



PROFI CREDIT

Profireal Group

ANNUAL REPORT

2015

PROFI CREDIT Czech, a.s.

SELECTED INDICATORS OF PROFIT CREDIT CZECH, A.S.

Loans Provided (Production)	2015	2014	2013
Number of loans provided	26,821	27,483	24,989
Nominal value of loans provided (in CZK ths)*	2,142,782	2,148,106	2,083,447
Disbursed in total (in CZK ths)	904,272	906,328	919,235
Credit for employees – share in total production	84.36%	82.94%	72.90%
Loans for business persons – share in total production	15.64%	17.06%	27.10%
Human Resources			
Number of external credit advisors	1,051	930	908
Number of external collectors	56	58	72
Number of employees**	206	196	182
Financial Indicators (in CZK ths)***			
Total assets	4,188,458	4,147,594	3,901,175
Total revenues	1,668,083	1,640,735	1,747,097
Total costs	1,514,283	1,537,166	1,652,295
Profit / Loss before taxation	178,963	170,844	155,580
Income tax****	25,163	67,275	60,778
Profit / Loss after taxation	153,800	103,569	94,802

* Nominal value of a provided loan consists of the disbursed amount and future interest revenue. The value consists of the new production provided and revolving loans disbursed.

** Number of employees at the end of the year

*** Results in accordance with Czech Accounting Standards

**** Payable, deferred tax

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1. FINANCIAL GROUP PROFIREAL GROUP

PROFIREAL Group is a multinational financial group actively operating on financial markets of Central and Eastern Europe. It ranks among significant providers of credits and loans in the Czech Republic, Slovakia, Poland, Bulgaria and Russia. PROFIREAL Group consists of two divisions. Companies of the PROFI CREDIT division operate in the world of financial credit and loans, and those of the PROFI INVESTMENT division are engaged in the development of new investment projects.

The parent company of the Group is PROFIREAL Group SE, having its registered office in the Netherlands. The Group has concerned itself with the providing of financial loans and credits since as early as 2000, when it launched the said project in the Czech Republic and Slovakia.

Over the period of pursuing its business activities, the PROFI CREDIT division has provided more than 1,075,000 loans and credits, including revolving loans. The division occupies its strongest position in the Czech Republic. Of the overall volume of loans and credits provided, the share in the Czech Republic stands at 39%. Currently, the most profitable division is the one in Poland.

The companies of the PROFI CREDIT division recorded a year-on-year increase in credit and loans provided of 7% in 2015. This result was supported mainly by an increase in output of PROFI CREDIT Poland by more than 38%. In addition, the nominal value of loans and credits provided in 2015 by the PROFI CREDIT division topped the CZK 9 billion mark.

The priority of the companies of the PROFIREAL Group remains maintaining the quality of its client portfolio. The Group continues to respond to the economic situation in the individual countries in which it is active on an operative basis and to adapt its business, in particular its risk management, to the current situation.

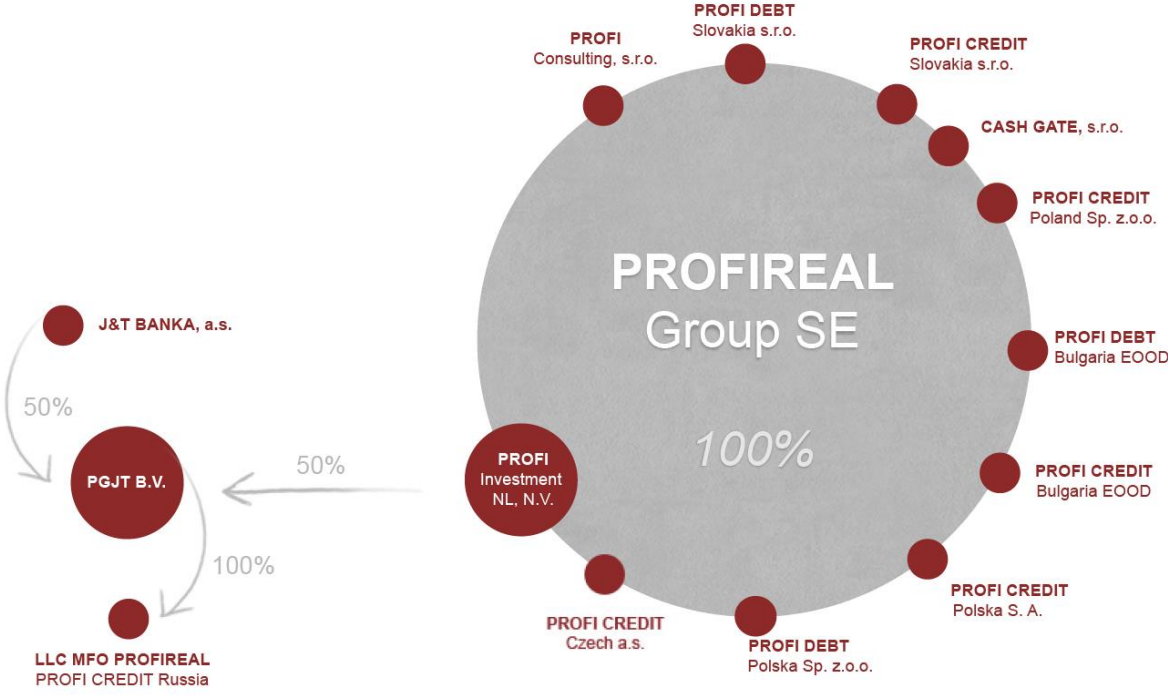
PROFIREAL Group focuses on countries of Central and Eastern Europe



The objective of the newly established PROFI INVESTMENT division is to support business activities. The main activity of PROFI INVESTMENT consists in identifying investment opportunities and interesting projects with an international overlap and also with local ambitions. Not only does the Company invest its capital in projects that have operated on the market for some time, are well established and which need a partner to provide a strong source of capital for their further development, but it also offers capital participation to new, emerging projects.

The aim of the PROFIREAL Group is to develop current activities and continually adapt them to the economic situation in individual countries. Particular emphasis is placed on quality risk management, optimising all processes within individual companies of the Group, cost savings and maintaining shares in the market segment.

Organizational structure of the PROFIREAL Group



Situation as at 31 December 2015.

2. A WORD OF INTRODUCTION FROM THE CHIEF EXECUTIVE

Ladies and gentlemen,

Allow me to take this opportunity to briefly introduce the main events and results of the Company for the year 2015.

The year 2015 was remarkable for PROFIT CREDIT Czech, a.s. for it brought with it extensive organizational changes. The most significant change consisted in the optimization of the managerial structure of the business network. In practice, competences were re-set according to the territorial division of the Czech Republic; this process took place at the turn of February and March, and, in certain cases, was accompanied by managerial replacements. As the integral part of this process, a backbone network of offices was developed, the purpose of which was to improve the future relations between clients and the company. Regrettably, these extensive organizational changes had a negative impact on our business growth, mainly in the spring and summer. A year-on-year growth in production was registered from the middle of autumn. With respect to our year-round business results, we succeeded in following up the volume of provided credits and loans in comparison with the preceding year. The volume of the total nominal value reached CZK 2.14 billion, out of which the volume of new credits stood at the nominal value of CZK 1.9 billion.

Another organizational change that we carried out was the formation of a separate recovering call centre. Seeing our year-round results, we are certain now that the focus and concentration on clients who have repayment difficulties has proved to be a step in the right direction.

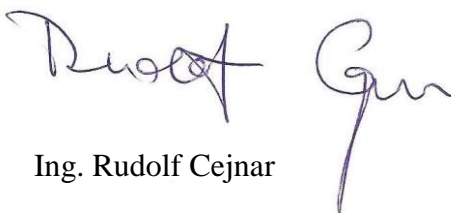
It can be argued that our results from the previous year followed the development on the market of consumer credits, where we offered our products at the beginning of the year in the situation of economic rejuvenation. This fact is prominent mainly in view of the growth of GDP and outgoings of households on the one hand and the simultaneous drop in the rate of unemployment on the other hand. At the same time, the rate of indebtedness of households rose, along with the number personal bankruptcies. As a result, financing of consumer plans was accompanied with significant risks, which may explain the moderate year-to-year growth of this segment.

In addition to its business activities in 2015, the Company exerted effort to maintain the quality of the portfolio of credits intermediated, like in previous years. A growing number of personal bankruptcies have brought with it a continuously adverse impact on the Company. Accordingly, one of the key priorities of the Company has been to improve in having an effective risk management and a responsible approach to indebteding our current clients or new prospective clients interested in our products.

The long-term economic stability enables our Company to develop actively its corporate social responsibility. Similarly to the previous year, the most extensive support was provided to the private children's home Markéta, Taťána Kuchařová's Foundation "Beauty of Help", the Club of Cystic Fibrosis Patients, and a partnership with the UNICEF Foundation.

Our major plan for the year 2016 is to utilize the optimized structure of the business network to the utmost extent. Last but not least, we intend to maintain our products and services according to high customer standards.

In conclusion, allow me to use this opportunity to thank all business partners of our company for cooperation in the previous period, and let me extend my thanks to all employees of PROFIT CREDIT Czech, a.s.



Ing. Rudolf Cejnar

CEO, Member of the Board of Directors of PROFIT CREDIT Czech, a.s.

3. CHARACTERISTICS OF PROFI CREDIT Czech, a.s.

3.1 Bodies of the Company

Board of Directors



Ing. David Chour

Chairman of the Board of Directors

Mr Chour graduated from the Faculty of Economics and Administration, University of Pardubice. He joined the Company in 2000, when he began to work as a financial analyst while still a university student. He became the Head of the Debt Administration Section in 2001 and then the Economic Director at the Company. He became a member of the Board of Directors of the Company in July 2001. He currently holds the position of General Manager and Chairman of the Board of Directors of PROFIREAL Group SE.



Ing. Rudolf Cejnar

Member of the Board of Directors

After graduating from the University of Economics in Prague, Faculty of Business Administration, he worked for Tesla, a.s., then joined PROFI CREDIT Czech, a.s. in 2007 as Operations Manager of the PROFI CREDIT division. He was appointed a member of the Board of Directors after working for the Company for four years, and he has occupied the position of Chief Executive since October 2012, a role in which he is responsible for coordinating the activities of all sections of PROFI CREDIT Czech, a.s.



Ing. Jana Matičková

Member of the Board of Directors

Ms Matičková graduated from the University of Economics in Prague, Faculty of Business Administration in Prague. She gained much experience in the financial sphere during her studies when she worked for Siemens Engineering as a financial analyst. Having completed her studies in 2007, she joined PROFIT CREDIT Czech as a financial analyst. She became the Financial Director in 2008. She is in charge of financial management and management of credit risks in the company. She was appointed a member of the Board of Directors of PROFIT CREDIT Czech, a.s. at the beginning of 2014.



Ing. Jaromír Všečeka

Member of the Board of Directors

A graduate of the University of Pardubice - Jan Perner Transport Faculty, majoring in marketing, management and logistics. After graduation, he worked in the banking sector and for an international logistic company. He joined the credit division of PROFIT CREDIT in 2006. From 2013, he has held the office of Global Chief Operations Officer. He is responsible mainly for operations management and approximation of the laws of the Czech Republic, Poland, Russia, Bulgaria and Slovakia. He is a member of the Board of Directors of PROFIT CREDIT Bulgaria and a member of the Supervisory Board of PROFIT CREDIT Polska.

SUPERVISORY BOARD PROFI CREDIT CZECH, A.S.

Ing. Zdeněk Lhotský, MBA - Chairman of Supervisory Board

Ing. Tomáš Rosenberger - Member of the Supervisory Board

Ing. Miroslava Oravcová - Member of the Supervisory Board

Members of management of Advisory Unit PROFI CREDIT Czech, a.s.

Ing. Jaromír Všetěčka – Global Chief Operations Officer

Ing. Roman Hošek – Global Chief IT Officer

Ing. Marek Štejnár, MBA – Global Chief Financial Officer

Ing. Aleš Oborník – Global Chief Collections Officer

Ing. Erik Lorinc – Global Chief HR Officer

Ing. Ondřej Lokvenc – Global Chief Marketing Officer

Václav Šubrt – Global Chief Sales Officer

Ing. Zdeněk Lhotský, MBA – Strategic Development Manager

Ing. František Tesař – Special Project Manager

Ing. Tomáš Rosenberger – Project Manager Senior

Members of management of Business Unit PROFI CREDIT Czech, a.s.

