the fee for the standard product and the fee for the BONUS product which is gradually released to income and reduced by the claimed insurance payments. The year-on-year increase in deferred income is attributable to the increased share of the BONUS product in the entire loan portfolio.

29. Equity

As of 31 December 2014, the Group reported positive equity in the amount of EUR 24,043 thousand (a positive equity in the amount of EUR 2,976 thousand as of 31 December 2013).

The aggregate consolidated accumulated loss as of 31 December 2014 amounts to EUR 157,572 thousand, of which EUR 150,896 thousand represents a loss that arose from the elimination of revaluation as part of the Group restructuring which took place in 2007, and EUR 6,676 thousand represents an accumulated loss from the Group’s operations.

30. Share Capital

In 2014 and 2013 no change was made in the share capital.

The share capital is EUR 40,000 thousand divided into 40,000,000 shares of EUR 1 each. At the balance sheet date, a total of 9,000,012 shares were issued and fully paid. All shares are ordinary shares.

In 2014 and 2013, the General Meeting decided not to declare and pay out any dividends.

31. Foreign Currency Translation Reserve

	Total EUR '000
Balance at 31 December 2012	**2 545**
Movement for the period	-1 108
Balance at 31 December 2013	**1 437**
Movement for the period	-1 195
Balance at 31 December 2014	**242**

32. Contingent Liabilities

The Group has no contingent liabilities other than those stated in note 35.

33. Estimated fair value of assets and liabilities of the Group

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value estimates are made based on relevant market data, estimates, discounted cash flows or using other generally acknowledged valuation methods. The results of these methods are significantly impacted by used estimates, specifically discounted rates and estimates of future cash flows. Therefore, the calculated fair market estimates cannot be realised in a current sale of the financial instrument.

In estimating the fair value of the Group's financial instruments, the following methods and assumptions were used.

a) Cash and Balances with Banks

The reported balances of cash and short-term instruments are generally deemed to approximate their fair value.

b) Loans and Advances to Customers

Loans and advances to customers are carried net of provisions. The fair value of loans is estimated on the basis of discounted cash flows using the market interest rate common in loans with similar conditions and terms and advanced to debtors with a similar risk assessment. The used interest rate depended on the type of the amount due as each type of the amount due carries a different interest rate which results from the value of money used for the funding of the relevant amount due and risk margin.
Loans and Advances to Customers are valued at fair value Level 3.

c) Amounts Owed to Banks and Customers

The estimated fair value of amounts owed to banks and customers with no stated maturity is equal to the amounts repayable on demand as of the consolidated financial statements date (i.e. their carrying amounts).

Carrying amounts of term loans with a variable interest rate principally equal their fair values as of the consolidated financial statements date.

Fair values of payables with a fixed interest rate are estimated as the present value of discounted future cash flows and applied discount factor is equal to the interest rates currently offered on the market for products with similar conditions. Amounts owed to banks and customers with interest rate fixed for middle or long term represent only an insignificant part of the total carrying amount.

For this reason, the fair value of total amounts owed to banks and customers does not significantly differ from the carrying amount as of the balance sheet date.

d) Other Received Loans

The fair values of other received loans with fixed interest rates are estimated on the basis of discounted cash flows using market interest rates.

The following table shows the carrying values and fair values of selected financial assets and liabilities:

	2014 Carrying value EUR '000	2014 Fair value EUR '000	2013 Carrying value EUR '000	2013 Fair value EUR '000
Financial assets				
Cash and cash at bank	6 498	6 498	3 959	3 959
Loans and advances to customers (net)	342 215	360 015	287 034	304 281
Financial liabilities				
Amounts owed to loan advisors	5 767	5 767	6 208	6 208
Amounts owed to banks	5 050	5 050	3 789	3 789
Other received loans	283 995	283 995	249 219	249 219

Management considers the fair value of the financial liabilities equal to their carrying value.

