accents

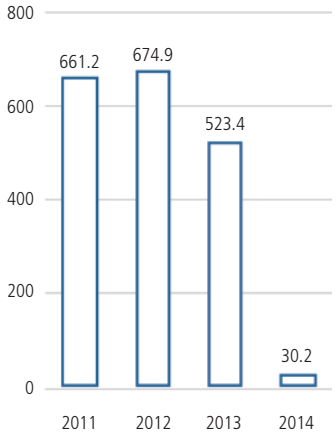
DF Deutsche Forfait AG

Annual Report 2014

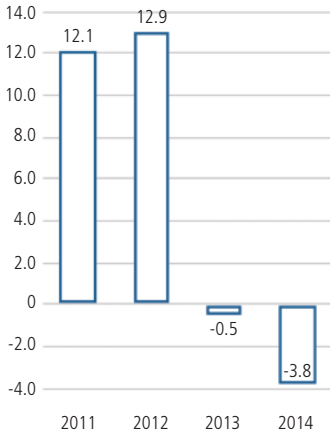
CONSOLIDATED KEY FIGURES

in EUR million (unless otherwise noted)	2011	2012	2013	2014
Business volume	661.2	674.9	523.4	30.2
Gross result including financial results	12.1	12.9	-0.5	-3.8
Forfaiting margin including financial results	1.8%	1.9%	0,0%	n.a.
Administrative costs	10.7	9.3	10.7	12.0
Earnings before income taxes	1.4	3.8	-11.1	-15.5
Consolidated profit/loss	-3.9	2.1	-12.6	-15.5
Average earnings per share in EUR	-0.58	0.32	-1.85	-2.28

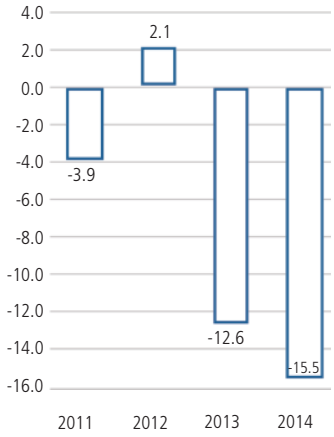
Business volume
(in EUR million)



Gross result incl. financial results
(in EUR million)



Consolidated profit/loss
(in EUR million)



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MARINA ATTAWAR

"Watching the light at the end of the tunnel is truly a good moment. Now we need to set new accents. And we know how to do."

The listing of DF Deutsche Forfait AG on the sanctions list of the Office of Foreign Assets Control (OFAC), an agency of the US Treasury, due to alleged violations of Iran sanctions brought the company's operating activities to a virtual standstill for about eight months of 2014 and caused substantial losses.

In our interview, Marina Attawar and Frank Hock, members of the company's Board of Management, provide an insight into the extent of the financial problems caused by the entry on the sanctions list. In addition, they explain the current financial restructuring exercise and the continued great opportunities offered to DF Group by the global trade finance market.

On 16 October 2014, DF Deutsche Forfait AG was removed from the US sanctions list after about eight months without having to pay a fine. Would you call that a rescue in the nick of time?

Marina Attawar: Without any doubt, yes. The continued existence of our company was at stake and the eight months during which we were unable to do business led to considerable losses. At the end of August 2014, we had to announce a loss in the amount of half the parent company's share capital. By that time, all stakeholders had to be aware that the company was on the brink of failure. In other words, a substantial further delay in the US authorities' decision would most likely have led to the company's insolvency.

Can you quantify the damage caused to DF Group by the OFAC listing?

Frank Hock: The financial damage is reflected in our figures for the years 2013 and 2014. The consolidated financial statements for 2013 were completed only in November 2014 due to the OFAC listing. A loss of EUR 12.6 million was posted for that year, followed by another EUR 15.5 million for 2014. Equity declined from EUR 24.5 million at the end of 2012 to EUR 5.3 million on 31 December 2014. The major portion of these losses is directly or indirectly attributable to the OFAC listing.

Marina Attawar: And this does not include the non-financial damage initially resulting from the loss of reputation with our business partners, customers and investors and from the loss of key personnel. These losses probably had an equally negative effect. Fortunately, the loss of confidence and image vis-à-vis our customers and business partners is no longer quite as bad after the OFAC's eventual "not guilty" verdict. We are therefore confident that we will be able to restore our good market positioning swiftly. Now it is important for us to set new accents; and we know how to do.

FRANK HOCK

"We cope with challenges. This is our key competence and finally the root of our business."

You achieved the removal from the OFAC list in record time and without having to pay a fine. What were the key success factors in the proceedings?

Frank Hock: You can certainly imagine our advisors' answer to this question… Joking aside, I think it was a mixture of being absolutely convinced of our innocence, the extraordinary commitment and stamina of our team and, finally, having the right advisors. And let's not forget the political support thanks to the great commitment of our Supervisory Board. After all, the Foreign Office, the Federal Finance Ministry, the Federal Economics Ministry and even the German Chancellery were involved in the talks with the US authorities.

During the eight-months OFAC listing, were there moments when you no longer believed in a solution or you personally considered giving up?

Marina Attawar: There certainly were moments when I was no longer sure that a solution would be found but I never considered giving up. What reassured me was the fact that so many of our employees worked hand in hand with us to compile the documents for the numerous investigations as quickly as possible, sacrificing many of their free weekends in order to provide evidence that the listing was unjustified. We worked as a team against being convicted. This commitment and motivation are very encouraging.

Frank Hock: Giving up was never an option for me, either, although there were repeated setbacks in the process. After the first investigation by the US lawyers, for instance, we were optimistic that we would be removed from the list. But the US authorities called for further investigations. This was quite unnerving but it did not affect our commitment and our determination.

Let's take a look at the current situation. Where does DF Group stand today, some six months after the removal from the OFAC list?

Marina Attawar: We are back in the market and are receiving numerous business inquiries from our network. It is striking to see that the focus of these inquiries is again on difficult risks or more complex structures, which means that our market position as a solution provider for this kind of transactions has not been filled by others. But we are not yet able to serve all inquiries, as our resources will remain limited until the restructuring measures are completed.

When will DF Group be fully operational again?

Frank Hock: We hope to be able to complete the currently planned capital measures by beginning of July 2015. This includes, as a first step, a debt-to-equity swap as well as a cash capital increase. In addition, our banks have made loan commitments in the amount of EUR 40 million, which will be available to use until 31 December 2016. This will provide us with a capital basis to fully resume business.

What do you intend to do to restore shareholders' and bondholders' trust?

Frank Hock: This will be a key task in the coming months. It is understandable that many of our shareholders and bondholders are disappointed. While we were on the sanctions list, our scope for telling our side of the story was quite limited as we did not want to jeopardize the investigation. During the current restructuring process, we will keep our investors comprehensively informed about the progress.

How do you rate the business opportunities of the "downsized" DF Group?

Marina Attawar: Our team has been reduced by about one third within the past year. We will have to make selective additions again and have already recruited new employees for the front-office and the contract processing department. During the recent months we worked intensely on increasing the efficiency of our processes. By this we have come to the conclusion that we need fewer employees per unit of business volume than before and without compromising on the quality of our business. In the course of this year, we will have positioned our team such that we will be able to exploit the opportunities in the market for foreign trade receivables.

"Without saying: Foreign trade which is n
model does simply not exist. We offer so
the big players – to allow more countrie

What progress have you made in launching the funds business?

Frank Hock: We remain absolutely convinced of the advantages of this instrument, as the high standardization of the placement in trade finance funds increases the turnover frequency. Now that we have been removed from the sanctions list, we are laying the administrative basis to launch the first fund. We are also in talks with strategic partners to advance this project more quickly.

What will be the most exciting markets in the coming years?

Marina Attawar: Africa, but also some Eastern European and Asian countries. The sanctions imposed on Russia, for instance, are opening up new possibilities for neighboring countries such as Belarus. Countries like China are more than before forced to have their exports financed by the private sector. This will open up new business opportunities for us. In Africa we already have been active for many years. In 2013, we doubled our business volume in Africa to roughly EUR 71 million.

When do you expect to generate positive results again?