Ing. Jana Matičková – Head of Financial Department

David Staněk – Head of Sales Department

Ing. Dana Hakavcová – Head of Marketing Department

Mgr. Zdeněk Babička, MBA – Head of Audit Department

Bc. Jakub Dvořák – Head of Collections Department

Jan Matějka – Head of Operations Department

Ing. Lenka Luňáková – Head of HR Department

David Stránský – Head of IT Department

Situation as at 31 December 2015

3.2 Company profile

PROFI CREDIT Czech, a.s. was founded in 1994 under the trade name PROFIREAL, a. s. The Company's trade name and product brands were changed in February 2008.

Initially, the Company specialised in real estate and purchase and administration of debts. PROFI CREDIT Czech, a.s. has been involved in the non-banking financial sector since 2000, when it began providing loans to individuals - natural persons not conducting a business (employees, pensioners). The Company now has a broad portfolio of products intended for natural persons and legal persons alike and is a prominent provider of financial loan services.

PROFI CREDIT Czech, a.s. is part of the multinational PROFIREAL Group SE financial group, with its headquarters in the Netherlands. The Company began expanding into other European markets at the end of the year 2000 by moving into Slovakia. The subsidiary here, PROFI CREDIT Slovakia, s.r.o., used the know-how of the parent company and very quickly made a mark on the new market. Further expansion followed in 2004, when a subsidiary was set up in Poland. The Company then moved into the Bulgarian market in November 2006, and a new company was established in Russia in July 2013.

The basic philosophy at PROFI CREDIT is to provide a personal approach. Products are offered by way of direct sales through a network of loan advisors who help clients choose the right product according to their individual needs and financial situation. Since the environment where loans are negotiated plays an important role in customer care, the company made a decision to invest into extending and modernizing its offices in 2015. By taking this step, the company intends to provide its customers with a pleasant environment to which they would like to return.

3.3 Product range

PROFI CREDIT provides credits to employees and business entities. In the area of retail segment, our offer includes the Employee Loan and CZK 4,999 Loan in 2015. The sector of products for business persons has been extended by new products as early as in April 2012: Easy Business Loan and the product line Loans for your Business, which is aimed at self-employed persons and small-scale business entities.

The above-mentioned credits are not tied to a specific purpose, excepting the Specific-purpose loan for business persons. Credits are paid without any fees for approval and set-up. For employee loans, we provide an automatic revolving in case of good payment behaviour. Money from an approved credit is paid into the client's account by cashless transfer. Credit repayments are also made into the Company's account by cashless transfer. Our loans boast advantages in their accessibility and speed of provision.

EMPLOYEE LOAN is intended not only for clients who have a regular income, e.g. from employment (after trial period), from annuity, old-age pension or disability pension, but also for clients who receive maternity or parental benefits. The amount of these loans ranges from CZK 10,000 - 166,000, the repayment period is between 12 to 48 months and the loan is not tied to any specific purpose. Clients can therefore use this loan for whatever they want - such as reconstruction or furnishing of their apartment, to buy a car, electronic appliances and the like.

CZK 4,999 LOAN where the fixed payment amount is CZK 4,999. The Loan is offered to clients who earn a stable income. This Loan will address small financial needs or unexpected expenditures swiftly, with the advantage of a minimal number of required documents to be submitted. Clients are asked to present only two identity documents. The Loan will no longer be provided for the reason of low sale in 2016.

For clients from the business sphere, our Company offers a comprehensive product line for natural and legal persons in the territory of the Czech Republic.

EASY 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, and only one identity document is required. The basic criterion for determining if the applicant will be provided the loan is information from accessible registers (both public and paid registers).

SPECIFIC-PURPOSE LOAN is the only loan for which the client must 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.

Clients are welcome to use Employee or Business Loans also for refinancing or consolidation of their existing loans provided by banking/non-banking institutions. In case of business loans, we will consolidate liabilities towards the State administration (Social Security Administration, Tax Office). By combining the client's liabilities into one loan, the total monthly expenditures on one instalment are reduced. Arrangement for repayment of a liability with another company is free of charge.

We assess solvency of clients by means of accessible registers administered by the public sector of the Czech Republic, SOLUS, CNCB registers and, as a result, our response to the financial and credit burden of citizens of the Czech Republic is more responsible.

3.4 Commercial results

PROFI CREDIT Czech, a.s., which has provided non-banking loans and credits on the Czech market since 2000, provided loans and credits of a total value of nearly CZK 2.14 billion in 2015. In spite of the fact that the Employee Loan was our best-selling product like in previous years, products for the business sector represent a significant potential for the total output.

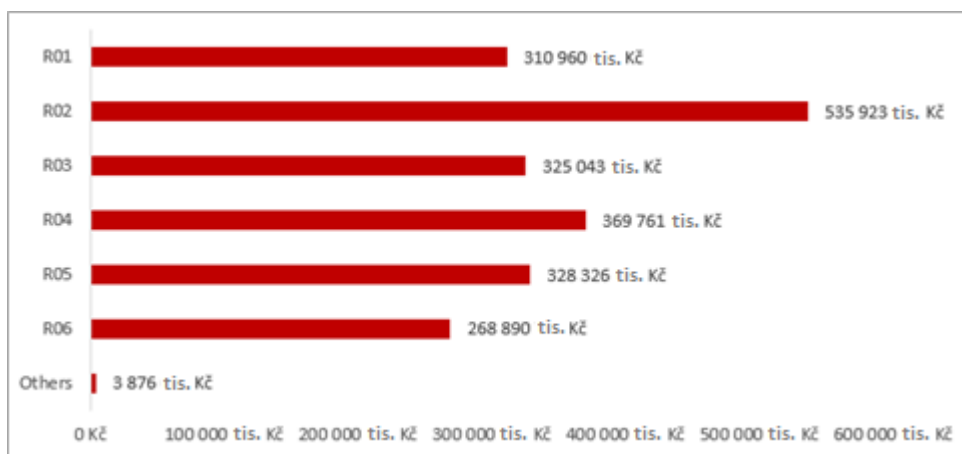
Prague (R 02) was the best region in 2015 for the fifth time in row, providing loans in the Capital City of Prague and the Central Bohemia region in the total annual output of CZK 535.92 million. The second best was Ostrava region (R 04) with an output of CZK 369.76 million, which provides loans in the territory of Moravian and Silesian region and Olomouc region. In the third spot we find Mladá Boleslav region (R 05), providing loans in Ústí and Liberec regions and partly in the Central Bohemia region. Its output stands at nearly CZK 328.33 million. The fourth to sixth positions were held by the Brno region (R03), Pardubice region (R 01) and České Budějovice region (R 06). The remaining volume of loans was provided by the commercial department at the head office and by alternative distribution channels.

The record month was December 2015, when the Company provided loans valued at a total of CZK 229.42 million. From a regional perspective, the strongest month was also December 2015, when the Prague region arranged loans of a nominal value of almost CZK 61.17 million.

During its time on the Czech market, PROFIT CREDIT Czech, a.s. has surpassed a nominal value of newly-provided loans of CZK 19.05 thousand million and the total historical output, including revolving loans, of CZK 23.39 thousand million.

Total output for individual regions in 2015

Total CZK 2.14 billion



3.5 Commercial outlook

We expect an increase in new output by 16.7 % in 2016 in comparison with the preceding period. We would like to achieve this target mainly through products that are targeted at employees more comprehensively and through updated products for business persons and self-employed persons.

Our aim is to offer products that are more favourable, quicker and easier for our clients and loan advisors to get.

This, of course, applies to all countries in which PROFIT CREDIT is active. The markets of the Czech Republic, Slovakia, Poland, Bulgaria and Russia all have specific characteristics, whether it be the currency, the population structure or the local legislation. In all these countries, however, PROFIT CREDIT provides its clients with attractive and attainable products.

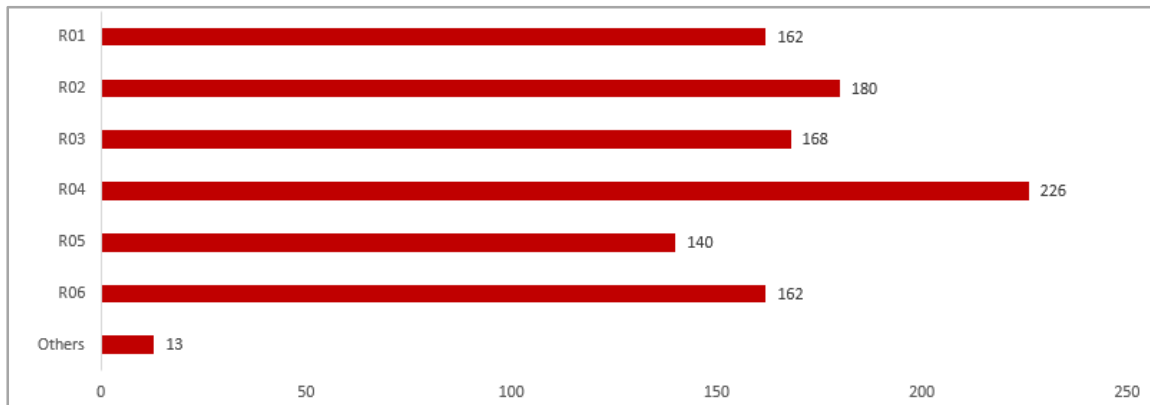
3.6 Commercial network

PROFI CREDIT Czech, a.s. offers its clients a genuine personal approach. Accordingly, it sells its products directly through a network of external colleagues – loan advisors and partner companies. A quality commercial network is the foundation on which the Company's success is built and PROFIT CREDIT therefore places great importance on the development of the commercial network. The year 2015 saw an extensive development of permanent points of sales. Across the whole of the Czech Republic, as many as 50 new offices were opened by the company, thus providing adequate capacities for commercial services and clients alike. The network of loan advisors ensures contact with the client and provides consistent client care, i.e. from the presentation of a full offer of services to the client, signing a loan contract, to the repayment of the loan.

The commercial network in the Czech Republic is divided into six regions: Pardubice (R 01), Prague (R 02), Brno (R 03), Ostrava (R 04), Mladá Boleslav (R 05) and České Budějovice (R 06) regions. Each region has its own head office, which, in addition to providing the administrative background for commercial group managers and loan advisors, also serve as commercial and information points for our clients.

The relevant regional managers are responsible for the quality and volume of output and recruitment of new loan advisors in the region. Each region is further divided into several districts, where responsibility for these lie with the competent commercial group managers. We had 69 manager groups in six regions as at 31 December 2015.

Loan advisors work with PROFIT CREDIT based on cooperation contracts, the most important incentive element being the commission paid for loans arranged. Loan advisors are also offered marketing support and opportunities to attend business conferences and sports or relaxation events.

Total number of loan advisors by region as at 31December 2015**Total of 1,051 advisors**

As at 31 December.2015, we had a total of 1,051 loan advisors. The highest number of loan advisors work in the Ostrava region (R 04) and Prague region (R 02): 226 and 180 advisors respectively.

Since we know well that a properly-motivated commercial network is the foundation of success, we will continue providing maximum support to the commercial network in 2016 to enable it to fully concentrate on commercial activities and so achieve the planned quantitative and qualitative results.

3.7 Employees

The essential priority of 2015 in the area of human resources was to extend and stabilize the business network. Following the restructuring process of the whole business network, we defined precise areas (mostly one or two districts) that would be operated by a Team Manager.

At the same time, the plans were to increase the numbers of loan advisors in individual areas. To a significant extent, new loan advisors were recruited with the active participation of HR Business Partners, who are in charge for adequate training of all Team Managers in individual regions in the area of recruitment. Moreover, HR Business Partners were involved actively in the recruitment of loan advisors.

During 2015, the form of evaluation of quarterly results of the business and collection networks was modified in the scope of ELITE CLUB contest. Results for the given quarter are announced at a large gathering of winners from all regions: an opportunity for them to meet one other, share experiences with colleagues or representatives of the Company's head office, invited to the event.

