RESULTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2014

4finance Holding S.A. (the 'Group'), rated B3 by Moody's and B+ by Standard & Poor's, which provides consumer finance solutions to retail customers in ten countries, today announced its unaudited results for the twelve month period ending 31 December 2014 (the 'Period').

KEY FINANCIAL AND OTHER INFORMATION

Financial Highlights

- During the Period, the Group originated 4.6 million in loan transactions (compared to 3.1 million in the twelve months ending 31 December 2013); the value of loans made increased to EUR 804.9 million (compared to EUR 538.3 million in the twelve months ending 31 December 2013).
- Interest income grew by 45% to EUR 220.8 million in the Period compared with EUR 152.8 million in the twelve months ending 31 December 2013.
- General administrative expenses during the Period were 37% of interest income (38% for the twelve month period ending 31 December 2013), reflecting the economies of scale that have been achieved.
- The Group's capital-to-assets ratio was 35% as of 31 December 2014 and 29% as of 31 December 2013.
- Consolidated adjusted EBITDA was EUR 83.4 million for the Period (compared to EUR 69.4 million for the same period in 2013), leading to an interest coverage ratio of 3.5 (3.8 excluding the effect from the 2015 Notes' defeasance).
- The Group's profit for the Period was EUR 47.0 million, an increase of 31% when compared to EUR 35.8 million for the same period in 2013.

Key Financial Ratios

	As of 31 December			
	2014	**2013**	**2012**	**2011**
Capital/assets ratio(1)	35%	29%	35%	44%
Profit margin(2)	27%	35%	43%	49%
Interest coverage(3)	3.5	4.5	7.3	6.7
EBITDA margin(4)	38%	45%	50%	59%
Return on average assets(5)	18%	26%	32%	47%
Return on average equity(6)	55%	82%	88%	120%
Operating expenses/interest income ratio(7)	37%	38%	33%	27%
Net loans portfolio (in Euro millions)(8)	241.6	177.9	110.2	36.5
Non-performing loan/total gross portfolio ratio(9)	34%	31%	17%	18%
Non-performing loans as a share of value of loans issued (10)	8.8%	9.2%	6.3%	6.1%

Notes:
(1) Total equity/total assets excluding the effect from the 2015 Notes' defeasance.
(2) Profit before tax/interest income.
(3) Consolidated EBITDA/interest expense.
(4) Consolidated EBITDA/interest income.
(5) Profit from continuing operations/average assets (total assets as of the end of each period divided by two)/assets excluding the effect from 2015 Notes' defeasance.
(6) Profit from continuing operations/average equity (total equity as of the end of each period divided by two)/equity.
(7) General administrative expenses/interest income.
(8) Gross loan portfolio less provisions for bad debts.
(9) Non-performing loans with a delay of over 90 days/total gross portfolio.
(10) Non-performing loans with a delay of over 90 days/value of loans issued. The value of loans issued as of a particular date represents loans issued for the two-year period before commencement of the 90 day past-due period. Therefore, the applicable period for each reporting date is as follows: for 31 December 2014: 1 October 2012 to 30 September 2014; for 31 December 2013: 1 October 2011 to 30 September 2013; for 31 December 2012: 1 October 2010 to 30 September 2012; and for 31 December 2011: 1 October 2009 to 30 September 2011.

Other Financial Data

	As of 31 December			
	2014	2013	2012	2011
	(in millions of EUR)			
Profit for the period per IFRS	**47.0**	**35.8**	**25.5**	**12.8**
Loss/(income from discontinued operations)	2.1	8.8	0.7	0
Goodwill write-off	0	0.6	0	0
Non-cash gains/losses due to market valuation of hedging obligations under IFRS	(1.5)	(0.1)	0	0
Provision for corporate income tax	11.1	8.3	6.2	2.2
Interest expense	23.8	15.4	5.2	2.6
Depreciation and amortisation	0.9	0.7	0.3	0.2
Consolidated EBITDA(1)	**83.4**	**69.5**	**37.9**	**17.8**