Frank Hock: After a successful restructuring we will have an equity and debt base that will allow us to realise business volumes of the same size as prior to the OFAC listing. There are huge opportunities in our market and it is our firm intention to get the company back on track. We intend to post a positive consolidated result for the full year 2017 at the latest.

not supported by a dedicated trade finance
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Dear shareholders,

In the 2014 financial year, DF Deutsche Forfait Group experienced the most serious crisis in its 14-year history. Without any warning and to the absolute surprise of the Board of Management and the Supervisory Board, DF Deutsche Forfait AG ("DF AG" or "the company") and its US subsidiary (DF Americas Inc., Miami) were put on the Specially Designated Nationals and Blocked Persons List ("SDN list" or "OFAC listing") of the US Office of Foreign Assets Control ("OFAC") on 6 February 2014 due to alleged violations of Iran sanctions. As a consequence of the entry in the SDN list, the company was virtually unable to do any business for most of the year 2014. Being a provider of foreign trade finance, DF Group underwrites a major portion of its business in US dollars and therefore needs a bank in the USA to handle USD payments, but US banks are not allowed to do business with SDN-listed enterprises. The Board of Management, the Supervisory Board and the employees of DF Group spent a major part of their working hours last year helping to resolve the allegations - and they did so with success. On 16 October 2014, the company was removed from the SDN list without having to pay a fine. This confirms the company's view that the entry on the SDN list was unjustified.

The Supervisory Board would like to thank all employees of DF Group for their great personal commitment, which helped to resolve the crisis, although it is not entirely over yet. The 2015 financial year will be marked by the financial restructuring and the gradual restoration of the company's operational strength. We will support the excellent work of the Board of Management and the workforce with great determination and thus get DF Group back on the road to success.

As a consequence of the entry of DF Deutsche Forfait AG in the SDN list and the resulting inability to do business, DF Group posted a consolidated net loss of EUR 15.5 million for the 2014 financial year. This consolidated net loss is also attributable to high legal and consulting expenses incurred in conjunction with the OFAC listing and the preparation of the financial restructuring.

Supervisory Board Activity Report

In the past financial year, the Supervisory Board continuously monitored the company's performance and the measures taken to remove the company from the SDN list, and fulfilled all the tasks imposed on it by law and by the Memorandum of Association. The Supervisory Board regularly supervised the activities of the Board of Management and provided advice. In accordance with their supervisory function, the Supervisory Board, and in particular the

“Without pre-warning DF AG has been put on the OFAC-list. Therewith the company in 2014 did not had the ability to run business as usual.“

DR. LUDOLF VON WARTENBERG

Chairman and the Deputy Chairman of the Supervisory Board, liaised regularly with the Board of Management. The latter immediately apprised the Supervisory Board of all relevant business events and strategic decisions through both written and oral reports. Contact between the Supervisory Board and the Board of Management was further intensified at the beginning of the year 2014 when the company was added to the SDN list. The Board of Management continuously informed the Supervisory Board of the state of the investigations undertaken to refute the OFAC's accusations and the state of the efforts aimed at removing the company from the SDN list.

Changes to the Board of Management and the Supervisory Board

There were several changes in the composition of both the Supervisory Board and the Board of Management. Mr. Ulrich Wippermann resigned from the Board of Management with effect from 24 February 2014 and has left the company. Mr. Clemens von Weichs resigned from the Supervisory Board with effect from 12 February 2014. With M.M. Warburg having sold its stake in the company, Mr. Florian Becker relinquished his membership of the Supervisory Board effective 12 June 2014. Subsequent to that date, the Supervisory Board consisted of only three members but was able to act and take decisions at all times.

At the company's ordinary Annual General Meeting on 22 January 2015, Dr. Jürgen Honert and Dr. Tonio Barlage were elected to the company's Supervisory Board, which now comprises five members. The Supervisory Board aims to fill the vacant position of the sixth Supervisory Board member as soon as possible.

Six meetings and five telephone consultations of the Supervisory Board were held in the course of the 2014 financial year. All consultations were attended by all members of the Supervisory Board. No conflicts of interest involving members of the Supervisory Board were made known to the Supervisory Board during the reporting period.

Focus of Supervisory Board Meetings

The meetings during the year 2014 mainly revolved around the economic, legal and reputational implications of the placement on the SDN list as well as the various measures undertaken to secure a delisting.

The Supervisory Board meeting on 29 January 2014 served to present DF Group's strategy and planning for the years 2014 through 2016 and to discuss these matters in depth.

On 11 February 2014, a phone conference was arranged to explain the company's current situation against the background of its placement on the SDN list and to discuss the consequences and counter-measures that were discernible at the time. The Supervisory Board was additionally informed of the background of the retroactive payment of value added tax for the financial years 2007 through 2013, heard reports on the implications of this matter and discussed possible measures to be initiated in this context.

On 20 February 2014, the Supervisory Board convened for a detailed update on the OFAC listing and the lending banks' reaction to the listing. In addition, the Supervisory Board discussed the current and expected earnings and business trend as well as measures to reduce costs and secure the company's liquidity for the duration of the OFAC listing.

On 26 February 2014, the Supervisory Board held a phone conference on recent developments related to the OFAC listing.

Based on the results of an examination of the Iran transactions realized and negotiated between 2011 and 2014 carried out by a U.S. law firm commissioned by the company and its recommendations, the Supervisory Board meeting of 25 March 2014 endorsed a revised compliance guideline as well as a number of further measures to ensure the proper monitoring of compliance with international sanction rules. Supplemented by reports of the U.S. law firm and the German Central Bank, the adjustments of the compliance guideline as well as the implementation of further measures to ensure the monitoring of compliance with international sanction rules formed the basis for the submission of a delisting request to the OFAC.

The key item on the agenda for the Supervisory Board meeting on 17 April 2014 was the endorsement of the 2014 annual accounts. In view of the ongoing OFAC listing, the auditor was unable to take a decision on the recognition of the company's assets - in particular relating to the question whether the foreign trade receivables portfolio should be recognized on a going concern or on a liquidation basis. As a result, the Supervisory Board decided to postpone the final preparation of the consolidated and the separate financial statements as well as the endorsement of these accounts in anticipation of an imminent removal from the SDN list. This decision was not least taken against the background of the fact that a recognition on a liquidation basis would have sent the wrong signal to the customers of DF Group and the debtors of the receivables in the company's portfolio as well as to the shareholders, bondholders and lending banks.

“It is just impressive to see how insistently the board members have contributed to respond to the allegation.“

CHRISTOPH FREIHERR VON HAMMERSTEIN-LOXTEN

On 14 May 2014 the Supervisory Board held a phone conference to discuss the further procedure pertaining to the OFAC listing.

The Supervisory Board meeting on 29 August 2014 was attended by the auditor and revolved around the adverse opinion issued by the latter in respect of the company's consolidated and separate financial statements against the background of the ongoing OFAC listing and the resulting uncertainty about the company's ability to continue as a going concern. The meeting also addressed the further steps to be taken in respect of a possible supplementary audit of the company's consolidated and separate financial statements in case of an elimination of the scope limitation, particularly following a delisting of the company from the SDN list. Finally, the Board of Management informed the Supervisory Board of the loss in the amount of half the share capital, and the resulting implications were discussed.

On 14 October 2014 the Supervisory Board received reports on the status of the restructuring report on the company's suitability for restructuring and discussed the extraordinary meeting of shareholders taking place on the same day.

At the meeting on 4 December 2014, the auditor informed the Supervisory Board of the result of the supplementary audit for the 2013 financial year and explained his reports on the supplementary audit of the separate and the consolidated financial statements. An unqualified audit certificate plus additional note was issued for the separate financial statements including the management report and the consolidated financial statements including the group management report of DF Deutsche Forfait AG. In view of the size of the documents and explanations, the Supervisory Board decided to endorse the separate and the consolidated financial statements at a separate consultation of the Supervisory Board. Other topics addressed at the Supervisory Board meeting on 4 December 2014 included the financial and operational restructuring concept, the invitation to the ordinary Annual General Meeting for the 2014 financial year on 22 January 2015 and the efficiency review of the Supervisory Board.

At the telephone conference on 11 December 2014, the Supervisory Board approved the separate financial statements of DF Deutsche Forfait AG and the consolidated financial statements for the 2013 financial year. The financial statements for the 2013 financial year have thus been finalized.