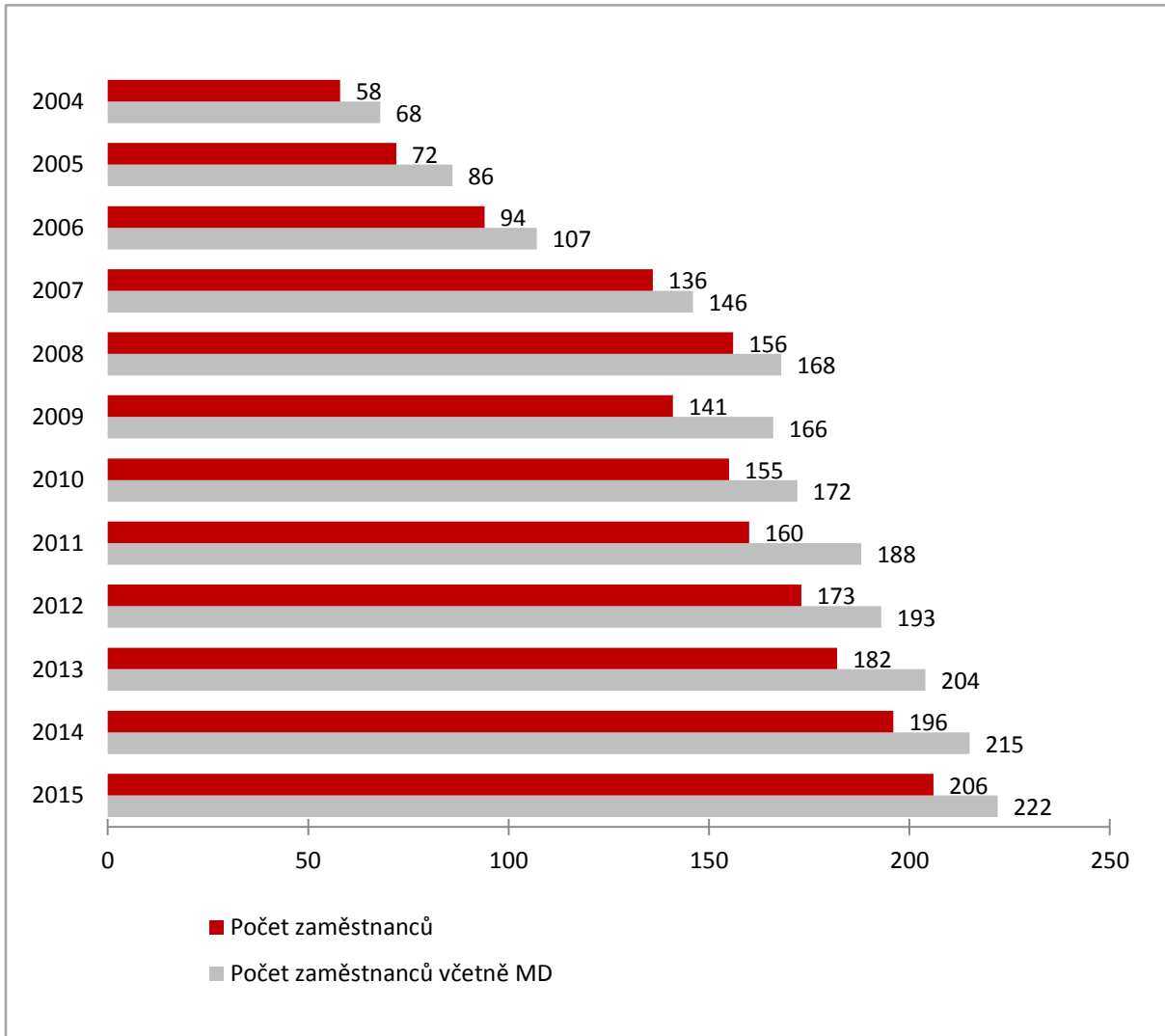
Most internal by-laws, valid for all employees of the Company and in responsibility of the HR Department, were updated. The reason for updating were changes in the globally set-up procedures of PROFIT CREDIT Group as well as changes of certain processes in the area of the local HR operations.

The Junior Training Programme, a programme supporting young people on the labour market, designed as a two to three-year cycle for university students, continued in 2015. Six students completed the programme last year, and two of them now work in our Company at a Specialist position in a full-time employment.

In the area of personnel management, all analysed indicators were met in 2015. These indicators include HR costs, parameters of estimated stability, fluctuation, mobility, quality of adaptation and development activities.

The number of employees at PROFIT CREDIT Czech a.s. continued to increase in 2015.

The number of employees in 2015 reflected our increased business plans. We saw a considerable increase of both call centres and the number of employees of the IT Department.



[Number of employees - Number of employees incl. employees on maternity leave]

3.8 Sponsorship

PROFI CREDIT Czech, a.s. pays full attention to the support and help of the needy. Activities in the spheres of sponsorship and social responsibility have been conducted in the form of financial support and also on a personal level. All CSR activities are carried out under the umbrella term Children's Smile with PROFIT CREDIT.

Projects supported in 2015:

Private children's home Markéta

The private children's home Markéta has been a recipient of our support since 2007. The home is a family establishment run by the Ochs (husband and wife). This couple has created a loving environment for children who did not have the privilege of growing up with their own families. In addition to our financial support, we invite parents and children from the private children's home Markéta to our in-house events, and our employees now traditionally help prepare the Children's Day, organized in the seat of the children's home in Radhošť. We donated the amount of CZK 100,000 to the private children's home Markéta in 2015.

Help for "salty" children

On 24 June 2015, on the occasion of a beneficial softball match, Ing. Jana Matičková, a member of the Board of Directors of PROFIT CREDIT, presented a cheque in the amount of CZK 500,000 to the Director of the Club of Cystic Fibrosis Patients. This amount will be used to provide help to children suffering from this incurable disease. Moreover, participants of the match received material gifts from employees of our Company.

To affirm our support of salty children, we organize "Toy-Windmill Day" every year. On this day, the Czech Republic joins the European Day for Cystic Fibrosis by making symbolic toy windmills.

We help Rebeka

PROFIT CREDIT Czech, a.s. makes an effort to help whenever needed. Rebeka is a girl who was born with the disease of Epidermolysis bullosa ("butterfly wings' disease"). We were told of her disease by our employees, and now, for the second time, we supported Rebeka and her family with the amount of CZK 50,000. We intend to continue helping her in the future.

Foundation “Beauty of Help”

In the social responsibility sphere, our Company performs charitable activities by helping the project of the Foundation “Beauty of Help”. This project focuses on programmes aimed at senior citizens, and supports voluntary activities in facilities for senior citizens or home-care establishments. The Foundation supports activities that provide old-aged people with modern social services. A donation of CZK 500,000 was provided in March 2015. In September, during the Play Fair festival, Taťána Kuchařová, Chairwoman of the Board of Directors of the Foundation, received another cheque of CZK 500,000 to improve the quality of life of senior citizens.

UNICEF

We became a strategic partner of UNICEF in December 2014. Our first initiative in the scope of this collaboration was to present a cheque of CZK 100,000 to support regions affected by Ebola. In 2015, our support increased to the amount of CZK 350,000, which was given in the form of a cheque to Pavla Gomba, Director of UNICEF Foundation during a meeting with our employees.

Support of tennis

For several years, we have supported young talents who train under the wings of the sports club TK Sparta Praha. Junior tennis players received CZK 400,000 from us in 2015.

J&T Banka Prague Open

From 27.04. to 02.05.2015, an important tennis event took place in Prague, on the sports grounds of TK Sparta Praha: the women’s tennis tournament WTA, with PROFIT CREDIT Czech, a.s. as its main partner, providing financial support of CZK 660,000.

Velká pardubická

In October 2015, we again sponsored the most important event of the horse-racing season - Velká pardubická, the 125th in a row. The silver trophy of PROFIREAL Group SE was the 7th horse race immediately preceding Velká pardubická. The 4,400-metre long horse race was funded by PROFIREAL Group SE in the amount of CZK 300,000.

4. REPORT OF THE BOARD OF DIRECTORS

Report of the Board of Directors on balance of assets for 2015, annual financial statements for 2015 and proposal for distribution of profit of PROFIT CREDIT Czech, a.s. for 2015.

Dated: 20 April 2016

Prepared by: Ing. Rudolf Cejnar CEO BS, PROFIT CREDIT Czech, a.s.

This Report is submitted to the sole shareholder upon exercise of powers of the General Meeting by the Board of Directors of PROFIT CREDIT Czech, a.s., a company established on 5 December 1994, with its registered office at Klimentská 1216/46, 110 00 Prague 1. In 2014, the Company's main scope of business was the provision of credits and loans.

The total assets of the Company achieved the value of CZK 4,188,458 thousand for the accounting period of 2015. The share of current assets was 96.91 % and their total volume reached CZK 4,059,195 thousand in 2015, while trade receivables amounted to CZK 3,938,437 thousand. The proportion of fixed assets to the Company's total assets stood at 1.41 % and their total amount in 2014 was CZK 59,367 thousand.

In 2015, the Company's liabilities (external resource) reached CZK 2,668,100 thousand, of which long-term loans amounted to CZK 1,198,826 thousand.

The main components of the Company's total revenues, reaching the amount of CZK 1,668,083 thousand in 2015, were represented by financial revenues from provided loans and credits in the amount of CZK 1,123,969 thousand, contractual penalties, fines and interest on overdue payment of CZK 358,296 thousand, other operating revenues (court fees, fees for legal representation, etc.) of CZK 109,470 thousand.

Costs in 2015 reached the total amount of CZK 1,514,283 thousand, whereas the main cost items were represented by value adjustments and creation of reserves in the operations area in the amount of CZK 417,206 thousand, receivables written off for the reason of unsuccessful execution of CZK 7,957 thousand, interests on credits amounting to CZK 327,424 thousand, costs related to commissions paid to external loan and debt-collecting workers of CZK 144,539 thousand and wage costs of CZK 115,292 thousand.

As at 31 December 2015, the accounting unit recognized the accounting economic result before tax in the amount of CZK 178,963 thousand. After including the deferred tax (CZK 27,190 thousand) and tax liabilities, the Company earned a profit in 2015 in the amount of CZK **153,800** thousand. When taking into account the adjustments related to additional and deductible items, the income tax base for the relevant accounting period reached CZK 277,153 thousand. Tax liabilities for 2015, including the withholding tax, amount to CZK **51,961** thousand.

In accordance with the business plan, PROFIT CREDIT Czech, a.s. gained an accounting profit in 2015. The Company's net accounting profit in 2015 is CZK 153,800 thousand. In compliance with the Company's Statutes, it is proposed that the profit be distributed as follows:

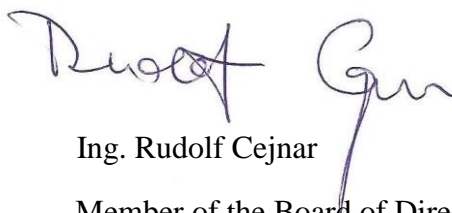
- The payment of dividend of CZK 50,000 thousand;
- The amount of CZK 103,800 thousand to be transferred to the retained profit account.

Economic results with a detailed break-down are contained in the statements attached herein below:

- Full balance sheet,
- Full profit and loss statement,
- Cash flow statement,
- Statement of changes in equity,
- Notes to the complete financial statements,
- Report on relations between related parties.



Ing. David Chour
Chairman of the Board of Directors



Ing. Rudolf Cejnar
Member of the Board of Directors

5. FINAL REPORT OF THE SUPERVISORY BOARD

Final Report of the Supervisory Board of PROFIT CREDIT CZECH, a.s. for consideration of the General Meeting of the Company.

At its session held on 28 April 2016, the Supervisory Board of PROFIT CREDIT Czech, a.s., discussed documents related to the Company's economic result submitted by the Board of Directors for the accounting period and tax period 2015, that is:

1. Financial statements of the Company for 2015
2. Report of the Board of Directors on business activities of the Company for 2015
3. Report of the Board of Directors on the Company's assets, financial statements and proposal for profit distribution for 2015
4. Independent Auditor's Report on the audit of the financial statements as at 31 December 2015
5. Report on relations between related parties for 2015

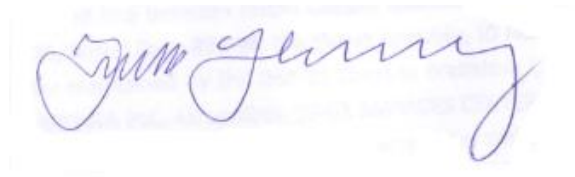
In accordance with the provisions of Section 198 of the Commercial Code, the Supervisory Board reviews, inter alia, the ordinary financial statements and the proposal of the Board of Directors for profit distribution or loss settlement and submits its opinion to the General Meeting. The ordinary financial statements of PROFIT CREDIT Czech, a.s. for 2015 was verified by the auditing company Deloitte Audit s.r.o. with its registered office in Karolinská 654/2, 186 00 Prague 8. The auditing company also verified the correctness of data specified in the Report on relations between related parties.

The Company's economic result for 2015 shows a profit in the amount of CZK **153,800** thousand. In compliance with the Statutes of the Company, the following distribution of the profit is proposed:

- The payment of dividend of CZK 50,000 thousand;
- The amount of CZK 103,800 thousand to be transferred to the retained profit account.