Note:

(1) Consolidated EBITDA is a non-IFRS measure that represents profits from continuing operations plus tax, plus interest, plus depreciation and amortisation, as adjusted to income/loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS and goodwill write-offs. Such a measure is not a financial measure that is calculated in accordance with IFRS, but in compliance with definitions set in the Offering Memorandum of 4finance S.A. USD 200 million of 11.75% Senior Notes are due in 2019. Consolidated EBITDA, as presented in this report, may not be comparable to similarly-titled measures that are reported by other companies due to differences in the way these measures are calculated.

THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS' RESULTS AND FINANCIAL CONDITION

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

The table below sets out the condensed consolidated interim statement of profit and loss and other comprehensive income for the twelve month periods ending 31 December 2014 and 31 December 2013.

	Twelve months ending 31 December	
	2014	2013
	(in millions of EUR)	
Interest income	220.8	152.8
Interest expense	(23.8)	(15.3)
Net interest income	**197.0**	**137.5**
Goodwill write-off	—	(0.6)
Net impairment losses on loans and receivables	(48.0)	(27.0)
General administrative expenses	(81.0)	(57.3)
Other income/(expense)	(7.8)	0.2
Profit before tax	**60.2**	**52.8**
Corporate income tax for the reporting period	(11.1)	(8.3)
Profit from continuing operations	**49.1**	**44.5**
Discontinued operations		
Profit/(loss) from discontinued operations, net of tax	(2.1)	(8.7)
Profit for the period	**47.0**	**35.8**
Profit attributable to:		
Equity holders of the 4finance Group	46.4	35.2
Non-controlling interests(1)	0.6	0.6
Other comprehensive income/(expenses):		
Foreign currency translation differences on foreign operations	1.8	(0.6)
Total comprehensive income for the period	**48.8**	**35.2**
Total comprehensive income attributable to:		
Equity holders of the 4finance Group	48.3	34.3
Non-controlling interest(1)	0.5	0.9

Note:

(1) Non-controlling refers to minority shareholders who own 3% of the shares in each of the Group's Swedish and Lithuanian operating subsidiaries.

Interest income

Interest income for the Period was EUR 220.8 million, a 45% increase compared to EUR 152.8 million for the twelve months ending 31 December 2013, reflecting an increase in the average balance of outstanding net loans. The average balance of outstanding net loans in the Period was EUR 209.8 million, a 46% increase compared to EUR 144.0 million in the twelve months ending 31 December 2013. The increase in the average balance was mainly attributable to the growth in loan amounts issued amounting to EUR 804.9 million during the Period compared to EUR 538.3 million in the twelve months ending 31 December 2013 which, in turn, was mainly due to the expansion of operations. The average interest rate on the Group's loans to customers decreased to 105.2% in the Period compared to 106.1% in the twelve months ending 31 December 2013, which was mainly driven by an increase in the installment loan proportion in the Group's portfolio which, on average, has a smaller interest rate compared to single payment loans. At the same time, the Group's expansion in Poland, Denmark, Georgia and Spain, where the average interest rates were relatively higher than in more mature jurisdictions, such as Latvia, Sweden and Lithuania, led to an average interest rate increase that partially offset the decrease from the installment loans' expansion effect.

Interest expense

Interest expense for the Period was EUR 23.8 million, a 56% increase compared to EUR 15.3 million for the twelve months ending 31 December 2013. This reflects an increase in the average balance of the Group's overall level of indebtedness to EUR 180.4 million in the Period compared to EUR 99.7 million in the twelve months ending 31 December 2013 as a result of issuing USD 170 million in 13.0% Senior Notes due in 2015 ('2015 Notes') in July 2013 and USD 220 million in 11.75% Senior Notes due in 2019 ('2019 Notes') in August 2014. The Group raised additional debt to fund loan portfolio growth as a part of its business expansion, and at the same time, the 2015 Notes were effectively defeased with the issuance of the 2019 Notes. Money to settle remaining liabilities from the 2015 Notes was held in an escrow account until full settlement in January 2015. Partially offsetting this increase in the average balance of indebtedness was a decrease in the average interest rate charged on the Group's loans and borrowings to 13.2% during the Period compared to 15.3% in the twelve months ending 31 December 2013.