Inputs to valuation models

When utilising valuation techniques, the fair value can be significantly affected by the choice of valuation techniques and underlying assumptions concerning factors such as the amount and timing of cash flows, discount rates and credit risk. The principal inputs to these valuation techniques are as follows:

- Interest rates – these are principally benchmark interest rates derived from EURIBOR;
- Counterparty credit spreads – adjustments are made to market prices (or parameters) when the creditworthiness of the counterparty differs from that of the assumed counterparty in the market price (or parameters); and
- Recovery rates – there are used as an input to valuation models as an indicator of severity of losses on default. Recovery rates are estimated based on historical data of collections and estimated development on the market.

34. Risk Management and Financial Instruments

a) Credit Risk

Principal financial assets of the Group include cash at bank and cash (refer to Note 13) and loans and advances to customers (refer to Note 14) which represent a maximum exposure of the Group to credit risk in relation to financial assets.

Credit risks of the Group predominantly relate to loans and advances to customers. The balances presented in the consolidated statement of financial position are reported net of provisions for impaired receivables which are charged based on the estimate of the Company’s management taking into account historical experience and impacts associated with existing economic conditions.

Credit risks attached to liquid funds are limited as the counterparties are banks with high rating assessments determined by international rating agencies.

The Group reports no significant concentration of credit risks as its exposure is distributed among a significant number of counterparties and customers.

Debt Recovery

Companies in the Profireal Group use their own network of external collection specialists for the recovery of their own or purchased receivables.

Credit Risk Collateralisation

The principal limitation of the credit risk exposure relates to the fact that the Group has its credit risk diversified into a significant number of clients and geographically within the entire Group. Contracts for the provision of loans are also collateralised by bills of exchange and a guarantee or a security is required.

Collateral for Received Loans

The Company uses its assets as collateral for received bank and non-bank loans. These assets include real estate, cash on bank accounts and receivables from provided loans. The following table shows the amount of receivables and cash on bank accounts used as collateral:

Carrying amount of financial assets used as collateral	**2014**	**2013**
	EUR '000	**EUR '000**
Bank loans and overdrafts	5 050	5 513
Other received loans	327 589	283 539
Total	**332 639**	**289 052**

In terms of the collateral, it is important for companies to monitor the amount of the receivable from advanced loans which are not impaired. The following table shows their balances:

Carrying amount of provided loans neither impaired not past due	**2014**	**2013**
	EUR '000	**EUR '000**
Employee loan	213 161	187 630
Business loan	155	170
Trade loan	857	1 310
Employees loan – “CZK 6 000“	44	50
Employees loan – “CZK 4 999”	542	561
Simple business loan	2 401	1 752
PPS Loan	14 939	16 531
Total	**232 099**	**208 004**

The Group does not report receivables that would be past their due dates and were not impaired.

The value of real estate used as collateral in 2013 is EUR 1,002 thousand. The real estate is not part of collateral in 2014.

Employee loan is intended for clients (physical persons) that have a regular income from employment (after trial period), from annuity, old-age pension or disability pension as well as income from maternity or parental benefits. The amount of these loans ranges from EUR 400 – 6,600, the repayment period is between 12 to 48 months and the loan is not tied to any specific purpose.

Business loan is designed for business entities (i.e. entrepreneurial persons and business entities). The basic criterion for loan approval is a quality piece of real estate. These loans are short to middle term loan maturity of 1–48 months. The amount of the loan is not limited, but it depends on the quality of the lien.

Trade loan is designed mainly for small entrepreneurs and traders who have a regular income from business. The loans are short to middle term loans with a maturity of 1–48 months. Approval of such an application is subject to individual evaluation.

Employees loan – “CZK 6 000“ is intended for physical persons with stable income. The loan is related to fixed amount CZK 6,000 for short term period.

Employees loan – “CZK 4 999” is related to the fixed payment amount CZK 4,999. The Loan is offered to clients who earn a stable income. This Loan will address small financial needs or unexpected expenditures. Clients are asked to present only two identity documents.