Supervisory Board Committees

The Supervisory Board had formed a working committee until 12 June 2014, which consisted of three Supervisory Board members at the beginning of the 2014 financial year. The working committee was chaired by

Freiherr Christoph von Hammerstein-Loxten. Mr. Clemens von Weichs and Mr. Florian Becker also sat on the committee until they resigned from the Supervisory Board. At the meeting following the ordinary Annual General Meeting on 22 January 2015, the Supervisory Board appointed a new working committee. The latter is currently composed of Christoph Freiherr von Hammerstein-Loxten (Chairman) and Dr. Tonio Barlage. The working committee primarily addresses risk principles and the risk management of DF Group as well as the receivables portfolio of the company and its subsidiary, DF Deutsche Forfait s.r.o., Prague. It reviews and discusses the limit applications for the Supervisory Board as a whole and makes a recommendation to the latter. It also approves individual transactions where no sufficient country and/or counterparty limits exist or the Board of Management does not have the authority required for the respective transaction. At all meetings, the working committee additionally addressed the delinquencies as well as the legal disputes involving the company on the basis of the submissions and statements made by the Board of Management. As a consequence of the company's entry on the SDN list and the very low level of actual business operations during this period, the working committee met only once in 2014. The meeting on 24 March 2014 was attended by all members of the committee.

Corporate Governance

The Supervisory Board remained committed to good corporate governance throughout the 2014 financial year. For information on corporate governance, please refer to the Corporate Governance Report, which forms part of the Annual Report. On 10 March 2015, the Board of Management and the Supervisory Board issued the annual declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG), which has been made permanently available to all shareholders on the company website. The complete declaration of conformity is also included in the Corporate Governance Report.

„The financial statement is sad. But is enc
someone having paced such a deep and lon
there is no doubt about opportunities and ch

2014 Annual Financial Statements

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, was elected auditor for the financial year from 1 January 2014 to 31 December 2014 at the Annual General Meeting on 22 January 2015. Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, has audited the 2014 separate financial statements and management report as well as the 2014 consolidated financial statements and the group management report of DF AG and has issued an unqualified audit certificate.

The 2014 separate financial statements, the management report, the 2014 consolidated financial statements and the group management report as well as the auditor's report were available to all members of the Supervisory Board for detailed examination. At the Supervisory Board meeting on 30 April 2015, the auditor explained all relevant items of the reports. All accounting-related questions and issues were discussed in depth. Finally, the auditors confirmed their independence. Following its own in-depth examination and appropriate discussion, the Supervisory Board concurred with the result of the audit and approved the separate financial statements as well as the consolidated financial statements. No objections were raised. This means that the annual financial statements of DF Deutsche Forfait AG are finalized. The Supervisory Board approved the management reports and the assessment of the company's future development.

Cologne, April 2015

Supervisory Board
Hans-Detlef Bösel
Chairman

ouraging to look into the future. For
g valley while still having water at its end,
allenges future brings along with."

HANS-DETLEF BÖSEL

GROUP MANAGEMENT REPORT

Fundamentals of the DF Group

Economic report

Explanatory report of the management board

Corporate governance statement

Post-balance sheet events

Opportunities and risk management report

Outlook

Responsibility statement by the Management Board

Fundamentals of the DF Group

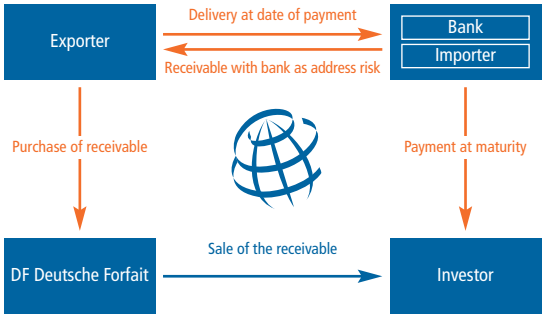
BUSINESS MODEL OF THE GROUP

DF Group specializes in foreign trade financing with a focus on the emerging markets.

Forfaiting is a classical export financing instrument. In the forfaiting business, foreign trade receivables (hereinafter briefly also referred to as "receivables") are acquired at a discount from the nominal value. This discount on the market value is calculated on the basis of the money and capital market interest rate for the equivalent term and at matching exchange rates (e.g. 6-months or 1-year LIBOR or 2-year swap rate) plus risk margin. The margin takes the individual risk of each transaction into account, which mainly depends on country and counterparty risks of the primary debtor (importer) and the secondary debtor (e.g. credit insurance, guaranteeing bank). The margin is additionally influenced by the complexity of the transaction including the documentation.

DF Group acquires foreign trade receivables either directly from the exporter or importer (primary market) or from banks or other forfaiting companies (secondary market) which have previously acquired the receivables from an exporter or importer. The receivables are resold to investors, usually banks.

Classic Forfaiting



What makes forfaiting interesting to export-oriented companies? In view of the market saturation tendencies in the developed countries – especially the industrialized countries – the development of new markets in the world's growth regions is of high strategic and operational relevance: on the one hand, the successful development of new markets facilitates further growth; on the other hand, the margins in new, unsaturated and growing markets (which are the typical characteristics of developing countries) are usually higher / more attractive than in established, saturated and stagnating markets of industrialized countries. When delivering products to developing and emerging countries, exporters must usually grant extended payment terms to importers. This is primarily due to the fact that developing and emerging countries have underdeveloped financial systems providing only limited or no access to financing instruments such as loans, leasing or lease purchases. This results in (trade) receivables at the exporter. The risks associated with these receivables must initially be borne by the exporter and recognized in their balance sheet. Even though receivables arising from exports to developing and emerging countries are typically secured by a local bank in the importing country, they tie up exporters' liquidity and adversely affect their creditworthiness. In addition, the exporter takes specific (financial) risks outside of their core business, which requires specific expertise. This is usually not in the interest of the exporter, who is willing to assume operational risks related to its business model but not financial risks such as exchange rate risks, conversion and transfer risks as well as political risks, as these are not part of their business. DF Group assumes these specific risks and tasks through the non-recourse purchase of the receivable. The exporter receives liquidity quickly and removes the risks from the balance sheet. Buyer loans granted to the importer are an alternative to the non-recourse purchase of receivables from the exporter. Buyer loans allow the importer to pay the exporter (supplier) without requiring longer payment

periods. Forfaiting and buyer loans thus differ only with regard to the contractual partner while having the same economic effect.

Apart from forfaiting, DF Group takes over risks from its customers under purchase commitments. Unlike forfaiting, purchase commitments only involve the assumption of country and counterparty risks without providing liquidity. Purchase commitments are secured by bank guarantees, third-party counter-guarantees or credit insurance in favor of DF Group, which means that the risks are outplaced. DF Group also purchases lease and loan receivables, which are usually sold or hedged by purchase commitments.

Investors buy foreign trade receivables because the latter, unlike synthetic financial instruments, are based on the physical shipment of goods. The (primary) debtors are usually companies whose risk has been rated attractive since the financial crisis. Moreover, in the case of export receivables from (primary) debtors in developing and emerging countries, the credit risk of the importer (forfaiting debtor) is usually covered by a guarantee from a bank in the country of the importer or by private or government credit insurance (secondary debtor). Also, the L/C and note receivables often used in foreign trade represent abstract payment promises and are thus unrelated to the underlying transaction and potential claims resulting from them. This makes foreign trade receivables attractive to investors under risk/return aspects.