The Supervisory Board considered the economic result for 2015, acknowledged the content of the Auditor's Report on the audit of the ordinary financial statements, discussed and reviewed the ordinary financial statements for 2015, discussed and reviewed the proposal of the Board of Directors for distribution of the Company's profit and reviewed and granted its consent as regards the Report on relations between related parties according to Section 82 of Act No. 90/2012. The Supervisory Board states that the financial statements were prepared on grounds of a duly conducted bookkeeping and that the proposal of the Board of Directors on profit distribution complies with legal regulations.

The Supervisory Board recommends that the General Meeting approve the Company's ordinary financial statements for 2015, the aforementioned proposal of the Board of Directors for distribution of the Company's profit for 2015 and the Report on relations between related parties for 2015.

A handwritten signature in blue ink, appearing to read 'Zdeněk Lhotský', is written over a light blue rectangular stamp or watermark.

Ing. Zdeněk Lhotský, MBA

Chairman of the Supervisory Board of PROFÍ CREDIT Czech, a.s.

6. INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PROFI CREDIT Czech, a.s.

Having its registered office at: Klimentská 1216/46, Nové Město, 110 00 Praha 1
Identification number: 618 60 069

We have audited the accompanying financial statements of PROFI CREDIT Czech, a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of 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 the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require 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 auditor's 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

In our opinion, the financial statements give a true and fair view of the financial position of PROFI CREDIT Czech, a.s. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Information

The other information comprises the information included in the consolidated annual report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether the other information in the consolidated annual report is not materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, the consolidated annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 29 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádł Rogerová
registration no. 2045



7. FINANCIAL STATEMENTS

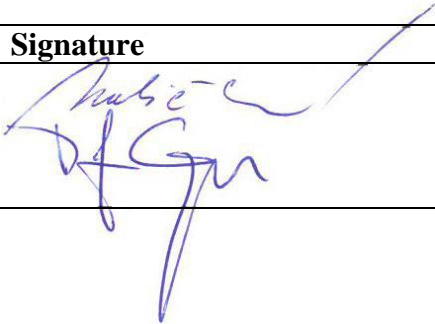
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: PROFI CREDIT Czech, a.s.
Registered Office: Klimentská 1216/46, Nové Město, 110 00 Praha 1
Legal Status: Joint Stock Company
Corporate ID: 618 60 069

Components of the Financial Statements:

Balance Sheet
Profit and Loss Account
Statement of Changes in Equity
Cash Flow Statement
Notes to the Financial Statements

These financial statements were prepared on 29 April 2016.

Statutory body of the reporting entity:	Signature
	

7.1 Full Balance Sheet as at 31.12.2015 (in CZK thousand)

		31.12.2015		31.12.2014	
		Gross	Adjustment	Net	Net
TOTAL ASSETS		9,252,681	5,064,223	4,188,458	4,147,594
B.	Fixed assets	126,571	67,204	59,367	101,269
B.I.	Intangible fixed assets	38,641	21,078	17,563	57,002
B.I.2.	Research and development	4,493	966	3,527	106
B.I.3.	Software	25,871	19,162	6,709	3,165
B.I.6.	Other intangible fixed assets	3,077	950	2,127	2,222
B.I.7.	Intangible fixed assets under construction	5,200		5,200	51,509
B.II.	Tangible fixed assets	87,750	46,126	41,624	44,087
B.II.1.	Land	2,635		2,635	2,635
B.II.2.	Structures	48,916	21,500	27,416	28,314
B.II.3.	Machinery, equip., vehicles, furniture and fixtures	34,722	24,626	10,096	10,917
B.II.7.	Tangible fixed assets under construction	1,477		1,477	2,221
B.III.	Financial fixed assets	180		180	180
B.III.5.	Other financial fixed assets	180		180	180
C.	Current assets	9,056,214	4,997,019	4,059,195	3,991,461
C.I.	Inventory	463		463	706
C.I.5.	Merchandise	463		463	706
C.II.	Long-term receivables	594,191		594,191	786,641
C.II.1.	Trade receivables	594,191		594,191	786,641
C.III.	Short-term receivables	8,428,398	4,997,019	3,431,379	3,164,193
C.III.1.	Trade receivables	8,341,265	4,997,019	3,344,246	3,088,509
C.III.2.	Receivables - controlled or controlling entity	8,364		8,364	8,635
C.III.6.	Due from state - tax receivables	64,580		64,580	54,413
C.III.7.	Short-term advance payments	13,959		13,959	12,397
C.III.8.	Estimated accrued revenues	177		177	64
C.III.9.	Other receivables	53		53	175
C.IV.	Short-term financial assets	33,162		33,162	39,921
C.IV.1.	Cash	348		348	480
C.IV.2.	Cash in bank	32,814		32,814	39,441
D. I.	Accruals	69,896		69,896	54,864
D.I.1.	Deferred expenses	63,951		63,951	48,792
D.I.3.	Accrued revenues	5,945		5,945	6,072

	31.12.2015	31.12.2014
TOTAL LIABILITIES	4,188,458	4,147,594
A. Equity	1,434,791	1,263,663
A.I. Registered capital	232,650	232,650
A.I.1. Registered capital	232,650	232,650
A.III. Reserve funds, indivisible fund and other funds from profit		
A.III.1. Statutory reserve fund/Indivisible fund		
A.IV. Profit (loss) of previous years	1,048,341	927,444
A.IV.1. Retained earnings from previous years	1,006,013	972,446
A.IV.3. Other profit (loss) of previous years	42,328	-45,002
A.V. Profit (loss) of current accounting period (+ -)	153,800	103,569
B. Liabilities (External sources)	2,688,100	2,776,168
B.I. Reserves	53,979	116,328
B.I.3. Reserve for income tax	51,961	114,454
B.I.4. Other reserves	2,018	1,874
B.II. Long-term payables	1,690,781	1,911,027
B.II.1. Trade payables	79,428	89,822
B.II.6. Bonds issued	325,800	144,757
B.II.7. Long-term notes payable		24,155
B.II.9. Other payables	1,132,533	1,472,083
B.II.10. Due to state - deferred taxes	153,020	180,210
B.III. Short-term payables	575,471	599,759
B.III.1. Trade payables	74,803	46,064
B.III.2. Payables - controlled or controlling person	146,599	230,440
B.III.5. Payables to employees	8,171	8,087
B.III.6. Payables to social security and health insurance	4,417	4,183
B.III.7. Due to state - taxes and subsidies	1,772	1,593
B.III.8. Short-term advance payments received	16	34
B.III.10. Estimated accrued expenses	28,861	12,405
B.III.11. Other payables	310,832	296,953
B.IV. Bank loans and assistance	367,869	149,054
B.IV.2. Long-term bank loans	83,042	54,993
B.IV.2. Short-term bank loans	204,827	85,061
B.IV.3. Short-term financial assistance	80,000	9,000
C. I. Accruals	65,567	107,763
C.I.1. Accrued expenses	31,311	47,081
C.I.2. Deferred revenues	34,256	60,682

7.2 Profit and Loss Statement, according to the type of income and expenditures, period ending on 31.12.2015 (in CZK thousand)

	Period until 31.12.2015	Period until 31.12.2014
I.	Revenues from goods	
+	Sale margin	
II.	Production	55,681
II.1.	Revenues from own products and services	55,681
B.	Production consumption	159,592
B.1.	Consumed material and utilities expenses	16,895
B.2.	Services	142,697
+	Added value	-103,911
C.	Personnel expenses	161,655
C.1.	Wages and salaries	115,292
C.2.	Remuneration of board members	6,528
C.3.	Social security and health insurance expenses	37,835
C.4.	Social security expenses	2,000
D.	Tax and fees	14,625
E.	Depreciation of intangible and tangible fixed assets	6,167
III.	Revenues from disposals of fixed assets and materials	1,323
III.1.	Revenues from disposals of fixed assets	1,323
F.	Net book value of fixed assets and materials sold	1,923
F.1.	Net book value of fixed assets sold	1,923
G.	Change in reserves and adjustments relating to operating activity and change in complex prepaid expenses	417,206
IV.	Other operating revenues	467,766
H.	Other operating expenses	218,152
*	Operating profit (loss)	-454,550
VI.	Proceeds from sales of securities and ownership interests	1
J.	Securities and ownership interests sold	5
X.	Interest received	3
N.	Interest paid	327,424
XI.	Other financial revenues	1,139,991
O.	Other financial expenses	182,377
*	Profit (loss) from financial operations	630,193
Q.	Income tax on ordinary income	25,163
Q.1.	- due	52,353
Q.2.	- deferred	-27,190
**	Profit (loss) on ordinary activities	150,480
XIII.	Revenues from goods	3,320
*	Sale margin	3,320
***	Profit (loss) for the accounting period (+/-)	153,800
****	Profit (loss) before tax	178,963
		170,844

7.3 Statement of changes in equity as at 31.12.2015 (in CZK thousand)

	Registered capital	Capital funds	Reserve funds, indivisible fund and other revenue reserves	Retained earnings from previous years	Unsettled loss from previous years	Operating profit (loss) for the accounting period	TOTAL EQUITY
Balance as at 31.12.2012	232,650	-482	53,449	841,967		127,301	1,254,885
Profit (loss) distribution				127,301		-127,301	
Revaluation of capital participations		482					482
Dividends paid				-100,000			-100,000
Other profit (loss) of previous years				-44,939			-44,939
Profit (loss) of current accounting period						94,802	94,802
Balance as at 31.12.2013	232,650		53,449	824,329		94,802	1,205,230
Profit (loss) distribution				94,802		-94,802	
Release of statutory reserve fund			-53,449	53,449			
Other profit (loss) of previous years				-45,136			-45,136
Profit (loss) of current accounting period						103,569	103,569
Balance as at 31.12.2014	232,650			927,444		103,569	1,263,663
Profit (loss) distribution				100,895		-103,569	-2,674
Dividends paid				-25,000			-25,000
Other profit (loss) of previous years				42,328			42,328
Profit (loss) of current accounting period						153,800	153,800
Balance as at 31.12.2015	232,650			1,048,341		153,800	1,434,791

7.4 Cash flow statement as at 31.12.2015 (in CZK thousand)

		Period until 31.12.2015	Period until 31.12.2014
P.	Opening balance of financial means	39,921	45,396
Z.	Profit (loss) for regular activities before tax	178,962	170,844
A.1.	Adjustments related to non-monetary operations	616,149	678,649
A.1.1.	Depreciation of fixed assets	6,167	6,611
A.1.2.	Change in balance of provisions and reserves	417,206	485,800
A.1.3.	Profit (loss) from the sale of fixed assets	600	-1,173
A.1.5.	Interest on costs and income	327,422	339,000
A.1.6.	Adjustments related to other non-monetary operations	-135,246	-151,589
A.*	Net operating cash flow before changes in the working capital	795,111	849,493
A.2.	Change in balance of the working capital	-369,276	-278,303
A.2.1.	Change in balance of receivables and accrued assets	-220,403	-436,017
A.2.2.	Change in balance and liabilities and accrued liabilities	-149,115	158,108
A.2.3.	Change in inventory	243	-393
A.**	Net operating cash flow before tax and extraordinary items	425,835	571,190
A.3.	Interest paid	-323,311	-338,984
A.4.	Interest received	2	8
A.5.	Income tax for regular activities paid	-80,044	-66,239
A.***	Net cash flow from operating activities	22,482	165,975
B.1.	Expenditures related to acquisition of fixed assets	-18,406	-17,442
B.2.	Income on sale of fixed assets	1,323	4,057
B.***	Net cash flow from investment activities	-17,083	-13,385
	Cash flows from financial activities		
C.1.	Change in balance of liabilities from financing activities	12,842	-158,066
C.2.	Effect of changes in equity	-25,000	
C.2.6.	Dividends paid	-25,000	
C.***	Net cash flow from financial activities	-12,158	-158,066
F.	Net change in balance of financial means	-6,759	-5,475
R.	Closing balance of financial means	33,162	39,921

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1. GENERAL FACTS

1.1. Establishment and characteristics of the Company

PROFI CREDIT Czech, a.s. (former trade name: Profireal, a.s.) (hereinafter the “Company”) was established by the Memorandum of Association as a joint-stock company on 21 November 1994 and was incorporated by its registration in the Commercial Register administered by the Court in Hradec Králové on 05 December 1994; currently, the Company is registered with the Municipal Court in Prague, Section B, Insert 2892.