Simple business loan is intended chiefly for small-scale business persons and self-employed persons (natural and legal persons) to address their immediate financial needs. This is a short-term loan of CZK 30,000, with the repayment period of 12 months. The basic criterion for determining if the applicant will be provided the loan is information from accessible registers.

Specific-purpose loan is the only loan for the client to give a specific description of the purpose of the loan to be provided. It is suitable for modernization of establishments, procurement, equipment, machinery and various facilities for business activities. The amount to be provided ranges from CZK 30,000 to 110,000, with the repayment period of 12 to 48 months.

b) Liquidity Risk

The liquidity risk represents the risk that the Group will not have sufficient funds available to settle the amounts owed arising from financial contracts.

Under its contracted limits of overdraft facilities, the Company can apply for additional drawing of funds at any point of time and thus deal with the difficulties arising from a potential lack of funds.

The table below provides an analysis of non-discounted financial liabilities into relevant maturity groupings (residual maturity is the period from the balance sheet date to the maturity date and represents all cash flows).

Non-discounted financial liabilities as of 31 Dec 2014	**Within 7 days EUR '000**	**Within 3 months EUR '000**	**From 3 months to 1 year EUR '000**	**From 1 year to 5 years EUR '000**	**More than 5 years EUR '000**	**Total EUR '000**
Amounts owed to customers	0	1 596	382	3 351	0	5 329
Liabilities arising from finance leases	0	152	500	962	0	1 614
Bank loans and overdrafts	0	400	3 084	2 159	0	5 643
Other received loans	0	11 722	61 422	128 722	119 782	321 648
Other liabilities	0	18 068	3 475	4 807	0	26 350
Total	**0**	**31 938**	**68 863**	**140 001**	**119 782**	**360 584**

Non-discounted financial liabilities as of 31 Dec 2013	**Within 7 days EUR '000**	**Within 3 months EUR '000**	**From 3 months to 1 year EUR '000**	**From 1 year to 5 years EUR '000**	**More than 5 years EUR '000**	**Total EUR '000**
Amounts owed to customers	0	1 563	775	4 321	0	6 659
Liabilities arising from finance leases	0	131	406	880	0	1 417
Bank loans and overdrafts	0	1 176	2 701	0	0	3 877
Other received loans	0	12 360	54 494	254 196	0	321 050
Other liabilities	0	11 727	3 455	4 465	0	19 647
Total	**0**	**26 957**	**61 831**	**263 862**	**0**	**352 650**

c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The companies in the Profireal Group have concluded long-term loan contracts which are renewed and adjusted on an annual basis. For these reasons, the interest rate risk is minimised. In addition, the Company has the possibility to change, as and when required, the interest rates attached to advanced loans.

d) Currency Risk

Currency risk includes the risk of the change in the value of financial instrument as a result of a change in market foreign currency rates and potential impact of these changes in the profit and loss. The following table shows the structure of assets and liabilities in the Group.

The following table shows sensitivity analysis in the currency risk of received loans which represent the most significant currency risk for the Group:

Sensitivity analysis: CY risk at 31 Dec 2014	Credit currency	LCY	Credit amount	Credit amount (at 1 % increase in the exchange rate)	Credit amount (at 1 % decrease in the exchange rate)
PROFI CREDIT Poland	EUR	PLN	28 780	28 492	29 068
PROFI CREDIT Poland	CZK	PLN	70 325	69 622	71 028
PROFI INVESTMENT	RUB	EUR	1 253	1 240	1 266

Sensitivity analysis: CY risk at 31 Dec 2013	Credit currency	LCY	Credit amount	Credit amount (at 1 % increase in the exchange rate)	Credit amount (at 1 % decrease in the exchange rate)
PROFI CREDIT Poland	EUR	PLN	28 727	29 014	28 440
PROFI CREDIT Poland	CZK	PLN	48 108	48 589	47 627