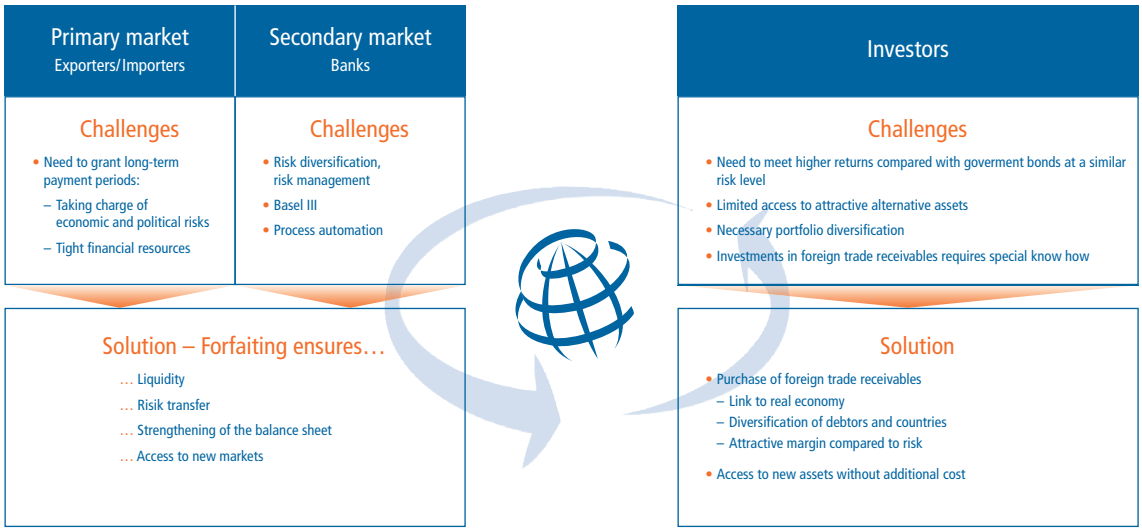
Structure of DF Group

Besides Cologne-based DF Deutsche Forfait AG as the ultimate parent company, DF Group comprises five subsidiaries. These are headquartered in Brazil (São Paulo), the Czech Republic (Prague), the USA (Miami), Pakistan (Lahore) and Dubai. The international network is complemented by branches in France (Paris) and the UK (London) as well as a partner in Italy.

In addition to this broad international network of subsidiaries and branches, DF Group cooperates with external intermediaries (collectively referred to as the "sales organization"). This sales organization ensures that DF Group has direct access to the various regional markets and gives DF Group the flexibility to respond to changing conditions in the individual local markets and to (temporarily) exit markets or tap new and/or attractive markets at short notice.

With the exception of the subsidiary in Prague, which is involved in back office tasks for individual transactions as and

External trade claims – Reference to real transactions



when required, the foreign subsidiaries and offices as well as the intermediaries focus exclusively on marketing and sales activities. In this context, they are responsible for (internal and external) project coordination of each transaction; this comprises acquisition, preparation and negotiation of the parameters of the purchase as well as the outplacement of the foreign trade receivables. The same applies to purchase commitments or the brokering of agenting transactions. However, the decentralized sales organization is not authorized to close transactions autonomously. Besides fostering contacts with existing customers, the sales organization is also responsible for winning new customers as well as observing and identifying new markets. Thanks to this clear focus and the allocation of tasks between the sales organization and the parent company, new markets can be developed relatively quickly and without major financial expense. The parent company, DF AG, coordinates the sales organization and is in charge of DF Group's refinancing activities, risk management, contract management and documentation as well as the final outplacement of transactions.

Employees: Diversity is key

A team of international employees works for DF Group in five subsidiaries as well as two branches worldwide. This internationality benefits the company and its customers in their day-to-day business as local language skills, an understanding of the local cultures, the knowledge of the market habits as well as close contacts to the market players on the placement side (exporters, banks, forfaiting companies) and the purchasing side (investors) help to gain optimum access to the respective markets and the parties involved in the transactions. To maintain this high standard, the DF Group actively promotes diversity among its workforce.

DF Group offers its employees personalized vocational and further training measures, which are geared to employees' unique requirements and preferences as well as to the company's requirements. The high degree of specialization of the employees and the concentration of the contract management functions and other central functions (bookkeeping, management accounting, finance and accounting) in Cologne allow DF Group to expedite even highly individualized and complex export finance transactions quickly and efficiently based on a global orientation.

The number of employees of DF Group including cooperation partners dropped sharply in the course of 2014 to 41 at the end of the year (compared to 61 in the previous year). This was due to the fact that several DF Group companies were named on the List of Specially Designated Nationals and Blocked Persons (hereinafter referred to as "SDN list") of the US Office of Foreign Assets Control (hereinafter referred to as "OFAC") for a period of 249 days, during which virtually no operational business was possible. The company lost a total of 20 employees due to terminations and personnel adjustments during this period. At the end of 2014, 29 of the 41 employees worked at the Cologne headquarters, while 8 worked in sales and marketing at the worldwide branches and subsidiaries. 4 people work at the cooperation partners exclusively for DF Group.

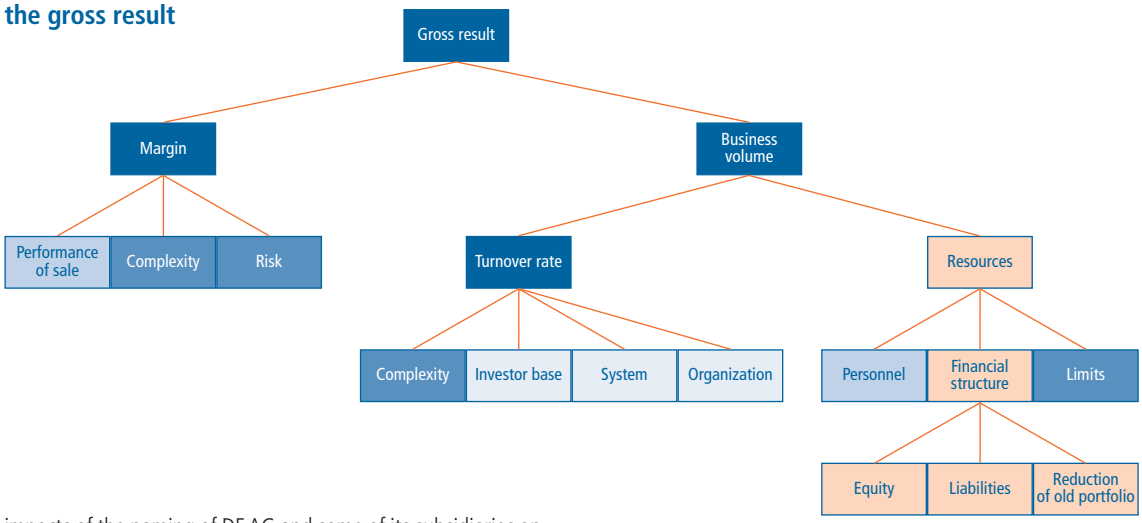
OBJECTIVES AND STRATEGIES

The primary operational objective of DF Group is to maximize the gross result including financial results ("gross result"). The gross result reflects the success of the forfaiting business and forms the basis for a satisfactory consolidated net income. The extent to which this objective is reached depends on several influencing factors, whose improvement and/or increase forms part of the activities of the employees and cooperation partners of DF Group. Because of their importance for the company's performance, these influencing factors are monitored continuously in the context of sales controlling. The chart on the top of the following page provides an overview of the influencing factors.

Strengthening of resources (restructuring concept)

The parent company has developed a concept to restructure its equity and debt capital, which was agreed with the key stakeholders prior to its announcement and implementation. Because of the considerable negative (financial and) economic

Main factors influencing the gross result



impacts of the naming of DF AG and some of its subsidiaries on the OFAC SDN list on 6 February 2014, it is necessary to strengthen the equity capital and restructure the debt capital. As there was no evidence of DF AG having violated US and European sanctions law, the company was removed from the SDN list on 16 October 2014 without having to pay a fine.

Securing the debt capital base: Bank loans in an amount of at least EUR 40 million and maturing 31 December 2016 will give DF Group the time it needs to restore the business volume, which had slumped dramatically after the company's listing on the SDN list in 2014. The reduction of the interest payments for the 7.875% bond 2013/15 (ISIN DE 000A1R1CC4 (hereinafter referred to as "bond")) issued in May 2013 and for bank loans will also support the restoration of the business volume and the return to profitability.

Restoration of a positive equity base: The losses of the year 2014 mean that both DF Group and DF AG are overindebted. The non-cash capital increase in the context of which bondholders can voluntarily swap their bonds for equity and the additional cash capital increase are designed to substantially increase the equity capital of DF AG and DF Group and to remedy their overindebtedness. Higher equity capital will improve the risk-bearing capacity and creditworthiness of DF AG and DF Group in the eyes of both its equity and debt capital providers and its customers on the purchasing and placement sides.