Net interest income

The Group's net interest income for the Period was EUR 197.0 million, a 43% increase compared to EUR 137.5 million for the twelve months ending 31 December 2013, reflecting the corresponding increases in interest income and interest expense discussed above.

The ratio of interest expense to interest income increased from 10% in the twelve months ending 31 December 2013 to 11% for the Period, partially reflecting the effect of the 2015 Notes defeasance.

Goodwill write-off

The Group initially recognized goodwill with a value of EUR 0.7 million upon the acquisition of two Russian entities, which were purchased in the first quarter of 2013 to spearhead its expansion into Russia. However, in March 2013, the Group re-evaluated this goodwill to the value of EUR 0.6 million (the goodwill having been revised downwards from EUR 0.7 million due to adjustments made in the historical figures for the two Russian entities after 31 March 2013) amid uncertainty in the Russian market and also in the future profitability of the two acquired entities.

The management has made a decision to sell the Group's operations in the Russian Federation. See more information about the decision in the 'Recent Development' section.

Net impairment losses on loans and receivables

Net impairment losses for the Period were EUR 48.0 million, a 78% increase compared to EUR 27.0 million for the twelve months ending 31 December 2013. The increase in net impairment losses primarily reflects the expansion of the Group's operations in both existing and new jurisdictions, as well as its application of prudent, conservative impairment policies. As the Group has expanded, it has increased the loan amounts that have been issued to new customers, including those in new jurisdictions who, on average, represent a slightly higher default risk than returning customers or new customers in existing jurisdictions. The new jurisdictions represent a higher default risk because the Group generally lacks the same quality of behavioral evidence about customers in new jurisdictions than it has about customers in existing jurisdictions. Over time, as the Group acquires more information about customers in new jurisdictions, its underwriting and debt collection policies in those jurisdictions will generally improve.

The Group's non-performing loan coverage ratio, which is the ratio of allowances for doubtful debts on non-performing loans to total non-performing loans, was 54% as of 31 December 2014 and 46% as of 31 December 2013. As of 31 December 2014, the average loss given the default rate, which is the share of loans and receivables lost in the event of a default, across the Group's portfolios increased to 44%, compared to 37% as of 31 December 2013.

General administrative expenses

General administrative expenses for the Period were EUR 81.0 million, a 41% increase compared to EUR 57.3 million for the twelve months ending 31 December 2013, primarily reflecting an increase in personnel costs and in investments in marketing and brand awareness, as well as growth in debt collection costs, IT expenses, and application inspection costs. The increase in personnel costs and investments in marketing were mainly attributable to the Group's expansion, as it hired new employees and commenced marketing campaigns in new jurisdictions in order to generate business. During the Period, when compared to the twelve months ending 31 December 2013, general administrative expenses grew at a slower rate than interest income, reflecting, in part, such economies of scale.

The table below sets out a breakdown of the Group's general administrative expenses for the twelve month periods ending 31 December 2014 and 2013.

	Twelve months ending 31 December	
	2014	**2013**
	(in millions of EUR)	
Marketing and sponsorship	34.2	24.8
Personnel costs	23.1	16.0
IT expenses	3.5	2.6
Application inspection costs	3.7	3.1
Debt collection costs	3.8	1.5
Legal and consulting	3.8	1.9
Communication expenses	2.4	2.0
Bank services	1.1	1.5
Rent and utilities	1.5	1.3
Depreciation and amortisation	0.9	0.7
Travel	0.8	0.6
Other	2.2	1.3
Total	**81.0**	57.3

For the twelve month periods ending 31 December 2014 and 2013, marketing and sponsorship expenses accounted for 42% and 43%, respectively, and personnel costs accounted for 29% and 28%, respectively, of general administrative expenses.