Structure of assets and liabilities by original currency at 31 Dec 2014 EUR '000	CZK	EUR	PLN	BGN	Other	Total
Cash and cash at bank	1 422	1 499	3 437	139	1	6 498
Loans and advances to customers (net)	106 638	101 801	102 677	31 099	0	342 215
Deferred expenses and accrued income and other assets	1 887	1 421	1 842	214	0	5 365
Income tax	0	0	0	0	0	0
Deferred tax asset	1 093	0	4 802	172	0	6 068
Intangible fixed assets (net)	2 055	124	130	8	0	2 317
Property and equipment (net)	2 463	418	996	357	0	4 234
Investment in a joint venture	0	2 657	0	0	0	2 657
Total assets	**115 559**	**107 920**	**123 885**	**31 990**	**1**	**369 355**
Amounts owed to customers	4 061	496	326	884	0	5 767
Liabilities arising from finance lease	787	270	401	0	0	1 458
Deferred tax liabilities	0	1 387	0	0	0	8 198
Tax liabilities	600	0	5 813	0	0	6 413
Bank loans and overdrafts	5 050	0	0	0	0	5 050
Other received loans	136 765	147 230	0	0	0	283 995
Provisions	4 089	1 848	1 954	17	0	7 908
Other liabilities	14 038	8 967	3 280	5 367	0	31 652
Total liabilities	**165 390**	**160 198**	**11 773**	**6 268**	**0**	**350 441**
Net exposure	**-49 831**	**-52 278**	**102 112**	**25 721**	**1**	**25 725**

Structure of assets and liabilities by original currency at 31 Dec 2013 EUR '000	CZK	EUR	PLN	BGN	Other	Total
Cash and cash at bank	1 634	1 343	758	196	28	3 959
Loans and advances to customers (net)	100 626	83 006	77 707	25 695	0	287 034
Deferred expenses and accrued income and other assets	2 211	1 567	1 080	578	0	5 436
Income Tax	0	0	0	0	0	0
Deferred tax asset	462	-	1 935	3	0	2 399
Intangible fixed assets (net)	1 484	62	112	8	0	1 666
Property and equipment (net)	2 304	344	867	402	0	3 917
Investment in a joint venture	0	3 976	0	0	0	3 976
Total assets	**108 721**	**90 298**	**82 459**	**26 882**	**28**	**308 388**
Amounts owed to customers	4 235	324	283	1 366	0	6 208
Liabilities arising from finance lease	610	247	454	0	0	1 311
Deferred tax liabilities	0	358	0	0	0	358
Tax liabilities	477	0	3 227	0	0	3 704
Bank loans and overdrafts	3 789	0	0	0	0	3 789
Other received loans	123 569	122 490	0	0	3 160	249 219
Provisions	3 972	2 183	2 636	16	0	8 807
Other liabilities	10 186	8 682	1 196	2 268	0	22 332
Total liabilities	**146 838**	**134 284**	**7 796**	**3 650**	**3 160**	**295 728**
Net exposure	**-38 117**	**-43 986**	**74 663**	**23 232**	**- 3 132**	**12 660**

e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 21 and 22 offset by cash and bank balances) and equity of the Group (Notes 25 and 26).

The Group is not subject to any externally imposed capital requirements.

35. Legal Disputes

In 2011, the court effectually put an end to a several years-long legal dispute with the disputed balance of hundreds of millions Czech crowns (approx. EUR 20 million) in favour of one of the companies in the Group, PROFI CREDIT Czech, a.s. No appeal was filed against this decision; therefore, the Group consider this dispute to be completed and will enforce the expenses of the legal dispute from the prosecutor.

PROFI CREDIT Czech, a.s. participates as a plaintiff in the proceedings conducted before the Municipal Court in Prague as regards the tax liability related to previous accounting periods. The disputable amount was paid in full within a statutory period in 2014. The action has not been heard yet, and so far no order has been issued for the first hearing. Based on a legal analysis, the Company's management is of the opinion that the proceedings will be closed upon a judgement in favour of the Company. In connection with the aforementioned tax liability, interest and penalty on overdue payment was assigned to the Company in 2015, which amounts to CZK 45 million (ca EUR 1.6 million), however, had been paid in full, and accordingly, an appeal has been lodged by the Company. In case the appeal is declined, the Company is ready to settle the matter in Court, and based on a legal analysis, the Company believes that the result of the proceedings will be favourable for the Company. The amount of the interest and penalty on overdue payment linked to previous accounting periods is accounted for against other profit (loss) of previous years.