Wind-down of the old portfolio: Just like any financial company, DF Group has receivables in its portfolio (dating back to the time before the SDN listing) that are overdue and tie up financial and human resources, which are therefore not available for new business. As a result, the old portfolio is a double burden for DF Group; first because of the tied-up liquidity which cannot be used for new business and second because of the (personnel, legal and other) expenses related to the collection of the overdue receivables.

Moreover, some debtors used the SDN listing of DF AG and some of its subsidiaries to (i) fail to settle their due payments because of the SDN listing and to (ii) further delay overdue payments or court/arbitration proceedings. At the same time, DF Group was unable to legally enforce its claims during the SDN listing, because law firms refused to represent SDN-listed companies and credit insurers refused to negotiate with them. Since the removal from the SDN list, DF Group has been busy collecting overdue receivables and continuing the legal disputes, some of which had been suspended. The old portfolio is to be wound down in full by the end of 2017, successively releasing financial and human resources for new business in the process.

Increasing turnover frequency, reducing holding period

The turnover frequency of the receivables depends on internal and external factors.

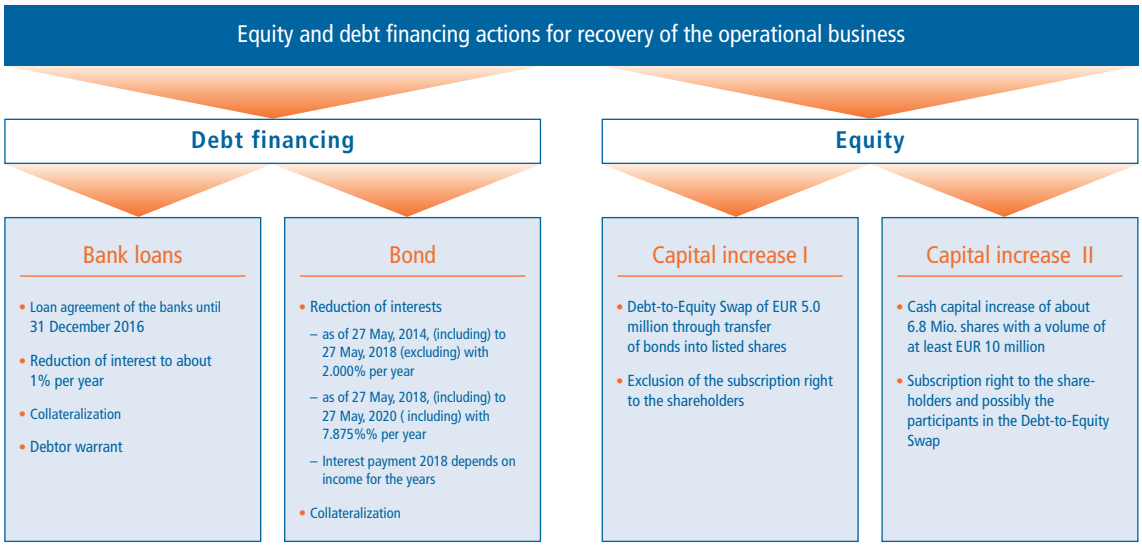
External factors influencing the turnover frequency/holding period include the complexity of the receivables and the underlying documentation as well the breadth of and the access to the placement/investor base. DF Group's strategic projects – Asset Backed Securities ("ABS") and Asset Backed Commercial Paper ("ABCP") programs on the one hand and Trade Finance Funds ("TFF") on the other hand – address all of these variables.

The company plans to group receivables based on special predefined properties and selection criteria and to sell them to investors in the capital market via ABS and ABCP structures. The securities issued in the context of ABS/ABCP structures are usually investment grade rated securities. ABS/ABCP structures thus allow DF Group to group receivables which are typically not rated or have a non-investment grade rating into investment grade portfolios. Moreover, this process converts non-fungible receivables for which no standard market price exists into assets that can be traded in the capital market.

With its trade finance funds concept, DF Group not only expands its placement base and establishes a new asset class but also extends its business model. In the past, the company used to place its export receivables only with specialized investors and banks with trade finance expertise. If investors buy receivables directly, they are also responsible for managing them. These individual placements will now be complemented by trade finance funds placements, which will allow new investor groups such as insurers, pension funds and family offices which lack the specific expertise required for the processing of foreign trade receivables to invest in (foreign) trade receivables. As the receivables are not acquired directly by the investor but through a special purpose vehicle (TFF) – in which the investor holds a share – the TFF performs the necessary processing functions. To manage the receivables, the Trade Finance Funds sources services from its management company (in the case of the TFF launched by DF AG, this is Deutsche Kapital Ltd. ("DKL"). The management company, in turn, outsources these activities to DF AG.

The two projects (Trade Finance Funds and ABS/ABCP structures) extend DF Group's placement radius and lay the basis for a

Overview of the capital measures taken in accordance to IDW S6 statement

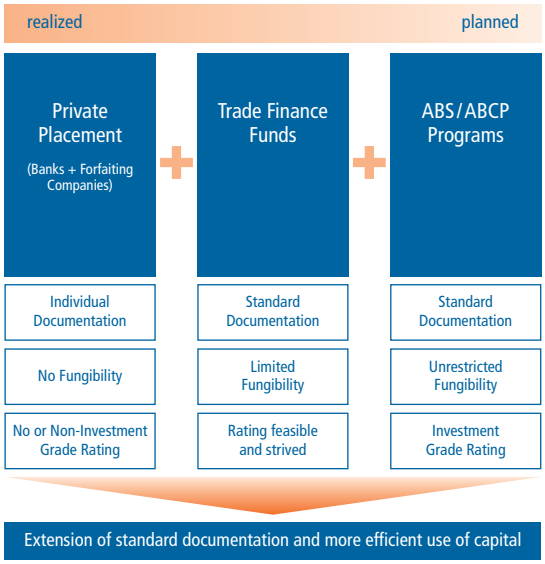


strong increase in the Group's business volume and profitability, not least because business with these investor groups is much more standardized and characterized by much shorter processing times and holding periods. Due to their investment grade ratings, ABS / ABCP make it possible to address investors and / or funds that require their investment vehicles and / or the securities issued by the latter to have at least an investment grade rating. These include, in particular, the regulated assets of insurance companies.

Internal factors influencing the turnover frequency include the organization of the workflows between contract management and sales, contract management and the credit department and within the contract management department as well as the systems available to process the transactions.

On the placement side, throughput speed has been optimized by the introduction of a panel of experts. This means that the individual offices present their current transactions to an expert group of experienced traders and get direct feedback regarding the parameters of necessary adjustments of the transaction (e.g. structure, terms and conditions, documentation). The panel of experts replaces the former multi-stage approach, where the offices first discussed the transactions with their team manager, who then discussed them with the responsible Director of Sales. Due to this approach, some information was sometimes not passed on in full and numerous inquiries were necessary.

Broader investor base



At the systems level, the upgrade and the integration of the individual IT programs as well as the introduction of new IT programs are expected to lead to significant efficiency increases. The same applies to the introduction of a database-driven IT system and workflow management program. The workflow management program not only supports the processing of the individual transactions but also gives each sales unit access to all material documents (e-mails, correspondence, memos, notes, legal opinions, contracts) of a transaction as these are recorded electronically. In the past, these units had to have the required documents sent from the contract management department, but now they have direct access to them for all transactions managed by them. Data security is enhanced by the integration of the subsidiaries via a terminal server architecture.

CONTROLLING SYSTEM

The gross result including financial results is the key performance figure for success in the forfaiting business. The gross result including financial results and net valuation is derived from the forfaiting volume and the margin. The latter comprises the current interest income received while a receivable is held as well as the difference between the purchase and the sales price of a receivable. Besides net valuation, this figure also includes the financial result since this is directly related to the forfaiting business. Receivables are refinanced for the period between the payout of the purchase price and the collection of the selling price or payment of the receivable. During this period, interest expenses are incurred for the receivables held in the trading portfolio. The corresponding income figure is the forfaiting income included in the gross result.