The scope of business of the Company is:

Production, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act; Provision or intermediation of consumer credits.

In 2015, the amount of registered capital remained unchanged and stands at CZK 232,650 thousand (63 shares in the total nominal amount of CZK 232,650 thousand).

The financial statements of the Company are prepared as at 31 December 2015.

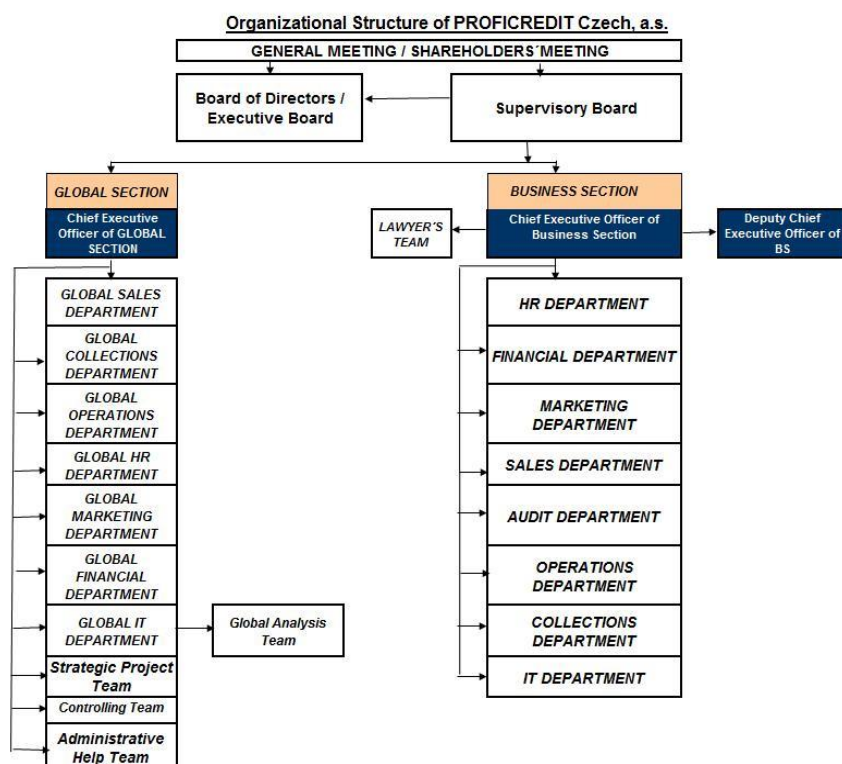
The accounting period corresponds to the calendar year - from 01 January 2015 to 31 December 2015.

These financial statements represent ordinary financial statements prepared for no specific purpose, transaction or user. When making their decision, readers are advised not to rely on these financial statements exclusively and further appropriate questioning is recommended.

Natural and legal persons with a share in the Company’s registered capital exceeding 20% and their respective shares are named in the following table:

Shareholder	% share in registered capital
PROFIREAL Group SE	100 %
Total	100 %

1.2. Organizational structure of the Company



1.3. Identification of the group

The Company is a member of the financial group PROFIREAL Group SE.

1.4. Board of Directors and Supervisory Board as at 31 December 2015

	Position	Name
Board of Directors	Chairman	David Chour
	Member	Jaromír Všeťečka
	Member	Rudolf Cejnar
	Member	Jana Matičková
Supervisory Board	Chairman	Zdeněk Lhotský
	Member	Tomáš Rosenberger
	Member	Miroslava Oravcová

1.5. Significant events in 2015

November 2015 saw a change in the Company's management. The current member of the Board of Directors Mr Jaromír Všeťečka replaced Mr Petr Vrba. No other significant events occurred in 2015.

2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

Data in these financial reports are shown in thousands Czech crowns (CZK thousand).

3. OVERVIEW OF SIGNIFICANT ACCOUNTING RULES AND PROCEDURES

3.1. Tangible fixed assets

Tangible fixed assets are understood as assets the useful life of which exceeds one year and whose value is higher than CZK 5 thousand in each individual case.

The depreciation schedule (accounting depreciation) is determined on the basis of determination of the period of use of an asset in the Company and the estimated residual cost. The residual cost is the price for which an asset can be sold after it was used.

Monthly depreciation is determined according to the following formula:

$$MO = \frac{PC - ZC}{D}$$

PC	acquisition cost
Z	Residual cost
D	period of use in months
MO	monthly depreciation

Purchased tangible fixed assets are evaluated at acquisition cost less accumulated depreciation and impairment losses.

Evaluation of tangible fixed assets generated internally includes direct costs, indirect costs imminently related to the internal generation of the particular asset (production overheads) or indirect administrative costs if the time of generation of the asset exceeded a single accounting period.

Current replacement cost is used to evaluate tangible fixed assets acquired as a gift, fixed assets newly recorded on the accounts (recognized as a corresponding entry on the relevant accumulated depreciation account) and deposited tangible fixed assets.

Technical upgrading of each asset exceeding CZK 5 thousand per one tax period increases the acquisition cost of tangible fixed assets.

Acquisition cost of tangible fixed assets, except for plots of land and uncompleted investments, is amortized during the estimated lifetime of the individual asset by the straight-line method.

Assets acquired in the form of a financial lease are depreciated by the lessor.

Technical upgrading of leased tangible fixed assets is depreciated by the linear method for the term stipulated by the Act on Income Tax upon the classification of assets in groups.

Profit or loss from the sale or disposal of assets is determined as a difference between revenues from sales and the net book value of assets as at the date of sale and it is recognized in the profit and loss statement.

Method of creation of provisions

Net book value of an asset is compared to its value in use. If the carrying amount is higher, provisions are created in the amount of the difference.

3.2. Intangible fixed assets

Intangible fixed assets are assets the useful life of which exceeds one year and whose value in case of start-up costs is higher than CZK 5 thousand in each individual case.

Intangible fixed assets are, inter alia, intangible results of research and development with the useful life exceeding one year, which are activated only in case of use for resale. Intangible results of research and development, SW and measurable rights generated internally for private consumption are not activated. Evaluation is carried out at own cost or current replacement cost, if lower.

Purchased intangible fixed assets are evaluated at acquisition cost less accumulated depreciation and impairment losses.

Expenditures related to research and development are recognised as an expense in the year when they occurred.

Technical improvement of a particular asset exceeding in aggregate the amount of CZK 5 thousand within a single tax period increases the acquisition cost of intangible fixed assets.

Intangible fixed assets are amortized by the straight-line method on the basis of their estimated lifetime. Most intangible fixed assets are amortised over the period of 5 years.

Method of creation of provisions

The Company created no provisions for intangible assets.

3.3. Non-current financial assets

Non-current financial fixed assets are mainly loans with maturity exceeding one year, and participating interests. Upon their acquisition, participating interests are evaluated at acquisition cost.

Provisions are created on the basis of a depreciation analysis of loans and participating interests.

3.4. Inventory

Purchased inventory is stated at acquisition cost. The acquisition cost includes the purchase cost and incidental acquisition costs - mainly customs fees, freight and storage charges, commissions, insurance premium and discounts. The Company's inventory includes small advertising and promotional items only.

3.5. Receivables

When incurred, receivables are evaluated at their nominal value, subsequently reduced by the relevant provisions for doubtful and bad amounts. Receivables acquired for consideration or as a deposit are stated at acquisition cost less provisions for doubtful and bad amounts.

In accordance with the Memorandum, the nominal value also includes the amount of future proceeds that the Company recognizes on the deferred income account (see paragraph 3.10.).

Method of provisioning

The Company recognises provisions against receivables arising from loan contracts and accrued interest attached to these receivables. The amount of provisions is determined based on an analysis of the recovery of receivables past their due dates in prior years.

The Company estimates future cash flows for individual types of receivables on the basis of historical data. The provision is then recognised as equal to the difference between the amount of the receivable and the made or anticipated payments

3.6. Trade liabilities

Trade liabilities are stated at their nominal value.

The Company recognizes depreciation of liabilities ensuing from unidentifiable received payments older than five years within other financial revenues.

3.7. Issued bonds

The Company recognises issued bonds as a liability from issued bonds in the amount of their nominal value increased by incurred interest expenses. The value of issued bonds is decreased by the value of own bonds.

3.8. Credits and loans

Credits and loans are recognized in their nominal value. Short-term credits/loans also include a part of long-term credits/loans payable within one year from the date of the financial statements. Interests are recorded on an accrual basis and are included in the profit (loss) for the given accounting period.

3.9. Reserves

Reserves are created to cover future risks and expenditures the purpose of which is known, and which are characterized by a high probability to occur but their value or date when they will be settled are uncertain. The Company constitutes reserves for the outstanding vacation days of its employees and for corporate income tax return.

Reserves for outstanding vacation days are created on the basis of an analysis of the outstanding vacation days as of the date of the financial statements, and average wage costs including social security and health insurance costs of individual employees.

Reserves for corporate income tax return are constituted on grounds of the payable tax calculation.

3.10. Deferred income

The deferred income includes mainly the contractual remuneration from the loans provided until year 2010 including their subsequent rollovers, which is gradually released to income during the term of the loan.

3.11. Conversion of data in foreign currencies to the Czech currency

Accounting operations in foreign currencies carried out during the year are translated at daily exchange rate of the Czech National Bank [ČNB].

As at the date of the financial statements, relevant assets and liabilities are translated at the exchange rate of the Czech National Bank prevailing on the date the financial statements are prepared.

3.12. Finance leasing

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, the ownership title to the asset transfers from the lessor to the lessee; pending the transfer of the title, the lessee makes lease payments to the lessor for the asset that are charged to expenses.

Aggregate amounts related to fixed assets acquired under finance leases are amortised and expensed over the lease period. Aggregate future lease payments are recorded as accounts payable and are reduced as the liability is relieved.

3.13. Taxes

3.13.1. Tax depreciation of fixed assets

The accelerated depreciation method is used for the calculation of tax depreciations.

3.13.2. Payable tax

Payable tax for the given accounting period is based on taxable profit. Taxable profit differs from the net profit shown in the profit and loss statement as it does not include the revenue or cost items taxable or recognisable in other periods or the items which are not subject to tax or deductible. The Company's liabilities ensuing from payable taxes are calculated using tax rates effective on the date of the financial statements.

3.13.3. Deferred tax

Deferred tax is accounted for using the balance sheet liability method.

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 profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, 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 and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

3.14. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, 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 thus reduced to its recoverable amount.

3.15. Revenues

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales-related taxes.

Contractual bonuses are accrued based on the amount of the outstanding portion of the principal and are reported in the line "Other financial revenues". Penalties and default interest are reported in the line "Other operating revenues".

3.16. Use of estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it and believes that the used estimates and assumptions will not significantly differ from the actual values in future reporting periods. Nevertheless, the current global economic crisis, its acceleration and market turbulence increase the risk that the actual results and outcomes may significantly differ from these estimates. Key areas with a potential for significant differences between the actual results and the estimates principally include provisioning for receivables.

3.17. Related parties

A related party is a party related to a particular accounting unit, provided that such party, directly or indirectly, through one or more entities, controls the given accounting unit, is controlled by the accounting unit or is controlled jointly with the given accounting unit (this concerns parent companies, subsidiaries and fellow subsidiaries, or provided that the party is a member of the key management of the given accounting unit or its parent company).

Transactions between related parties represent a transfer of resources, services or liabilities between the related parties regardless of the fact whether prices are charged.

The Company management defined related parties specified in the financial statements and the transactions between them on grounds of the latest available data.

3.18. Changes in valuation methods, depreciation procedures and accounting methods in comparison with the previous accounting period

The Company changed the way of recognition of the deferred future interests in case of all loans provided since 2011 based on the amended Consumer Loans Act which is effective from 1 January 2011. The above change was introduced in order to provide a more accurate presentation of loan relationships with the customer. As at 31 December 2014 the Company recorded future interests from loans provided in the deferred income as well as in client receivables. As at 31 December 2015, the Company does not record future interest from loans anymore.