For the twelve month periods ending 31 December 2014 and 2013, variable costs (*i.e.* all marketing and sponsorship costs, personnel costs, application inspection costs, IT expenses, debt collection costs, communication expenses and bank services) accounted for 89% and 90%, respectively; such costs directly correlate to the movements in loan sales.

Other income/(expense)

Other expenses for the Period amounted to EUR 7.8 million and other income for the twelve month period ending 31 December 2013 was EUR 0.2 million.

The increase in other expenses mainly reflects the increase in net losses from FX amounting to EUR 1.2 million in income for the twelve months ending 31 December 2013 compared to EUR 3.9 million in losses for the Period. The respective losses were mainly driven by FX losses from the Group's exposure in Russian Rubles.

Profit before tax

For the reasons stated above, the Group's profit before tax for the Period was EUR 60.2 million, a 14% increase compared to EUR 52.8 million for the twelve months ending 31 December 2013. The profit before tax margin, *i.e.* profit before tax as a percentage of interest income, was 27% for the Period and 35% for the twelve months ending 31 December 2013.

Corporate income tax

The Group's corporate income tax expense increased by 34% to EUR 11.1 million for the Period, compared to EUR 8.3 million for the twelve months ending 31 December 2013, reflecting an increase in the Group's profit before tax which, in turn, was driven by growth in interest income.

The table below sets out a breakdown of the Group's corporate income tax for the twelve month periods ending 31 December 2014 and 2013.

	Twelve months ending 31 December	
	2014	2013
	(in millions of EUR)	
Current tax	18.2	11.3
Deferred tax	(7.1)	(3.0)
Total	**11.1**	**8.3**

For the twelve month periods ending 31 December 2014 and 2013, the Group's effective tax rate was 18% and 16% respectively.

Profit from continuing operations

For the reasons stated above, the Group's profit from continuing operations for the Period was EUR 49.1 million, a 10% increase compared to EUR 44.6 million for the twelve months ending 31 December 2013.

Profit/(loss) from discontinued operations, net of tax

In connection with the discontinuation of operations in the Group's United Kingdom business segments and decisions to sell the North America and Russia business segments, the results of operations in these segments were reflected separately as discontinued operations in the consolidated statement of profit and loss and other comprehensive income for the Period and the same period in 2013.

The Group recorded a loss from discontinued operations for the Period of EUR 2.1 million, net of tax, compared to a loss of EUR 8.7 million for the twelve months ending 31 December 2013. This change reflects a substantial net decrease in other expenses of EUR 9.8 million for the Period compared to EUR 18.4 million for the twelve months ending 31 December 2013, as well as a change in the impairment allowance for bad debts from EUR 8.1 million for the twelve months ending 31 December 2013 to a gain of EUR 4.3 million for the Period, as previously booked allowances were reversed (the sale of bad debt portfolio). In addition, the change was positively affected by a EUR 2.3 million gain on the sale of the North America business segment in the first quarter of 2014.

Profit for the Period

For the reasons stated above, profit for the Period was EUR 47.0 million, a 31% increase compared to EUR 35.8 million for the twelve months ending 31 December 2013.

Condensed Consolidated Statement of Cash Flows

The table below sets out the Group's condensed consolidated interim statement of cash flows.