The penalty of overdue payment, paid by the Company in the year 2015, has been paid back by Tax Authority in August 2015.

As of 31 December 2014, the Group was involved in no other legal dispute, the outcome of which would significantly impact the Group.

PROFI CREDIT Poland (the Company) is facing several proceedings initiated by Poland´s state bodies (namely Polish Competition Office) that claim some practices used by the Company may break the interest of customer. Some of them are in phase of legal dispute. The final decision has not been taken yet by the Court. It is expected that the court proceedings may take up to 3 years.
Taking into consideration that the proceeding is still running, the Company created a provision for the negative consequences of the court decision.

36. Related Party Transactions

Transactions between the Company and its subsidiaries which are related parties were eliminated upon consolidation and are not disclosed in this note. Transactions between the Group and affiliates or companies that were not included in the consolidation are disclosed below.

Business Transactions

During the reporting period, the Group companies performed the following transactions with other related parties:

	Income		Expenses		Receivables		Payables	
	2014 EUR '000	2013 EUR '000	2014 EUR '000	2013 EUR '000	2014 EUR '000	2013 EUR '000	2014 EUR '000	2013 EUR '000
Ultimate shareholder	0	0	0	0	0	0	0	0
Other subsidiaries	0	259	0	84	0	396	0	13
Key management personnel	0	0	633	984	0	0	25	460
Other related parties	0	5	0	87	0	2	0	135
Total	0	264	633	1 155	0	398	25	608

Receivables from related parties were not provisioned.

The amounts mentioned in ‘Key management personnel’ represent the transactions with the members of the company board. These amounts are related to the short-term remuneration (the outstanding payable is due within a year) and were stated on an arm’s length basis. The Key management personnel did not provide nor receive any guarantees. There are no receivables due from the key management and therefore there are no related provisions for doubtful debts nor there is any expense recognized in this respect.

37. Individual Financial Statements of Companies included in the Consolidation

The consolidated financial statements were prepared from individual financial statements prepared in the consolidation Group.

The following tables show principal components of individual financial statements before the elimination of mutual relations in the consolidation Group.

Year ended 31 December 2014

EUR '000	PROFIREAL GROUP SE	PROFI CREDIT Czech, a.s.	PROFI CREDIT Slovakia, spol. s r.o.	PROFI CREDIT Poland Sp. z o.o.
Interest income	2 939	35 308	37 162	61 352
Interest expense	3 601	12 476	8 896	13 217
Net interest income	-662	23 331	28 266	48 135
Profit or loss before tax	-685	2 219	8 956	17 060
Income tax	0	1 905	2 075	4 686
Profit or loss after taxation	-685	314	6 881	12 374
Total assets	**60 448**	**115 729**	**104 895**	**113 884**
Loans and receivables from customers (net)	0	106 638	101 800	102 677
Bank loans and overdrafts	0	5 050	0	0
Other received loans	20 027	72 901	74 122	99 104
Equity	**24 043**	**14 219**	**18 027**	**2 954**

EUR '000	PROFI CREDIT Bulgaria EOOD	Profi Investment NL, N.V.	PE Holding	Profidebt Slovakia s.r.o.
Interest income	13 005	2	3	0
Interest expense	3 755	586	164	2 009
Net interest income	9 250	-584	-161	-2009
Profit or loss before tax	1 053	-1 935	-1 622	-2 727
Income tax	-174	0	-49	0
Profit or loss after taxation	1 227	-1 935	-1 573	-2 727
Total assets	**31 994**	**2 661**	**1 578**	**386**
Loans and receivables from customers (net)	31 099	0	8	0
Bank loans and overdrafts	0	0	0	0
Other received loans	21 523	4 978	2 861	14 858
Equity	**3 907**	**-2 349**	**-1 321**	**-14 567**