(Data in CZK thousands)

Before change	Balance as at 31.12.2015			Balance as at 31.12.2014		
	Gross	Adjustment	Net	Gross	Adjustment	Net
Assets						
Long-term receivables						
C.II.1. Trade receivables	1 071 216		1 071 216	1 289 079		1 289 079
Short-term receivables						
C.III.1. Trade receivables	9 156 254	4 997 019	4 159 235	8 462 158	4 579 957	3 882 201
Liabilities						
Accruals						
C.I.2. Deferred revenues	1 326 270		1 326 270	1 356 812		1 356 812
Net balance	8 901 200		3 904 181	8 394 425		3 814 468

(Data in CZK thousands)

After change	Balance as at 31.12.2015			Balance as at 31.12.2014		
	Gross	Adjustment	Net	Gross	Adjustment	Net
Assets						
Long-term receivables						
C.II.1. Trade receivables	594 191		594 191	786 641		786 641
Short-term receivables						
C.III.1. Trade receivables	8 341 265	4 997 019	3 344 246	7 668 466	4 579 957	3 088 509
Liabilities						
Accruals						
C.I.2. Deferred revenues	34 256		34 256	60 682		60 682
Net balance	8 901 200		3 904 181	8 394 425		3 935 832
Net impact of presented change	-	-	-	-	-	-

3.19. Cash flow statement

The cash flow statement was prepared using the indirect method. Cash equivalents represent short-term liquid assets, which can be easily and readily transferred to a previously known amount in cash. Funds and cash equivalents can be analysed as follows:

(Data in CZK thousands)

	31.12.2015	31.12.2014
Cash balance and cash in transit + valuables	348	418
Accounts in banks	32,814	39,441
Funds and cash equivalents in total	33,162	39,921

Cash flows from operating, investment or financial activities are provided in the cash flow statement as uncompensated cash flows.

4. ADDITIONAL DATA REGARDING THE BALANCE SHEET AND THE PROFIT AND LOSS STATEMENT

4.1. Fixed assets

4.1.1. Intangible fixed assets

Acquisition cost

(Data in CZK thousand)

	Balance as at 31.12.2013	Additions	Disposals	Balance as at 31.12.2014	Additions	Disposals	Balance as at 31.12.2015
Research and development	984	0	0	984	3,509	0	4,493
Software	19,784	1,385	0	21,169	6,104	1,402	25,871
Other intangible fixed assets	2,218	443	0	2,661	416	0	3,077
Int. fixed assets under const.	34,694	18,772	1,957	51,509	14,968	61,277	5,200
Total	57,680	20,600	1,957	76,323	24,997	62,679	38,641

Depreciation

(Data in CZK thousand)

	Balance as at 31.12.2013	Additions	Disposals	Balance as at 31.12.2014	Additions	Disposals	Balance as at 31.12.2015
Research and development	740	138	0	878	88	0	966
Software	16,175	1,829	0	18,004	2,560	1,402	19,162
Other intangible fixed assets	60	379	0	439	511	0	950
Total	16,975	2,346	0	19,321	3,159	1,402	21,078

Net book value

(Data in CZK thousand)

	Balance as at 31.12.2014	Balance as at 31.12.2015
Research and development	106	3,527
Software	3,165	6,709
Other intangible fixed assets	2,222	2,127
Int. fixed assets under const.	51,509	5,200
Total	57,002	17,653

Intangible fixed assets under construction were reduced by depreciation of a new information system unsuccessfully and inefficiently developed, in the amount of CZK 50,902 thousand in 2015. Intangible fixed assets further include costs amounting to CZK 5,200 thousand expended on the development of a new managerial system planned to be put into operation in 2016.

4.1.2. Tangible fixed assetsAcquisition cost

(Data in CZK thousand)

	Balance as at 31.12.2013	Additions	Disposals	Balance as at 31.12.2014	Additions	Disposals	Balance as at 31.12.2015
Land	2,635	0	0	2,635	0	0	2,635
Structures	47,495	1,245	0	48,740	176	0	48,916
Individual tangible assets	40,285	3,599	9,240	34,644	3,075	2,997	34,722
- Machinery and equipment	8,185	535	450	8,270	215	715	7,770
- Vehicles	9,530	0	8,226	1,304	202	1,506	0
- Furniture and fixtures	22,570	3,064	564	25,070	2,658	776	26,952
Tan. fixed assets under constr.	2,743	4,353	4,875	2,221	2,595	3,339	1,477
Total	93,158	9,197	14,115	88,240	5,846	6,336	87,750

Depreciation and provisions

(Data in CZK thousand)

	Balance as at 31.12.2013	Additions	Disposals	Balance as at 31.12.2014	Additions	Disposals	Balance as at 31.12.2015
Structures	19,367	1,059	0	20,426	1,074	0	21,500
Individual tangible assets	28,807	3,581	8,661	23,727	3,896	2,997	24,626
- Machinery and equipment	4,445	1,249	448	5,246	1,195	715	5,726
- Vehicles	8,272	390	7,658	1,004	502	1,506	0
- Furniture and fixtures	16,090	1,942	555	17,477	2,199	776	18,900
Total	48,174	4,640	8,661	44,153	4,970	2,997	46,126

Residual value

(Data in CZK thousand)

	Balance as at 31.12.2014	Balance as at 31.12.2015
Land	2,635	2,635
Structures	28,314	27,416
Individual tangible assets	10,917	10,096
- Machinery and equipment	3,024	2,044
- Vehicles	300	0
- Furniture and fixtures	7,593	8,052
Tan. fixed assets under constr.	2,221	1,477
Total	44,087	41,624

In 2015, the Company procured low-value tangible assets at the acquisition cost amounting up to CZK 5 thousand, which was recognized directly on the costs account in the total amount of CZK 3,351 thousand, and in the total amount of CZK 1,406 thousand in 2014. Fixed assets under construction include costs for a planned reconstruction of the Company's real property.

4.1.3. Pledged property

With respect to the fact that the Company has pledged no tangible or intangible assets since 2014, all information about pledged assets is given in 4.4.3 Pledged assets.

4.1.4. Assets acquired through financial leasingFinancial leasing with subsequent purchase of the leased asset

(Data in CZK thousands)

Description of item/group of items	Initiation date	Duration in months	Total leasing value	Instalments actually paid in 2014	Instalments actually paid in 2015	Payable in 2016	Payable in following years
Passenger cars	31.7.2008	60	647	0	0	0	0
Passenger cars	7.10.2010	54	1,270	239	61	0	0
Passenger cars	3.2.2011	60	968	162	162	15	0
Passenger cars	26.5.2011	60	1648	276	276	97	0
Passenger cars	01.08.2011	60	738	124	124	63	0
Passenger cars	14.12.2011	60	995	167	167	140	0
Passenger cars	28.12.2011	60	1,269	214	429	0	0
Passenger cars	30.04.2012	60	3,100	529	573	485	182
Passenger cars	13.06.2012	60	375	63	63	63	28
Passenger cars	27.09.2012	60	3,284	556	602	509	424
Passenger cars	22.03.2013	60	797	134	147	124	172
Passenger cars	06.06.2013	60	3,151	517	517	517	741
IT solution HW	31.07.2013	60	7,555	1,511	1,637	1,385	2,394
Passenger cars	31.10.2013	60	„613	100	101	101	177
Passenger cars	27.11.2013	60	1,074	176	176	176	326
Passenger cars	01.12.2013	60	1,127	402	185	185	357
Passenger cars	15.05.2014	60	7,946	2,225	1,403	1,187	3,132
Passenger cars	30.05.2014	60	606	159	110	93	245
Passenger cars	05.06.2014	60	839	222	140	140	339
IT solution	30.06.2014	60	1,413	141	306	259	709
Passenger cars	21.07.2014	60	2,965	769	488	488	1,227
IT solution HW	02.01.2015	60	372	0	75	74	225
Passenger cars	14.01.2015	60	1,652	0	565	272	819
IT solution HW	26.01.2015	60	852	0	171	170	513
Passenger cars	13.02.2015	60	983	0	323	162	501
Passenger cars	28.05.2015	61	971	0	275	161	538
IT solution	04.08.2015	60	2,141	0	178	428	1,536
IT solution	06.10.2015	60	327	0	16	65	246
IT solution	27.10.2015	60	467	0	23	93	351
Passenger cars	04.11.2015	60	2,484	0	510	409	1,567
Total			52,629	8,686	9,803	7,861	16,749

The data are excluding value added tax provided that the tax can be claimed as a deduction at the input.

4.2. Financial fixed assetsBook value

(Data in CZK thousands)

	Balance as at 31.12.2013	Additions	Disposals	Revaluation as at 31.12.2014	Balance as at 31.12.2014	Additions	Disposals	Revaluation as at 31.12.2015	Balance as at 31.12.2015
Other loans	180	0	0	0	180	0	0	0	180
Total	180	0	0	0	180	0	0	0	180

4.3. Receivables**4.3.1. Long-term receivables**

Long-term receivables amounted to CZK 594,191 thousand and CZK 786,641 thousand as at 31 December 2015 and 31 December 2014, respectively. These items include long-term receivables ensuing from credits and loans with maturity exceeding one year at the date of the preparation of financial statements. The Company has no receivables the maturity of which exceeds 5 years.

4.4. Short-term receivables

4.4.1. Maturity structure of trade receivables

(Data in CZK thousands)

Year	Category	Unspecified	Due	Overdue					Overdue in total	Total
				0 - 90 Days	91 - 180 days	181 – 360 days	1 - 2 years	2 and more years		
2015	Gross	1,159,747	919,143	345,588	309,127	569,830	946,378	4,091,452	6,262,375	8,341,265
	Value adjust.	917,731	25,240	125,103	157,209	305,387	614,842	2,851,507	4,054,048	4,997,019
	Net	242,016	893,903	220,485	151,918	264,443	331,536	1,239,945	2,208,327	3,344,246
2014	Gross	1,177,788	886,900	331,486	276,785	510,239	835,536	3,649,732	5,603,778	7,668,466
	Value adjust.	988,325	23,761	126,358	147,180	286,750	538,924	2,468,659	3,567,871	4,579,957
	Net	189,463	863,139	205,128	129,605	223,489	296,612	1,181,073	2,035,907	3,088,509

Interest on contractual penalties cannot be classified within the particular categories in the table as there is no effective date before the Court issues its decision (this interest is therefore included in the Unspecified category).

As at 31 December 2015, receivables (long-term and short-term) serving as collateral for accepted bank loans amounted to CZK 398,256 thousand, and for accepted non-bank loans to CZK 8,537,200 thousand CZK.

Changes in the value adjustments regarding receivables can be classified as follows:

(Data in CZK thousands)

	2015	2014
Opening balance as at 01 January	4,579,957	4,094,222
Creation	424,966	528,159
Use	-7,904	-42,424
Closing balance as at 31 December	4,997,019	4,579,957

4.4.2. Receivables from Group members

Short-term trade receivables

(Data in CZK thousands)

Company	Balance as at 31.12.2015	Balance as at 31.12.2014
Cash Gate, s.r.o.	11	11
PROFI CREDIT Bulgaria EOOD	852	1,297
PROFI CREDIT Slovakia, s.r.o.	1,178	1,341
PROFI CREDIT Poland Sp.z. o.o.	0	71
PROFI CREDIT Sp.z o.o.	0	1,392
PROFI CREDIT Polska S.A.	2,774	0
LLC MFO PROFIREAL	3,288	0
Profi Consulting s.r.o.	22	22
Profireal LLC	0	4,359
Silversouth, a.s.	9	9
Southstream, a.s.	9	9
Strongwest, a.s.	9	9
TH Real, a.s.	10	9
PROFIREAL Group SE	202	106
Total short-term receivables from Group members	8,364	8,635

The Company provided no loans to group members in 2014 and 2015.

4.4.3. Pledged assets2015

(Data in CZK thousands)

Description of assets	Gross value	Description, scope and purpose of pledge/ Easement	Value of liability secured
Receivables	6,093,271	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company.	843,000
Receivables	2,311,617	Set of selected receivables was pledged in favour of a creditor in order to secure a credit received by the Company.	–
Accounts	29,221	Balances on Collection and Blocked Accounts were pledged to secure a credit received by the Company	570,196
Receivables	217,905	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	118,497
Receivables	132,312	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	80 000
Receivables	180,351	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	98,392
Total	8,964,677		1,710,085

2014

(Data in CZK thousands)

Description of assets	Gross value	Description, scope and purpose of pledge/ Easement	Value of liability secured
Receivables	6,085,450	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	1,135,730
Receivables	2,186,319	Set of selected receivables was pledged in favour of a creditor secure a credit received by the Company	–
Accounts	36,653	Balances on Collection and Blocked Accounts were pledged to secure a credit received by the Company	608,927
Receivables	183,338	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	100,355
Total	8,491,760		1,845,012

4.5. Deferred expenses

As of 31 December 2015, the total amount of deferred costs amounted to CZK 63,951 thousand (CZK 48,792 thousand as at 31 December 2014).

The most significant item is deferred expenses related to financial leasing of cars and IT technology, amounting to CZK 28,349 thousand as at 31 December 2015 (CZK 27,658 thousand as at 31 December 2014). Other deferred expenses include the fee for credit provision from a non-banking entity amounting to CZK 7,078 thousand.