	Twelve months ending 31 December	
	2014	2013
	(in millions of EUR)	
Cash flows from/(used in) operating activities		
Profit before taxes	**58.5**	**42.7**
Adjustments for:		
Depreciation and amortisation	1.1	0.8
Goodwill write-off	-	0.6
Increase in the impairment allowance on loans and advances due from customers	39.0	33.7
Provisions (excluding doubtful debt allowance)	0.2	0.5
Write off and disposal of property, equipment and intangible assets	-	0.4
Interest and similar income	(0.8)	-
Interest and similar expenses	23.8	16.7
Profit before adjustments for the effect of changes to assets and liabilities	121.8	95.4
Adjustments for:		
Increase in loans and advances to customers	(105.6)	(112.5)
Increase in other assets	(26.2)	(3.1)
Increase in accounts payable to suppliers, contractors and other creditors	23.0	4.3
Net cash flows from operating activities	13.0	(15.9)
Corporate income tax paid	(20.3)	(12.3)
Net cash flows from/(used in) operating activities	**(7.3)**	**(28.2)**
Cash flows from/(used in) investing activities		
Purchase of property, equipment and intangible assets	(4.0)	(2.6)
Loans issued	(0.2)	-
Interest received	0.8	-
Acquisition of subsidiaries, net of cash acquired	-	0.5
Net cash used in investing activities	**(3.4)**	**(2.1)**
Cash flows from/(used in) financing activities		
Loans and notes received	127.3	137.0
Repayment of loans and notes	(43.0)	(65.2)
Interest payments	(16.2)	(15.0)
Dividend payments	(0.3)	(12.1)
Net cash flows from financing activities	**67.8**	**44.7**
Net increase in cash and cash equivalents	**57.1**	**14.4**
Cash and cash equivalents at the beginning of the period	**21.1**	**7.3**
Effect of exchange rate fluctuations on cash	2.3	(0.6)
Cash and cash equivalents at the end of the period	**80.5**	**21.1**

Cash flows used in operating activities

Net cash flows used in operating activities are calculated as profit before taxes, adjusted for non-cash and other items and the effect of changes to current assets and short-term liabilities, less corporate income tax paid.

Net cash flows used in operating activities decreased by EUR 20.9 million, or 74%, to EUR 7.3 million in cash outflow from operating activities in the Period compared to EUR 28.2 million in cash outflow in the twelve months ending 31 December 2013. The changes resulted from a EUR 15.8 million increase in profit before taxes and an increase in the impairment allowance on loans and advances due from customers by EUR 5.3 million or 16%. Partially offsetting these changes in net cash flows used in operating activities was an EUR 8.0 million increase in corporate income tax paid, and the negative effect of EUR 4.4 million from changes in other assets and accounts payable.

Cash flows used in investing activities

The Group's cash flows which were used in investing activities mainly include the purchase and disposition of property, equipment and intangible assets, loans issued and loans repaid.

Net cash used in investing activities increased by EUR 1.3 million to EUR 3.4 million in the Period compared to EUR 2.1 million in the twelve months ending 31 December 2013. This increase was mainly due to greater expenditures in the purchase of property, equipment and intangible assets which totaled EUR 4.0 million compared to EUR 2.6 million in 2013.

Cash flows from financing activities

The Group's cash flows from financing activities mainly reflect proceeds that were received from borrowings, the repayment of principal and interest on indebtedness, and the payment of dividends.

Net cash used in financing activities increased by EUR 23.1 million to EUR 67.8 million in the Period compared to EUR 44.7 million in the twelve months ending 31 December 2013. During the Period, the Group received EUR 127.3 million of net proceeds from borrowings compared to EUR 137.0 million of net proceeds from borrowings in the twelve months ending 31 December 2013. The Group's interest payments on loans and borrowings increased to EUR 16.2 million in the Period compared to EUR 15.0 million in the twelve months ending 31 December 2013. The Group's dividend payments decreased to EUR 0.3 million in the Period compared to EUR 12.1 million in the twelve months ending 31 December 2013.

Condensed Consolidated Statement of Financial Position

The following discussion compares the Group's consolidated financial position as of 31 December 2014 and as of 31 December 2013. The table below sets out the Group's condensed consolidated interim statement of its financial position.