Another important performance indicator for the business of DF Group is the business volume, which is defined as the

Gross result including financial results and net valuation

In the period acquired business volume

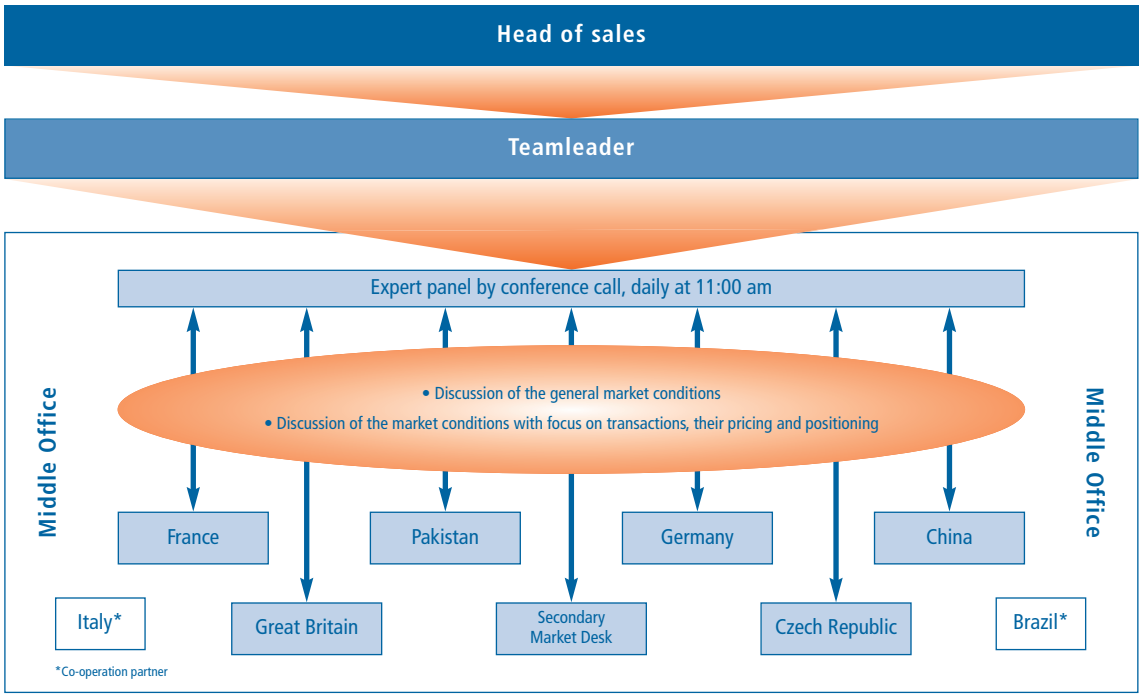
==>> Margin

nominal value of all forfaiting transactions closed in a reporting period. The business volume also comprises debt collections, agent transactions and loans. Other performance indicators used in DF Group's controlling and reporting systems are consolidated net income as well as Group return on equity and return on assets.

Besides the externally communicated performance indicators, DF Group implemented an additional new internal controlling system in 2013 to achieve its strategic and operational objectives. It comprises a scoring model and a risk-adjusted pricing model. The two components of the new controlling system are designed to ensure a more efficient allocation of all resources (primarily human resources, equity and debt capital) to transactions with an attractive risk-return mix and the shortest possible refinancing and holding period. This way, the business policy of DF Group is focused even more strongly on buying and selling foreign trade receivables. From DF Group's point of view, transactions with shorter holding periods are especially attractive as they enable faster turnover of the resources available for refinancing. As a result, a higher business volume and growing absolute income can be generated on the same refinancing basis due to the increased turnover frequency.

The scoring model serves to assess the sales performance of the individual units of the sales organization under qualitative and quantitative aspects. The two parts are weighted 2:1. The quantitative part is divided into eight sub-categories with different weighting factors. One focus of the assessment is on the degree to which a sales unit reaches the annual targets set with regard to business volume, profit contributions and cost

Increase of the sales throughput speed with expert panels



coverage. Another central component of the scoring model is the assessment of the return, the holding period and the (default) risk of the export receivables acquired or placed out. The scoring model rewards those transactions which are characterized by a high return and a short holding period and are thus in line with DF Group's trading-oriented business model. The qualitative part assesses aspects such as the development of the customer base (new customers, existing customers), the number of customer inquiries, marketing activities as well as other factors (e.g. acquisition of credit lines).

The risk-adjusted pricing model defines a benchmark, based on a minimum interest rate, for the respective transaction closed and takes the risk of default into account. It is thus based on the principle that the interest earned on a transaction – defined as internal rate of return (IRR) – must cover at least DF Group's (total) cost of capital. The (total) cost of capital is equivalent to weighted average costs of capital (WACC) and is determined by the amount of debt capital and the interest paid on it as well as by DF Group's targeted return on equity (ROE). This reflects the idea that transactions with a longer holding period tie up refinancing resources for an extended period of time and thus have an adverse impact on DF Group's volume and earnings growth. A specific return on assets is therefore determined for each transaction, which depends on the expected holding period, the probability of default of the parties involved in a transaction, the (total) cost of capital and the probability of the receivable being sold. The expected IRR is calculated before a transaction is closed; an additional post-calculation of each transaction ensures that conclusions for the pricing of future transactions can be drawn from potential deviations.

Economic report

Due to the special incidents which occurred during the period, the 2014 financial year cannot be compared with other former financial years of DF Group. DF Group suffered the worst crisis in its corporate history and was virtually unable to do business for the better part of the past year. Business volume dropped from EUR 523.4 million in 2013 to EUR 30.2 million in 2014. This was due to the fact that on 6 February 2014 the US Office of Foreign Assets Control (OFAC) put DF AG and some of its subsidiaries on the List of Specially Designated Nationals and Blocked Persons who have violated the USA's sanctions against Iran (SDN list) because of alleged violations of Iran sanctions. DF AG and the subsidiaries put on the SDN list were removed from the list by the OFAC on 16 October 2014. The removal from the SDN list without being fined confirms the company's opinion that it did not violate US sanctions law. After the removal from the SDN list, the parent company is allowed to resume writing USD-denominated business. It may also fully resume its suspended business subject to compliance with US sanctions law.

Due to the considerable constraints on the operational capabilities resulting from the 249-day SDN listing, DF Group incurred high operational losses. In addition, there were extraordinary expenses related to consulting services sourced by DF AG in order to be removed from the SDN list. Considerable expenses were also incurred in terms of the operational and financial restructuring measures initiated in September 2014 and implemented since. As the financial restructuring is unlikely to be completed before the end of the first half of 2015, DF AG's results will still be adversely affected in 2015.

Due to the SDN listing, DF AG and, hence, DF Group as a whole were barred from writing USD-denominated business anywhere in the world between 6 February 2014 and 16 October 2014. In the 2013 financial year, such transactions accounted for

about 70% of DF Group's business volume. In addition, the company's possibilities to make payments in other currencies than the USD (including the EUR) were restricted considerably, as many banks refused to make payments to or on behalf of an SDN-listed company. Between 6 February 2014 and 16 October 2014, DF Group

- was effectively unable to sign up or execute any new business. Moreover, in view of the uncertainty regarding the duration of the SDN listing, it did not seem advisable to engage in new transactions, which would tie up the company's liquidity. In addition, there was uncertainty about possible restrictions in the handling of payments due to the sanctions in the context of new transactions. There was a risk, among other things, that the banks involved in these payments would freeze or reject payments associated with new transactions;
- was unable to, or restricted in its ability to, resell the receivables held in its books at the time of the SDN listing, in particular to the extent that they were denominated in USD.

The collection of the receivables held by DF Group at the time of their contractual maturity was possible only with a considerable extra time input. DF Group was able, however, to collect the receivables due without any additional discount.

Due to the listing of DF AG and some of its subsidiaries on the SDN list in February 2014 and the resulting uncertainty, 20 employees left the company. However, these departures did not lead to individual relevant markets not being served adequately or not at all. Nor are the departures having a relevant adverse impact on the quality and the timing of the internal processes (e.g. contract management, credit analysis). In the meantime, some of the departing employees have been replaced through temporary outsourcing of tasks and new hiring.