4.6. Equity

As of 31 December 2015, the equity reaches CZK 1,434,791 thousand (CZK 1,263,663 thousand as of 31 December 2014). In 2015, the Company de-recognised a reserve for an unjustified penalty imposed for an overdue payment of the recalculated tax liability for 2006 in amount of CZK 42,328 thousand.

The share capital amounts to CZK 232,650 thousand and consists of 40 shares with the nominal value of CZK 5,500 thousand and 23 shares with the nominal value of CZK 550 thousand.

4.7. Reserves

(Data in CZK thousands)

	Reserves for untaken leave	Income tax reserve	Reserves in total
Balance as at 31.12.2014	1,874	114,454	116,328
Creation of reserves	2,018	51,961	53,979
Use of reserves	1,874	114,454	116,328
Balance as at 31.12.2015	2,018	51,961	53,979

4.8. Liabilities

4.8.1. Long-term trade liabilities

(Data in CZK thousands)

Type of liability	Balance as at 31.12.2015	Balance as at 31.12.2014
Commission to staff providing credits	79 428	89 822
Total	79 428	89 822

4.8.2. Issued bonds

In December 2012, the Company issued book-entry bonds with the total amount of CZK 3,000,000 thousand (the nominal value of each particular bond is CZK 1). In 2015, the Company placed the total of 181,600 thousand bonds, with the interest rate of 153,800 thousand bonds being 7.5% p.a., and that of 27,800 thousand bonds being 6.5% p.a. In 2014, the Company placed 114,200 thousand bonds with the interest rate of 7.5% p.a.

4.8.3. Other long-term liabilities and long-term bills of exchange

(Data in CZK thousand)

Type of liability	Currency	Balance as at 31.12.2015	Balance as at 31.12.2014	Form of security 2015
Loan from non-banking entity	CZK	843,000	1,135,730	Bill of exchange and pledged receivables
Loan from non-banking entity	CZK	272,784	319,267	Bill of exchange and pledged receivables, pledge account and guarantee by the parent company
Liabilities from leasing*	CZK	16,749	17,086	–
Total		1,132,533	1,472,083	–

Long-term liabilities include liabilities with maturity exceeding one year on the date of the financial statements.

4.8.4. Long-term liabilities secured according to the right of lien or in another manner

See subparagraph 4.4.3. Pledged assets.

4.9. Short-term liabilities

In the position of other short-term liabilities, the Company recognizes a short-term part of the credit obtained from a non-banking entity and amounting to CZK 297,413 thousand (CZK 289,660 thousand on 31 December 2014) and a liability by virtue of leasing in the amount of CZK 7,861 thousand (CZK 7,043 thousand as at 31 December 2014) and other short-term liabilities in the amount of CZK 5,558 thousand (CZK 250 thousand as at 31 December 2014).

Maturity structure of short-term trade receivables

(Data in CZK thousand)

Year	Category	Due	Overdue					Total overdue	Total
			0 – 90 days	91 – 180 days	180 – 360 days	1 – 2 years	2 and more years		
2015	Short-term	66,973	1,424	2,285	262	3,859	0	7,830	74,803
2014	Short-term	37,574	4,065	234	4,101	90	0	8,490	46,064

Type of liability	Currency	Balance as at 31.12.2015	Balance as at 31.12.2014
Short-term bill of exchange	CZK	24,155	24,155
Total		24,155	24,155

4.9.1. Short-term intercompany payables

(Data in CZK thousand)

Company	Balance as at 31.12.2015	Balance as at 31.12.2014
PROFIREAL Group SE	144,005	228,112
Profi Credit Slovakia, s.r.o.	465	
Profi Credit Polska S.A.	3	
Profi Consulting s.r.o.	126	328
Silversouth, a.s.	2,000	2,000
Total short-term intercompany payables	146,599	230,440

4.9.2. Loans and credits received – controlling party2015

(Data in CZK thousands)

Company	Interest rate (fixed or floating)	Security	Maturity date	Currency	Net book value
PROFIREAL Group SE	Fixed	Bill of exchange	Indeterminate period	CZK	141,500
Total					141,500

2014

(Data in CZK thousands)

Company	Interest rate (fixed or floating)	Security	Maturity date	Currency	Net bookvalue
PROFIREAL Group SE	Fixed	Bill of exchange	Indeterminate period	CZK	223,500
Total					223,500

4.9.3. Bank credits**4.9.4. Long-term bank credits**2015

(Data in CZK thousand)

Bank	Balance as at 31.12.2015	Form of collateral
Banking entity	32,764	Bill of exchange
Banking entity		Bill of exchange
	50,278	Pledged receivables
Total	83,042	

2014

(Data in CZK thousands)

Bank	Balance as at 31.12.2014	Form of collateral
Banking entity	5,826	Bill of exchange
Banking entity		Bill of exchange
	49,167	Pledged receivables
Total	54,993	

4.9.5. Short-term bank credits, loans and financial assistance2015

(Data in CZK thousands)

Creditor	Balance as at 31.12.2015	Form of collateral
Non-banking entity		Bill of exchange
	80,000	Pledged receivables
Total	80,000	

Bank	Balance as at 31.12.2015	Form of collateral
Banking entity	14,672	Bill of exchange
Banking entity		Bill of exchange
	98,392	Pledged receivables
Banking entity	23,544	Bill of exchange
Banking entity		Bill of exchange
	68,219	Pledged receivables
Total	204,827	

2014

(Data in CZK thousand)

Bank	Balance as at 31.12.2014	Form of collateral
Non-banking entity	9,000	Bill of exchange
Banking entity	28,868	Bill of exchange
Banking entity	5,004	Bill of exchange
Banking entity	51,189	Bill of exchange and pledged receivables
Total	94,061	

4.10. Estimated accounts payable - short-term

As at 31 December 2015, estimated accounts payable - short term amount to CZK 28,861 thousand (CZK 12,405 thousand as at k 31 December .2014).

4.11. Deferred revenues and accrued expenses

In 2015 the deferred revenues were decreased by future interest from consumer loans provided to clients, as explained in chapter 3.18. Changes in valuation methods, depreciation procedures and accounting methods in comparison with the previous accounting period. As at 31 December 2015, deferred revenues amount to CZK 34,256 thousand (CZK 60,682 thousand as at 31 December 2014) and are represented by deferred contractual remuneration referring to consumer loans disbursed before year 2011 which is gradually released to revenues.

Accrued expenses amount to CZK 31,311 thousand (CZK 47,081 thousand as at 31 December 2014) and are represented mainly by commissions paid to the staff providing credits at the amount of CZK 21,039 thousand (CZK 19,674 thousand as at 31 December 2014).

4.12. Income tax

4.12.1. Deferred tax

The deferred tax liability can be analysed as follows:

(Data in CZK thousand)

	Balance as at 31.12.2015	Balance as at 31.12.2014
Tax liability		
Difference between account and tax residual costs	23,939	23,344
Balance - customers - penalties	2,443,571	2,348,251
Balance - customers - other penalties	5,988	5,979
Balance - customers - unsettled contractual penalties	131,180	105,560
Balance - other liabilities - bill of exchange interest	749,272	815,506
Balance - other liabilities - statutory interest	279,295	256,694
Balance - other liabilities - DUD penalties	254,512	269,686
Deferred tax liability - base in total	3,887,757	3,825,020
Tax receivable		
Creation of value adjustments to contractual penalties	1,830,010	1,646,876
Creation of value adjustments to bill of exchange and statutory interest	868,483	937,056
Creation of value adjustments to DUD	232,757	239,467
Creation of value adjustments to unsettled contractual penalties	49,248	51,269
Reserve for untaken leave	2,018	1,874
Deferred tax liability - base in total	3,082,389	2,876,542
Resultant base of deferred tax	805,370	948,478
Deferred tax - liability (2015: 19%, 2016: 19%)	153,020	180,210
Deferred tax already recognized	180,210	183,059
Deferred tax to be recognized in the profit and loss statement	-27,190	-2,849

4.12.2. Tax expenses

The amount of taxes can be compared to the profit according to the profit and loss statement as follows:

	(Data in CZK thousand)	
	Balance as at 31.12.2015	Balance as at 31.12.2014
Profit before tax	178,963	170,844
Income tax rate	19%	19%
Tax under local income tax rate	34,003	32,460
Tax impact of non-deductible costs/revenues	18,350	37,442
Payable tax for current accounting period	52,353	70,124
Withholding tax for current accounting period	281	222
Changes in deferred tax liability	-27,190	-2,849
Total income tax for regular activities and for extraordinary activities	25,163	67,275

4.13. Proceeds from sale of services

	(Data in CZK thousands)					
	Period until 31.12.2015			Period until 31.12.2014		
	Domestic	Foreign	In total	Domestic	Foreign	In total
Revenues from sale of services (consulting services)	0	49,102	49,102	23	48,076	48,099
Revenues from provided trademarks	0	5,397	5,397	0	5,783	5,783
Revenues - renting of real estate	801	0	801	891	0	891
Revenues - cleaning of premises	19	0	19	20	0	20
Revenues - operation of the Internet	28	0	28	28	0	28
Revenues - lease of movables	247	0	247	257	0	257
Revenues - water, sewerage fees	4	0	4	4	0	4
Revenues - other	78	5	83	129	0	129
Total proceeds from sales of services	1,177	54,504	55,681	1,352	53,859	55,211

4.14. Transactions with related parties**4.14.1. Revenues from transactions with related parties**2015

	(Data in CZK thousand)		
Entity	Other revenues	Services	Total
Cash Gate, s.r.o.	63	0	63
PROFI CREDIT Slovakia, s.r.o.	3,053	14,098	17,151
PROFI CREDIT Polska S.A.	1,600	16,226	17,826
PROFI CREDIT Sp.z o.o.	0	1,634	1,634
PROFI CREDIT Bulgaria, EOOD	737	11,676	12,413
LLC MFO PROFIREAL	0	4,623	4,623
Silversouth, a.s.	18	0	18
Southstream, a.s.	22	0	22
Strongwest, a.s.	18	0	18
TH Real, a.s.	94	0	94
Profi Consulting s.r.o.	71	0	71
PROFIREAL Group SE	6	852	858
Total	5,682	49,109	54,791

2014

	(Data in CZK thousand)		
Entity	Other revenues	Services	Total
Cash Gate, s.r.o.	112	0	112
PROFI CREDIT Slovakia, s.r.o.	2,802	13,736	16,538
PROFI CREDIT Poland Sp.z.o.o.	0	13,507	13,507
PROFI CREDIT Sp.z o.o.	2,060	951	3,011
PROFI CREDIT Bulgaria, EOOD	912	13,274	14,186
Golyschmanovoneftegas LLC	0	1,392	1,392
Profidebt Slovakia, s.r.o.	0	11	11
Silversouth, a.s.	18	0	18
Southstream, a.s.	18	0	18
Strongwest, a.s.	18	0	18
TH Real, a.s.	94	0	94
Profi Consulting s.r.o.	71	0	71
PROFIREAL Group SE	0	386	386
PROFIREAL LLC	0	4,828	4,828
Total	6,105	48,085	54,190

All revenues from transactions with related parties were obtained at arm's length prices.

4.14.2. Purchases with related parties**2015**

(Data in CZK thousand)			
Entity	Services	Other expenses	Total
PROFI CREDIT Poland Sp.z.o.o.	4	1	5
PROFI CREDIT Slovakia, s.r.o.	1,566	280	1,846
PROFIREAL Group SE	0	37,807	37,807
Profi Consulting s.r.o.	1,530	0	1,530
Silversouth, a.s.	0	152	152
Total	3,100	38,240	41,340

2014

(Data in CZK thousand)			
Entity	Services	Other expenses	Total
PROFI CREDIT Poland Sp.z.o.o.	0	3	3
PROFI CREDIT Slovakia, s.r.o.	0	218	218
PROFIREAL Group SE	0	40,339	40,339
Profi Consulting s.r.o.	2,360	0	2,360
Silversouth, a.s.	0	152	152
Total	2,360	40,712	43,072

4.14.3. Other transactions with related parties

The Company was provided a loan by PROFIREAL Group SE in 2014. The loan was provided pursuant to General Credit Agreement no. PCT/PG/11/2011, executed on 16 November 2011, and the interest rate stood at 15.5 % p.a., with the line of credit stipulated at CZK 50 million. By virtue of Amendment No. 1 to this Agreement, the line of credit was increased to CZK 250 million and the interest rate increased to 18% p.a. in 2014. In 2015, the interest rate was reduced to 13.25 p.a. according to Amendment No. 2. The Company owed a principal of CZK 141,500 thousand as at 31 December 2015. The Company paid interest in the amount of CZK 28,057 thousand as at 31 December 2015.