	31.12.2014	31.12.2013
	(in millions of EUR)	
Cash and cash equivalents	79.8	17.1
Loans and advances due from customers	241.6	177.9
Assets held for sale	4.4	17.4
Property and equipment	2.1	1.8
Intangible assets	2.8	0.5
Deferred tax assets	11.0	4.4
Current tax assets	5.0	-
Other assets	24.1	6.3
Total assets	**370.8**	**225.4**
Financial instruments at fair value through profit and loss	-	2.4
Loans and borrowings	231.6	129.2
Liabilities held for sale	0.7	14.0
Corporate income tax payable	6.4	4.2
Provisions	1.0	0.8
Other liabilities	17.3	9.1
Total liabilities	**257.0**	**159.7**
Share capital	35.8	17.5
Retained earnings	108.3	61.9
Reorganisation reserve	(32.6)	(14.4)
Currency translation reserve	1.0	(0.8)
Share based payment reserve	0.1	0.1
Obligatory reserve	0.1	0.1
Total equity attributable to the Group's equity holders	**112.7**	**64.4**
Non-controlling interests	1.1	1.3
Total equity	**113.8**	**65.7**
Total shareholders' equity and liabilities	**370.8**	**225.4**

Assets

The Group held total assets of EUR 370.8 million as of 31 December 2014, compared to EUR 225.4 million as of 31 December 2013, representing an increase of EUR 145.4 million, or 65%. This increase was due to an increase of EUR 63.7 million in loans and advances due from customers and an increase of EUR 62.7 million in the cash balance due to bond restructuring and securing transactions, which was partially offset by a decrease of EUR 13.0 million in assets held for sale (reflecting the sale of the Group's North American business segment in the first quarter of 2014; the segment's assets were classified as being held for sale as of 31 December 2013). As of 31 December 2014 and 31 December 2013, 87% of the Group's assets were self-liquidating (*i.e.* loans and advances from customers and cash as a percentage of total assets).

Loan Portfolio

As of 31 December 2014, the Group's total loan portfolio was EUR 241.6 million, compared to EUR 177.9 million as of 31 December 2013, representing an increase of EUR 63.7 million, or 36%. The Group's loan portfolio accounted for 65% of total assets as of 31 December 2014 and 79% of total assets as of 31 December 2013.

Classification of the Group's Loan Portfolio

The following table sets out the classification of the Group's total loan portfolio in terms of performing and non-performing loan portfolios as of the dates indicated.

	31.12.2014				**31.12.2013**			
	Gross Amount	**Allowance for doubtful debts**	**Net Amount**	**% of Portfolio**	**Gross Amount**	**Allowance for doubtful debts**	**Net Amount**	**% of Portfolio**
Performing loan portfolio	208.3	(17.0)	191.3	79.2%	151.2	(10.5)	140.7	79.1%
Non-performing loan portfolio	108.5	(58.2)	50.3	20.8%	68.9	(31.7)	37.2	20.9%
Total loan portfolio (1)	**316.8**	**(75.2)**	**241.6**	**100.0%**	**220.1**	**(42.2)**	**177.9**	**100.0%**

Note:

(1) Loan amounts include accrued interest.

Performing Loan Portfolio

The following table sets out the Group's performing loan portfolio (including performing interest) by product as of the dates indicated.

	31.12.2014		**31.12.2013**	
	Amount	**% of Portfolio**	**Amount**	**% of Portfolio**
Performing loan portfolio by product: (1)	*(in millions of EUR, except percentages)*			
Single Payment Loans	150.4	72.2%	114.4	75.7%
Instalment Loans	57.9	27.8%	36.8	24.3%
Total performing loan portfolio	**208.3**	**100.0%**	**151.2**	**100.0%**

Note:

(1) Loan amounts include accrued interest.

Non-performing Loan Portfolio

The Group has written off any loans which have been overdue for more than 730 days.