MACROECONOMIC AND INDUSTRY-RELATED ENVIRONMENT

The world economy grew more slowly in 2014 than originally expected. According to the International Monetary Fund (IMF), the global growth rate of 3.3% was down by 0.4 percentage points on the original projections of January 2014. Among the main reasons for this weaker growth were the ongoing sovereign debt crisis in many industrialized countries, reduced economic growth in China and increased geopolitical risks. The emerging and developing countries posted a growth rate of 4.4% in 2014, which was clearly below the long-term average of 6.2%.

In spite of the temporarily more subdued outlook for the key emerging and developing countries, the overall market conditions for DF Group are positive. In many regions, companies are highly confident that trade volumes will increase over the medium to long term – all the more so as the emerging and developing countries are attractive to many companies from the consumer and capital goods industries. These markets are not saturated yet; on the one hand, these countries have a growing middle class, which is beginning to have demand for consumer goods now that their basic needs are met. On the other hand, there is huge demand for infrastructure investments, as the development and expansion of the infrastructure is a precondition for the further development of these countries.

At 116, HSBC's semi-annual Trade Confidence Index stood clearly above the neutral level of 100 in autumn 2014. The six-months outlook for Egypt, Bangladesh and the United Arab Emirates is excellent. Companies' confidence is again being driven by strongly growing demand for better infrastructure in emerging countries. Transport routes and an energy infrastructure are virtually non-existent in the African growth region, for instance. This is increasingly turning out to be a bottleneck factor for further industrial development in these countries and thus impedes an improvement of the living conditions of large parts of the population. As growing wealth is a political objective, governments support investments in these areas, opening up huge potential for the export sector. Focusing on trade (e.g. of long-lived capital goods) with the emerging markets, DF Deutsche Forfait AG will benefit from this trend and plans to expand its leading position in this niche segment. While nearly all international banks in the primary market offer their customers foreign trade financing products, only very few

of them have their own major forfaiting departments. Forfaiting is often seen as an additional service and, hence, as a customer retention instrument. The main business volume of international banks continues to come from "classic" transactions with standard documents, which, from our point of view, offer relatively low margins. Some smaller foreign banks also operate in the foreign trade financing segment. They usually concentrate on short-term risks in their respective home region and operate in very focused niches (e.g. VTB Paris, Ghana International Bank London, etc.).

In the secondary market, the company's competitors also include forfaiting companies such as Atlantic Forfaitierungs AG (Zurich) and London Forfaiting Company (London). These often focus on certain countries and/or maturities and tap the respective market from a very specialized perspective. DF Group operates both in the primary and the secondary market and positions itself as a solution provider for difficult risks or complex structures. This is of great importance for DF Group's market positioning and economic success insofar as it is exactly this positioning which generates higher margins and is exposed to lower competition.

Business partners' trust confirmed

Since the removal from the SDN list, DF Group has received numerous business inquiries, which confirm that our business partners still have trust in DF Group. Moreover, the number of inquiries shows that none of our competitors was able to occupy DF Group's market position while the company was on the SDN list. The solutions offered by our competitors are apparently regarded only as second best by our customers, who accept them only as long as the best solution is not available.

Due to limited resources, e.g. as a result of the capacities tied up because of the implementation of the restructuring concept and the fact that DF Group's refinancing resources and risk-bearing capacity will be limited until the restructuring concept is (fully) implemented, these inquiries could not be transferred into a sufficient number of transactions, though. In the fourth quarter, the business volume was EUR 6.8 million below plan.

BUSINESS PERFORMANCE

Result of operations

DF Group posted a consolidated net loss of EUR 15.5 million for the 2014 financial year (previous year: consolidated net loss of EUR 12.6 million). The consolidated net loss was primarily attributable to the above-mentioned naming of DF AG and some of its subsidiaries on the OFAC SDN list, which made it impossible for DF Group to do business for most of the 2014 financial year.

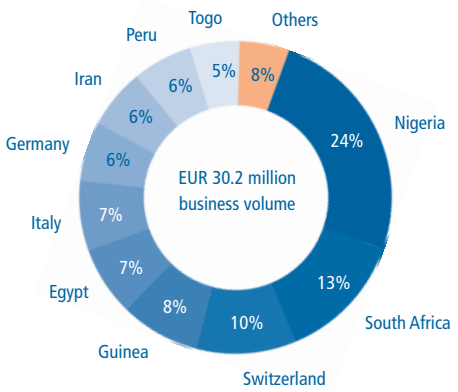
The business volume amounted to EUR 30.2 million in the 2014 financial year, down 94% on the previous year. In spite of the low business volume, the transactions realized show a very broad geographic diversification.

The gross result before financial results declined from EUR 2.4 million in 2013 to EUR 0.6 million in 2014. This reduction is mainly attributable to the low business volume. Exchange gains of EUR 1.2 million had a positive effect, while expenses resulting from the fair value measurement of held-for-sale receivables in the amount of EUR 2.1 million had a negative impact. These essentially relate to receivables from a Mexican offshore oil exploration service provider, who filed for insolvency in May 2014. As the latest information suggests that the eventual payout to investors will be close to zero percent, DF Group has fully written off the unsecured portion of the receivables.

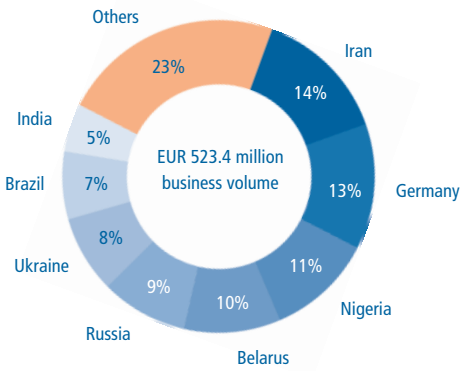
The financial results declined from EUR -2.9 million to EUR -4.4 million (-51.7%) due to the fact that interest on the SME bond issued in May 2013 was due for the first full financial year in 2014. Further reasons for the decline were increased refinancing interest for loans resulting from the higher risk associated with the SDN listing and DF Group's poorer net assets and financial position and results of operation. The Group's gross result including financial results dropped from EUR -0.5 million in the previous year to EUR -3.8 million in 2014. Consequently, the margin was negative.

Administrative expenses, which comprise personnel expenses, depreciation and other operating expenses, totaled EUR 12.0 million in the 2014 financial year, compared to EUR 10.7 million

Breakdown of the business volume by region in the year 2014



Breakdown of the business volume by region in the year 2013



in the previous year (+12.1%). While personnel expenses, at EUR 3.9 million, remained clearly below the previous year's EUR 4.5 million (-13.3%), other operating expenses rose sharply from EUR 6.1 million to EUR 8.0 million (+31.1%). The increase in other operating expenses is primarily attributable to the high legal and consulting expenses incurred in conjunction with the parent company's SDN listing. These totaled EUR 1.7 million in 2014. In addition, the company incurred expenses for the preparation and implementation of the financial restructuring concept.

The consolidated net loss of EUR 12 million projected in the management report of the previous year for the 2014 financial year was not reached. There are three main reasons for the increased consolidated net loss of EUR 15.5 million:

(i) postponement of the debt-to-equity swap from December 2014 to the second quarter of 2015. The debt-to-equity swap had been expected to make a positive profit contribution of about EUR 1.4 million. This results from the assumed contribution of the bond at 80% of its nominal value, which leads to extraordinary income (restructuring profit) of 20% of the nominal value of the bonds contributed in the context of the non-cash capital increase (debt-to-equity swap), as liabilities recognized at 100% are repaid at 80%;

(ii) expenses from the fair value measurement of held-for-sale receivables in the amount of EUR 2.1 million and

(iii) increased legal and consulting expenses in conjunction with DF AG's listing on and removal from the SDN list as well as the preparation and implementation of the financial restructuring program.

Financial position

DF Group generated negative operating cash flow of EUR 1.3 million (previous year: EUR -9.6 million) in the 2014 financial year. The negative operating cash flow in the reporting year is primarily attributable to the consolidated net loss. Based on daily liquidity planning, which covers a period until December 2016, DF Group is able to meet its payment obligations fully and punctually because of the anticipated payments from the receivables portfolio. Due to the consolidated net loss of EUR 15.5 million, DF Group posted negative equity capital of EUR 5.3 million (previous year: positive equity capital of EUR 10.2 million) as of 31 December 2014.