Year ended 31 December 2013

EUR '000	PROFIREAL GROUP SE	PROFI CREDIT Czech, a.s.	PROFI CREDIT Slovakia, spol. s r.o.	PROFI CREDIT Poland Sp. z o.o.
Interest income	199	37 305	29 712	36 214
Interest expense	2 896	11 536	7 520	11 565
Net interest income	-2 697	25 769	22 192	24 649
Profit or loss before tax	3 381	5 138	6 136	12 810
Income tax	0	2 073	415	996
Profit or loss after taxation	3 381	3 065	5 721	11 814
Total assets	**32 964**	**108 756**	**88 655**	**82 459**
Loans and receivables from customers (net)	0	100 626	83 006	77 707
Bank loans and overdrafts	0	3 789	0	0
Other received loans	15 395	71 429	63 204	76 835
Equity	**2 976**	**14 064**	**11 146**	**-2 234**

EUR '000	PROFI CREDIT Bulgaria EOOD	Profi Investment NL, N.V.	Profidebt s.r.o.	Profidebt Slovakia s.r.o.
Interest income	13 133	0	9 132	2 154
Interest expense	2 949	418	2 394	2 150
Net interest income	10 184	-418	6 738	4
Profit or loss before tax	2 073	-376	2 431	-4 294
Income tax	0	0	-22	0
Profit or loss after taxation	2073	-376	2 453	-4 294
Total assets	**26 884**	3 740	**26 668**	**3 682**
Loans and receivables from customers (net)	25 695	0	25 615	3 313
Bank loans and overdrafts	0	0	7 036	0
Other received loans	18 206	4 150	11 805	15 224
Equity	**4 373**	**-416**	**5 591**	**-11 840**

38. Subsequent events

In March 2015 the final step of restructuring process in PROFI CREDIT Poland, Sp. z o.o. has been managed. The company PROFI CREDIT Polska, SA has merged with the company PROFI CREDIT Sp. z o.o. All business activities are now covered by PROFI CREDIT Polska, SA.

No other events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

Company Financial Statements for the Year Ended 31 December 2014

All information presented in '000 EUR unless stated otherwise

Statement of Financial Position as at December 31, 2014
(before appropriation of results)

	Notes	31December 2014	31 December 2013
ASSETS			
Fixed Assets			
Financial Fixed Assets			
Investments	4	36 789	35 431
Loans receivable	5	21 949	433
		58 738	35 864
Current Assets			
Receivables and prepaid expenses	6	2 359	492
Cash at banks	7	5	74
		2 364	566
TOTAL ASSETS		61 101	36 430
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity	8		
Issued and fully paid share capital		9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve		242	1 437
Accumulated loss		-153 978	-174 006
Result of the year		19 505	19 980
Non-controlling interest		-105	0
		24 696	6 443
Non-Current Liabilities			
Provision to investments	4	15 888	14 489
Long term loans	9	20 027	15 395
		35 915	29 884
Current Liabilities			
Accounts payable and accrued expenses		490	103
		490	103
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		61 101	36 430

The accompanying notes form part of these accounts.

Income statement
for the year ended 31 December 2014

	31-Dec-14	*31-Dec-13*
Company result	-8 916	-437
Result from participations in Group companies	28 268	20 417
Net result	19 352	19 980

Notes to the Company financial statements
31 December 2014

1. Group Affiliation and Principal Activities

The Company, incorporated on August 9, 2007, is a European private limited liability company with its statutory seat in Amsterdam, The Netherlands.

The principal activities of the Company are to act as a finance and holding Company.

2. Basis of Presentation

The company financial statements of Profireal Group SE have been prepared in accordance with the requirements in Title 9 Book 2 of the Dutch Civil Code. The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

The accounting policies applied in the company financial statements are the same as those applied in the consolidated financial statements. Profireal Group SE applies the exemption as included in the section 2:362 paragraph 8 of the Netherlands Civil Code. Participating interests in Group companies are valued at net asset value determined on the basis of IFRS as adopted by the EU. Reference is made to the accounting policies section in the consolidated financial statements.