As of 31 December 2014, the Group's total non-performing loan portfolio was EUR 108.5 million, which represents 8.8% of the value of loans issued from 1 October 2012 to 30 September 2014. Taking into account the short-term nature of the Group's loan portfolio, the performing loan portfolio as of the end of each reporting period primarily consisted of loans maturing in 30 days, while non-performing loans are accumulated for 730 days. As a result, the Group's non-performing loan portfolio as of 31 December 2014 represented 34% of total loans outstanding as of this date. EUR 7.7 million, or 7.1%, of this was non-performing interest. The Group's total non-performing gross loan portfolio increased by EUR 39.6 million, or 57.5%, in the Period, mainly as a result of the increase in loan amounts issued.

As of 31 December 2013, the Group's total non-performing loan portfolio was EUR 68.9 million, a total of 9.2% of the value of loans issued from 1 October 2011 to 30 September 2013. The Group's non-performing loan portfolio as of 31 December 2013 represented 31% of the total loans that were outstanding as of this date. Of the total non-performing loan portfolio as of 31 December 2013, EUR 4.5 million, or 7%, was non-performing interest. The following table sets out an analysis of the Group's non-performing loan portfolio (including non-performing interest) by product as of the dates indicated.

	31.12.2014	31.12.2013
	(in millions of EUR, except percentages)	
Non-performing loan portfolio by product: [1]		
Single Payment Loans	84.9	52.3
Instalment Loans	23.6	16.6
Total non-performing loan portfolio	**108.5**	**68.9**
Value of loans issued[2]	1226.4	748.6
Non-performing loans as a share of value of loans issued	**8.8%**	**9.2%**

Notes:
(1) Loan amounts include accrued interest.
(2) The value of loans issued as of a particular date represents loans issued for the two-year period before commencement of the 90 day past-due period. Therefore, the applicable period for each reporting date is as follows: for 31 December 2014: 1 October 2012 to 30 September 2014; for 31 December 2013: 1 October 2011 to 30 September 2013.

Liabilities

The Group had total liabilities of EUR 257.0 million as of 31 December 2014, compared to EUR 159.7 million as of 31 December 2013, representing an increase of EUR 97.4 million, or 61%. The increase was driven by the increase in the value of loans and borrowings lead by the issuance of "2019 Notes" and the defeasance of "2015 Notes".

Loans and borrowings

As of 31 December 2014, the Group had loans and borrowings of EUR 231.6 million, compared to EUR 129.2 million as of 31 December 2013. The Group's loans and borrowings accounted for 90% of total liabilities as of 31 December 2014 and 81% of total liabilities as of 31 December 2013.

The table below sets out the loans and borrowings by lender as of the dates indicated.

	31.12.2014	31.12.2013
	(in millions of EUR)	
Long term		
AS Trasta Komercbanka	6.2	3.0
2019 Notes	157.9	0
2015 Notes	0	125.4
Other[1]	12.6	0.7
Total long term	**176.7**	**129.1**
Short term		
2019 Notes	7.3	
2015 Notes	43.4	0
Other[1]	4.2	0.1
	54.9	**0.1**
Total	**231.6**	**129.2**

Note:
(1) 'Other' primarily consists of loans with related parties.

In May 2011, AS 4finance entered into credit line agreement No. KL-11/2011 (the 'TKB CLA') with AS Trasta Komercbanka ('TKB'), which allows borrowings of up to EUR 7.7 million (the 'TKB Credit Line'). As of 31 December 2014, the amount outstanding under the TKB Credit Line was EUR 6.2 million. The TKB Credit Line is subject to a number of covenants. As of the date of this Report, it is believed that AS 4finance is in compliance with all such covenants.

On 31 July 2013, AS 4finance issued 2015 Notes which are listed on the Irish Stock Exchange and are senior to all of the Group's future subordinated debt. As of 31 December 2014, the amount outstanding under the 2015 Notes was EUR 43.4 million. See more information about the 2015 Notes in the 'Recent Development' section.

On 14 August 2014, AS 4finance issued 2019 Notes which are listed on the Irish Stock Exchange and are senior to all of the Group's future subordinated debt. As of 31 December 2014, the amount outstanding and accumulated interest under the 2019 Notes was EUR 165.2 million.