The Company was provided a loan from Silversouth, a.s. in 2013. The loan was provided pursuant to General Credit Agreement No. 06/08/2009, signed on 07. August .2009, with the interest rate of 7.5 % p.a. and the line of credit stipulated at CZK 2 million. The Company paid interest in the amount of CZK 152 thousand as at 31 December 2015.

4.15. Consumed purchases

(Data in CZK thousand)		
	Period until 31.12.2015	Period until 31.12.2014
Material consumption	12,814	8,169
Energy consumption	4,081	3,602
Total consumed purchases	16,895	11,771

4.16. Services

(Data in CZK thousand)		
	Period until 31.12.2015	Period until 31.12.2014
Repairs and maintenance	2,596	2,649
Travelling expenses	5,166	4,271
Costs of representation	6,434	6,631
Telephone, fax, Internet, postage	9,112	9,279
Consultancy services and audit	6,506	8,145
Rent	15,467	11,419
Leasing	9,475	7,343
Intermediation of employees	2,012	1,384
Notary and legal services	15,421	12,218
Advertisements, commercials	34,182	34,239
Language translations	190	159
Other services	36,136	27,237
Total	142,697	124,974

4.17. Other operating revenues

	(Data in CZK thousand)	
	Period until 31.12.2015	Period until 31.12.2014
Contractual penalties and interest on overdue payment	358,296	396,914
Other operating revenues	109,470	119,083
Total	467,766	515,997

Other operating revenues chiefly consist of costs of legal representation related to the collection of receivables from debtors, transferred by the Company to its debtors in the total amount of CZK 70,723 thousand in 2015.

4.18. Other operating expenses

	(Data in CZK thousand)	
	Period until 31.12.2015	Period until 31.12.2014
Gifts	2,195	2,055
Other penalties and sanctions	224	36
Depreciation of receivables and assigned receivables	97,784	80,872
Deficits and damages in operation	240	0
Other operating costs	117,709	45,779
Total	218,152	128,742

In 2015, the Company wrote off receivables in the amount of CZK 7,957 thousand based on an ineffective result of execution proceedings, receivables in the amount of CZK 63,317 thousand based on verdicts of insolvency proceedings, and an investment in an unsuccessfully developed information system, in the amount of CZK 50,902 thousand.

4.19. Other financial revenues

	(Data in CZK thousand)	
	Period until 31.12.2015	Period until 31.12.2014
Exchange rate profits	23	602
Other financial revenues	1,139,968	1,064,859
Total	1,139,991	1,065,461

Other financial revenues include regular remunerations for the provision of credits or loans (main revenues of the Company).

4.20. Interest expenses

	(Data in CZK thousand)	
	Period until 31.12.2015	Period until 31.12.2014
Interest on bank credits	15,576	8,392
Other interest payable to other creditors	311,848	330,616
Total	327,424	339,008

4.21. Other financial expenses

	(Data in CZK thousand)	
	Period until 31.12.2015	Period until 31.12.2014
Exchange rate losses	324	1,403
Interest - promissory note	3,382	3,382
Other financial expenses – fee for provision of a bank loan	13,580	11,381
Other financial expenses	165,091	164,010
Total	182,377	180,176

Other financial costs mainly include commissions for loan agents amounting to CZK 144,539 thousand (CZK 142,973 thousand in 2014).

5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES

5.1. Personnel costs and number of employees

The average recalculated number of employees and Company management members in 2015 and 2014 is as follows:

2015

(Data in CZK thousand)					
	Number	Wages	Social and health security	Other costs	Personnel costs in total
Employees	184	83,645	30,493	1,895	116,033
Company management	15	31,647	7,342	105	39,094
Total	199	115,292	37,835	2,000	155,127

2014

(Data in CZK thousand)					
	Number	Wages	Social and health security	Other costs	Personnel costs in total
Employees	174	86,737	29,647	1,709	118,093
Company management	16	22,129	8,054	115	30,298
Total	190	108,866	37,701	1,824	148,391

Remunerations paid to members of the Company's statutory bodies, including members of the Supervisory Board, amount to CZK 6,528 thousand and CZK 4,239 thousand in 2015 and 2014, respectively. The number of employees is based on the average recalculated headcount. The term "Company management" refers to the Company's top management.

5.2. Provided loans, credits or other performance

In 2015 and 2014, members of the Board of Directors and Supervisory Board received the following remuneration in addition to their basic salaries:

2015

(Data in CZK thousand)		
	Board of Directors	Supervisory Board
Remuneration	6,348	180
Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base)	412	0
Total	6,760	180

2014

(Data in CZK thousand)		
	Board of Directors	Supervisory Board
Remuneration	3,836	403
Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base)	364	0
Total	4,200	403

5.2.1. contingent liabilities and Off balance sheet commitments

The Company reports no off balance sheet commitments and is not aware of any potential losses.

Collateral acceptances issued

The Company has issued blank bills of exchange in order to secure credits received from providers of bank and non-bank credits. An overview of secured liabilities is provided in 4.10 and 4.2.1.

Litigations

The Company 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, an interest and penalty on overdue payment was imposed on the Company in 2015, against which the Company successfully appealed. As a result, the amount of the interest and penalty on overdue payment related to previous accounting periods was repaid to the Company and accounted for against other profit (loss) brought forward from the previous years.

5.2.2. post balance sheet events

No significant events occurred after the balance sheet date that would have an impact on the financial statements.

8. REPORT ON RELATIONS BETWEEN THE CONTROLLING PARTY AND CONTROLLED PARTY AND BETWEEN A CONTROLLED PARTY AND PARTIES CONTROLLED BY THE SAME CONTROLLING PARTY

for the accounting period from 01 January 2014 to 31 December 2014

(Report on Relations)

This Report on Relations was prepared pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Act on Business Corporations), as amended (the “Act on Business Corporations” henceforth”).

PROFI CREDIT Czech, a.s., with registered office at Praha 1, Klimentská 1216/46, post code 110 00, Company ID: 61 86 00 69, registered on 05December 1994 in the Register of Companies administered by the Municipal Court in Prague, Section B, Insert 2892 (hereinafter the “Company”), is a member the PROFIREAL Group and is engaged in the provision of consumer credits.

The company has a sole shareholder, i.e. **PROFIREAL Group SE, with registered office at Martinus Nijhofflaan 2, 2624 ES Delft**, which is the Company’s controlling entity having a decisive influence on managing the Company. In relation to this shareholder, the Company is an entity controlled through decisions made at the General Meeting.

Other parties directly controlled by the controlling party are **PROFI CREDIT Slovakia, s.r.o.**, with registered office at Pribinova 25, 824 96 Bratislava, **PROFI CREDIT Bulgaria EOOD**, with registered office at 49 Bulgaria Blvd., 1404 Sofia, **PROFI CREDIT POLSKA S.A.**, with registered office at Browarna 2, 43-300 Bielsko-Biala, **PROFI CREDIT Poland Sp. z o.o.**, with registered office at Browarna 2, 43-300 Bielsko-Biala, **PROFIDEBT Slovakia, s.r.o.**, with registered office at Mliekarenská 10, 821 09 Bratislava 2, **PROFIDEBT Polska Sp. z o.o.**, with registered office at Browarna 2, 43-300 Bielsko-Biala, **PROFIDEBT Bulgaria EOOD**, with registered office at 49 Bulgaria Blvd., 1404 Sofia, **PROFI Consulting s.r.o.** , with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, **PROFI Investment NL N.V.** , with registered office at Martinus Nijhofflaan 2, 2624 ES Delft, and **Cash Gate, s.r.o.**, with registered office at Klimentská 1216/46, 110 00 Praha 1.

Another party indirectly controlled by the controlling party is **PGJT B.V.**, with registered office at Martinus Nijhofflaan 2, 2624 ES Delft. In addition, a party indirectly controlled and having external equity participation is **LLC MFO PROFIREAL**, with registered office at Ligovsky prospect Office 266, 196084 Saint-Petersburg.

Other parties related to the controlling party are: Southstream, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, Silversouth, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, Strongwest, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, and TH Real, a.s. with registered office at Thunovská 192/27, 118 00 Praha 1 – Malá Strana.

During the accounting period concerned, i.e. from 01 January 2015 to 31 December 2015, no acts were performed at the instigation or in the interest of the controlling party or parties controlled by the controlling party in relation to assets exceeding 10% of the Company's equity as determined according to the last financial statements.

Overview of agreements concluded between the Company and PROFIREAL Group SE or between parties controlled by the controlling party:

In the accounting period 2015, the Company performed the following agreements concluded **with PROFIREAL Group SE** as a party controlling the Company:

General agreement for consultancy services I. dated 21 Decmeber 2007

General agreement for consultancy services II. dated 21 April 2008

General credit agreement no. PCT/PG/11/2011 dated 16 November 2011, as amended by later amendments

Agreement on remuneration for guarantee Solarex dated 30 September 2010

Remuneration agreement for the guarantee Dairewa I. dated 23June .2011, as amended by later amendments

Remuneration agreement for the guarantee Dairewa II. dated 16 September 2013

Remuneration agreement for the guarantee Dairewa III. dated 24 October 2014

Remuneration agreement for the guarantee Dairewa IV dated 18 February 2016

The following agreements were concluded or performed by the Company and other parties controlled by the controlling party until 31 December 2015:

with PROFI CREDIT Slovakia, s.r.o.

General agreement for consultancy services dated 15. January 2006

General agreement for consultancy services dated 31 December 2014

General agreement for services related to the operation and development of MIS dated 01 February 2010, as amended by later amendments

Licence agreement for use of a trademark dated 09 February 2009, as amended by later amendments

with PROFİ CREDIT Sp. z o.o., whose legal successor is Profi Credit Polska S.A. since 26 February 2015

Licence agreement for use of a trademark dated 18. December 2008, as amended by later amendments

General agreement for consultancy services dated 15 January 2006, as amended by later amendments

General agreement for services related to the operation and development of MIS dated 01 August 2010 as amended by later amendments

with PROFİ CREDIT Bulgaria EOOD

Licence agreement for use of a trademark dated 22 December 2008, as amended by later amendments

General agreement for consultancy services dated 15 January 2006, as amended by later amendments

General agreement for services related to the operation and development of MIS dated 26 May 2010 as amended by later amendments

with Cash Gate, s.r.o.

Agreement of sublease dated 15 June 2013

with PROFİ Consulting, s.r.o.

Agreement of lease non-residential premises dated 4 September 2001

Agreement for services dated 04 September 2001, as amended by later amendments

Agreement for services dated 01 September 2006

with LLC MFO PROFIREAL

IT service agreement dated 31 March 2013

Master service agreement dated 01 January .2014

with Strongwest, a.s.

Agreement of lease non-residential premises dated 01 January 2009

with Silversouth, a.s.

Agreement of lease non-residential premises dated 01 January 2009

General credit agreement no. 06/08/2009 dated 06 August 2009

with Southstream, a.s.

Agreement of lease non-residential premises dated 1 January 2009

with TH Real, a. s.

Agreement of lease of a transport vehicle dated 13 November 2013

The above-mentioned agreements were concluded in compliance with the applicable legal regulations. The agreements were concluded for prices and under conditions customary in business relations in the given place and time. The Company suffered no detriment as a result of the conclusion of the aforesaid agreements.

The Company has assumed a key role in PROFIREAL Group SE chiefly as a result of providing the other companies with the trademark PROFI CREDIT and consultancy services, along with the effective management of cash flows within the whole group.

In the relations between the aforesaid parties, advantages prevail owing to the membership in the internationally operating PROFIREAL Group SE. The most important advantages include: unified conceptual management and unified policy designed for business activities, shared know-how, methodology, control mechanisms and collaboration between individual member companies. The long-term collaboration, thorough knowledge of the given sphere and quality of services provided by PROFIREAL Group SE all contribute to reaffirming the trust in the market of consumer credits. The Company suffered no detriment from the above relations.

In Prague on 31 March 2016



Ing. Jana Matičková

Member of the Board of Directors



Ing. Rudolf Cejnar

Member of the Board of Directors

9. CONTACTS

Trade name of the Company:

PROFI CREDIT Czech, a.s.

Registered office:

Klimentská 1216/46

post code 110 00 Praha 1

Mailing address:

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Legal form:

joint-stock company [akciová společnost]

Company Identification Number:

61860069

Tax Identification Number:

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