As the financial data of Profireal Group SE (the parent company) are included in the consolidated financial statements, the income statement in the company financial statements is presented in abbreviated form (in accordance with article 402 of Book 2 of the Netherlands Civil Code)

3. Significant Accounting Policies

a) General

Assets and liabilities are stated at face value unless indicated otherwise.

b) Financial Fixed Assets

Participating interests in Group companies are valued at net asset value based on the accounting policies applied in consolidated financial statements.

c) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Euros at rates of exchange applicable at the closing date. Transactions in foreign currencies are translated at the rates in effect at the dates of transactions. The resulting exchanges differences are reflected in the income statement.

Exchange gains or losses are reflected in the income statement.

Exchange rates for EUR 1 used at period-end are:		*31-Dec-14*	*31-Dec-13*
	CZK	27.735	27.480

d) Recognition of Income and Expense

Other income and expenses, including taxation, are recognised and reported on an accruals basis.

4. Investments

	2014	2013
Balance January 1	20 941	5 473
New acquisitions	537	210
Share in income	28 268	20 417
Dividend	-8 231	-3 857
Exchange rate differences	- 1 294	- 1 108
Other changes	-19 319	- 194
Balance December 31	**20 901**	**20 941**

Investments with positive equity (presented as investments in assets)	36 789	35 431
Investments with negative equity (presented as provision in liabilities)	-15 888	-14 490
	20 901	20 941

The Entity has committed to providing financial support to those Group entities that report negative equity balances. For this reason, a provision was recognised for these negative equity balances.

5. Loans Receivable

		31-Dec-14	*31-Dec-13*
PROFI Investments NL NV	EUR	297	272
Profi Exploration	EUR	0	25
Profidebt Slovakia s.r.o.	EUR	13 031	0
PROFI CREDIT Slovakia, s.r.o.	EUR	85	0
PROFI CREDIT Czech, a.s.	CZK	8 058	0
GNG LLC	CZK	0	136
TK Sparta Praha	CZK	478	0
		21 949	433

6.Receivables and Prepaid Expenses

	31-Dec-14	*31-Dec-13*
Guarantee income receivable	245	393
Consultancy income receivable.	35	1
Interest receivable	2 054	56
Intercompany account	0	0
Prepaid expenses	1	1
Other receivables	12	29
VAT receivable	12	12
	2 359	492

7. Cash at Banks

		31-Dec-14	31-Dec-13
ING Bank, The Netherlands		2	47
ING Bank, The Netherlands	CZK	2	2
ING Bank, The Netherlands	RUB	0	0
J&T Bank, Russia	RUB	1	25
Komercni Banka, Czech Republic	CZK	0	0
		5	74

8. Shareholder's Equity

The authorised share capital is EUR 40,000 thousand divided into 40,000,000 shares of EUR 1 each. At the balance sheet date, a total of 9,000,012 shares were issued and fully paid.

Movements in the shareholder's equity accounts are as follows:

	Share capital	Share premium	Foreign currency translation reserve	Accumulated loss	Result of the year	Attributable to owners of the parent entity	Non-controlling interest	Total
Balance at 1 January 2013	**9 000**	**150 032**	**2 545**	**-180 792**	**8 229**	**-10 986**	**0**	**-10 986**
Appropriation of net result	0	0	0	8 229	-8 229	0	0	**0**
Other movement of Retained Earnings	0	0	0	-1 443	0	-1 443	0	**-1 443**
Correction of net result	0	0	0	0	0	0	0	**0**
Result for the period	0	0	0	0	19 980	19 980	0	**19 980**
Translation result on investments	0	0	-1 108	0	0	-1 108	0	**-1 108**
Balance at 31 December 2013	**9 000**	**150 032**	**1 437**	**-174 006**	**19 980**	**6 443**	**0**	**6 443**
Appropriation of net result	0	0	0	19 980	-19 980	0	0	**0**
Other movement of Retained Earnings	0	0	0	48	0	48	10	**58**
Correction of net result	0	0	0	0	0	0	0	**0**
Result for the period	0	0	0	0	19 505	19 505	-153	**19 352**
Translation result on investments	0	0	-1 195	0	0	-1 195	38	**-1 157**
Balance at 31 December 2014	**9 000**	**150 032**	**242**	**-153 978**	**19 505**	**24 801**	**-105**	**24 696**

In 2013 and 2012, the General Meeting decided not to declare and pay out any dividends. The foreign currency reserve is a legal reserve.