Equity

As of 31 December 2014, the Group's total equity amounted to EUR 113.8 million, compared to EUR 65.7 million as of 31 December 2013, representing an increase of EUR 48.1 million, or 73%, which was mainly attributable to an increase in profits in the Period, compared to the twelve months ending 31 December 2013. The Group has not paid any dividends to its major shareholders within this period and its capital to assets ratio as of 31 December 2014 was 35%.

Off-Balance Sheet Arrangements

The Group currently does not employ any off-balance sheet arrangements.

RECENT DEVELOPMENTS

Recent developments include significant and material information about the Group's development and any changes since its last quarterly report which was published on 12 November 2014.

Discontinued operations

The management has made a decision to sell the Group's operations in the Russian Federation. The decision was primarily driven by political and economic uncertainties as well as the inability to hedge currency risk effectively. The results from operations in the Russian Federation in 2014 are disclosed as discontinued operations, while assets and liabilities are classified as held for sale.

In 2015, the management has decided to discontinue operations in Estonia. In management's opinion, the potential scale of the Estonian market does not justify the required investments and management attention. It is expected that the Group will fully exit Estonia in 2015.

Ratings

On Dec. 12, 2014, Standard & Poor's Ratings services raised its long-term counterparty credit rating on 4finance Holding S.A. to 'B+', with the outlook as stable. They also raised the rating on USD 220 million of 11.75% Senior Notes issued by 4finance S.A. that are due in 2019 to 'BB-'.

Significant changes in indebtedness

As of 31 January 2015, the Group has fully repaid its USD 170 million of 13.0% Senior Notes. The outstanding balance of the Notes as of 31 December 2014 was USD 53.4 million.

New licences and establishments

No other licences were acquired or companies established.

Changes in risks

There have been no significant changes in risks.

Acquisitions and disposals

There were no acquisitions or disposals made by the Group.

Litigations and contingent liabilities

No member of the 4finance Group is engaged in new legal or arbitration proceedings which may have a material effect on the Group's financial position or profitability.

Changes in management

The Group continued to strengthen its management team and function in an efficient manner.

Nick Philpott joined the Group management team as Chief Administrative Officer. Nick has spent over 25 years in the finance industry covering major markets such as the UK, Russia and France. He has been a Managing Director at Credit Suisse and at Renaissance Capital, as well as a partner at Ernst & Young. Nick has a BA in History from the University of York. In the Group, Nick assumes responsibility for the Project Management and Process Improvement teams. Additionally, he will manage the Human Resources department, which previously reported to the Chief Executive Officer. Nick has joined the Executive Committee of the Group.

CRO Scott Jensen resigned from the company effective 31 December 2014.

Changes in beneficial owners

AS 4finance is owned 75% by Tirona Limited and 25% by FCI Limited.

In February 2015 AS 4finance was informed that the shareholders of Tirona Limited have been changed from 100% owned by Mr. Oleg Boyko to 25.5% by Mr. Uldis Arnicans, 25.5% by Mr. Edgars Dupats, and 49% by Mrs. Vera Boiko.

Changes in the regulatory framework

There have been no changes in regulations in the countries of operation. The Group remains confident of its ability to fully comply with, as well as successfully operate under, the current regulations in all ten countries of operation.

INFORMATION ABOUT THE GROUP

The 4finance Group is one of the largest online providers of small unsecured consumer loans in Europe based on market share. The Group offers unsecured single payment loans to consumers online with a short term loan period of up to 30 days and instalment loans with a medium term loan period of up to 24 months. Currently the Group operates in ten countries, these being Poland, Spain, the Czech Republic, Sweden, Finland, Denmark, Latvia, Lithuania, Georgia and Bulgaria.

Corporate website: www.4finance.com

4finance Holding S.A.
Address: 6, rue Guillaume Schneider, L-2522, Luxembourg
RCS Luxembourg: B171.059

Investor Relations
Email: investorrelations@4finance.com
Address: Lielirbes iela 17a-8, Riga, LV-1046, Latvia