9. Long-Terms Loans

		31-Dec-14	31-Dec-13
Solarex Investment B.V.	CZK	1 189	2 402
Solarex Investment B.V.		9 204	12 993
Solarex Investment B.V.		9 634	0
		20 027	15 395

The loan with Solarex Investment B.V. has a final maturity date on 31 December 2020.

10. Directors and Employees

The Company has no employees other than its directors (2013: 0). The Company had had 8 directors till January 2014 and since February it had 5 directors (2013: 8). Four of the directors have received remuneration. Their remuneration is shown in the consolidated financial statements in Note 33 under key management personnel. Key management personnel in Note 37 only relates to the statutory directors. The Company has no supervisory director (2013: 0).

Approval of the Financial Statements

These financial statements were prepared and approved on 24 September 2015.

Members of the Board of Directors A:

J. Michel

G. van den Berg

D. Kramer

Members of the Board of Directors B:

D.Chour

Z. Lhotsky

Supplementary Information
31 December 2014

Auditor's Report

Reference is made to the auditors' report as included hereinafter.

Proposed Appropriation of Results

Subject to the provision under Dutch law that no dividends can be declared until all losses have been recovered, profits are at the disposal of the Annual General Meeting of Shareholders in accordance with the Company's Articles of Incorporation.

The management proposed not to declare dividends and to add the net result for the year to the accumulated deficit.

Subsequent Events

In March 2015 the final step of restructuring process in PROFI CREDIT Poland, Sp. z o.o. has been managed. The company PROFI CREDIT Polska, SA has merged with the company PROFI CREDIT Sp. z o.o. All business activities are now covered by PROFI CREDIT Polska, SA.

No other events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

Special controlling rights

The Board of Management of Profireal Group SE consists of three Board Member A, four Board Members B and one Board Member C. The Company shall be represented by the Board. Board Member A and Board Member B, acting jointly can also be authorised to represent the Company. Director C has a supervisory role.

Profit distribution

The allocation of profits accrued in the financial year shall be determined by the Shareholders' Body.

Distribution of profits shall be made after adoption of the annual accounts if permissible under the given contents of the annual accounts.

The Shareholders' Body may resolve to make interim distribution and/or to make distributions at the expense of any reserve of the Company. In addition, the Management Board may decide to make a distribution of interim-dividend.

Distribution may be made up to an amount which does not exceed the amount of Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the office of the Commercial Register within eight days after the day on which the resolution to distribute is published.

Unless the Shareholders' Body determines another day of payment, distribution on Shares shall be made payable immediately after they have been declared.

In calculating the amount of any distribution on Shares, Shares held by the Company shall be disregarded.

In accordance with the General Meeting decision the profit EUR 19,980 thousand was transferred against accumulated losses from prior years.

Independent auditor's report

To: the Board of Directors and the Shareholders of Profireal Group SE

Report on the financial statements

We have audited the accompanying financial statements 2014 of Profireal Group SE, Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as per 31 December 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the statement of financial position as per 31 December 2014 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the board of directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Profireal Group SE as per 31 December 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Profireal Group SE as per 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of disclosure with respect going concern

We draw attention to note 4 to the consolidated financial statements, which describes the assessment with respect to the going concern assumption. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:3 93 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the board of directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the board of directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:39 1 sub 4 of the Dutch Civil Code.

Amsterdam, 25 September 2015

Deloitte Accountants B .V.

Signed on the original: A.J. Kernkamp

Contacts

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