Liabilities to banks amounted to EUR 43.3 million as of the balance sheet date. All of these were current liabilities, most of which were denominated in USD and EUR. Compared to the previous year, liabilities to banks declined by EUR 7.9 million

(-15.4%). Besides these liabilities to banks, there is a financial liability to an investor in the amount of EUR 6.1 million, which was recognized under "other non-current liabilities" and is exclusively denominated in EUR. In 2014, this investor took over the credit claims from two Czech credit institutions towards DF s.r.o. In addition to the liabilities to banks, there is a non-current financial liability of EUR 28.9 million resulting from the issue of the bond in the nominal amount of EUR 30 million in May 2013. Trade payables amounted to EUR 9.5 million (previous year: 12.8 million (-26%)) and essentially relate to payments received prior to the balance sheet date for passing on to our customers. Other current liabilities rose by EUR 3.8 million to EUR 8.4 million (+87%). The increase is mainly due to the recognition of the liabilities towards the investor who has taken over the credit claims from the Czech banks.

As of the balance sheet date, there were off-balance sheet contingent liabilities from three purchase commitments totaling EUR 1.4 million. A country-specific valuation allowance of EUR 0.3 million was established for the purchase commitments.

Net assets position

Trade receivables totaled EUR 69.7 million as of 31 December 2014, down by EUR 16.1 million or 18.8% on the previous year's EUR 85.8 million. Adjusted for the USD/EUR exchange rate changes (1.3791 as of 31 December 2013 compared to 1.2141 as of 31 December 2014), the decline in trade receivables was approx. EUR 6.0 million higher. The decline is mainly due to the fact that DF Group was unable to do business for 249 days in 2014 due to the SDN listing.

In terms of their nominal value, 73% (previous year: 77%) of the forfaiting transactions, which represent most of the trade receivables, are secured. Security normally takes the form of irrevocable obligations by a buyer to acquire the respective receivable, credit insurance or a bank guarantee. Cash security is also provided in certain cases.

Cash and cash equivalents amounted to EUR 14.7 million, down EUR 5.9 million (-28%) on the previous year. They also include payments received for passing on to third parties as well funds furnished as collateral for financing at matching currencies. DF Group was overindebted as of the balance sheet date. This is due to the high consolidated net loss for 2014 of EUR 15.5 million, which was essentially caused by the parent company's being named on the OFAC SDN list. Due to the SDN listing, DF AG was unable to do business for the better part of the year; as a result, the business performance fell clearly short of the company's expectations.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The financial performance indicators of DF Group are the business volume (until and including FY 2012 referred to as "forfaiting volume"), the gross result including financial results and net valuation and consolidated net income.

The business volume describes the nominal value of the foreign trade transactions acquired in a period. Between 2010 and 2012, the business volume averaged about EUR 660 million per financial year. In 2014, the business volume amounted to only EUR 30.2 million due to DF AG's naming on the OFAC SDN list. The company expects to again generate a business volume in the amount of the 2010–2012 average once the measures described in chapter 1b) Objectives and strategies have been implemented.

Another financial performance indicator is the gross result including financial results described before as well as the resulting margin. In the years from 2010 to 2012, the gross result including financial results averaged about EUR 12 million. In 2013 and 2014, the gross result was much lower due to allocations to valuation allowances and write-downs as well as DF AG's naming on the OFAC SDN list.

Finally, consolidated net income is an important financial performance indicator. Due to a number of extraordinary factors, consolidated net income was subject to strong fluctuations during the past years. The aim of reporting positive consolidated net income was missed by a wide margin in 2014.

A non-financial performance indicator was introduced by DF Group in 2013 in the form of a scoring model. As described in chapter 1 c), the scoring model serves to assess the sales performance of the individual units of the sales organization.

COMPENSATION REPORT

Compensation for the Board of Management

Basic structure of the compensation system

The compensation of the Board of Management is composed of fixed compensation, a performance bonus, fringe benefits and pension contributions.

The fixed compensation consists of an annual salary which is paid in twelve equal monthly installments. The performance bonus is assessed on the basis of the company's earnings per share in the bonus year (average earnings per share in EUR). If earnings per share (EPS) exceed EUR 0.35, the member of the Board of Management receives a performance bonus of 5% of the amount of EPS that exceeds EUR 0.35. The performance bonus is capped at 2 times the fixed compensation. 49% of the performance bonus is paid after the adoption of the balance sheet by 31 March of the following year. The remaining 51% is carried forward to the following year and paid out only if the calculation formula also leads to payment of a bonus in the following year.

The members of the Board of Management additionally receive certain fringe benefits. These include a company car and insurance premiums for group accident insurance and D&O insurance. The D&O insurance includes an appropriate deductible, which meets the requirements of Section 93 (2) sentence 3 of the German Stock Corporation Act (AktG). It has additionally been agreed that the compensation will continue to be paid for a limited period in the event of inability to work for which the member of the Board of Management is not responsible.

Individual compensation

The tables below show the benefits granted, the allocation of compensation and the service cost for pension provisions granted to each member of the Board of Management in accordance with Clause 4.2.5 (3) of the German Corporate Governance Code.

Individual compensation for Marina Attawar (Board Member)

	Granted donations				Accrual	
(in EUR)	FY 2013	FY 2014	FY 2014 (min)	FY 2014 (max)	FY 2013	FY 2014
Fixed salary	305,000.04	305,000.04	305,000.04	305,000.04	305,000.04	305,000.04
Other compensation[1]	14,874.77	14,624.08	14,624.08	14,624.08	14,874.77	14,624.08
Total	**319,874.81**	**319,624.12**	**319,624.12**	**319,624.12**	**319,874.81**	**319,624.12**
Annual variable compensation	0.00	0.00	0.00	610,000.00	0.00	0.00
Multi-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total	**319,874.81**	**319,624.12**	**319,624.12**	**929,624.12**	**319,874.81**	**319,624.12**
Benefit obligation[2]	20,494.92	20,494.92	20,494.92	20,494.92	20,494.92	20,494.92
Other compensations	0.00	0.00	0.00	0.00	0.00	35,000.00
Total compensation	**340,369.73**	**340,119.04**	**340,119.04**	**950,119.04**	**340,369.73**	**340,119.04**

[1] In 2014: company vehicle, accident insurance, partial payment of health insurance/long-term care insurance, "job ticket"
[2] In 2014: pension contribution, BVV basic pension

The calculation formula for the variable compensation based on the company's earnings per share resulted in no performance-related compensation for the fiscal year 2014. In 2014, Ulrich Wippermann received a severance payment of EUR 331,000.00 for his resignation from the company's Board of Management.

Based on a resolution adopted by the company's Supervisory Board, Board of Management members Marina Attawar and Frank Hock each received a reward bonus of EUR 35,000.00 in December 2014 for their achievements in conjunction with the company's removal from the SDN list of the US Office of Foreign Assets Control (OFAC).

Individual compensation for Frank Hock (Board Member since 1 March 2013)

	Granted donations				Accrual	
(in EUR)	FY 2013	FY 2014	FY 2014 (min)	FY 2014 (max)	FY 2013	FY 2014
Fixed salary	254,166.70	305,000.04	305,000.04	305,000.04	254,166.70	305,000.04
Other compensation[1]	10,821.92	13,259.80	13,259.80	13,259.80	10,821.92	13,259.80
Total	**264,988.62**	**318,259.84**	**318,259.84**	**318,259.84**	**264,988.62**	**318,259.84**
Annual variable compensation	0.00	0.00	0.00	610,000.00	0.00	0.00
Multi-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total	**264,988.62**	**318,259.84**	**318,259.84**	**928,259.84**	**264,988.62**	**318,259.84**
Benefit obligation[22]	16,705.60	20,046.72	20,046.72	20,046.72	16,705.60	20,046.72
Other compensations	0.00	0.00	0.00	0.00	0.00	35,000.00
Total compensation	**281,694.22**	**338,306.56**	**338,306.56**	**948,306.56**	**281,694.22**	**338,306.56**

Individual compensation for Ulrich Wippermann (Board Member until 24 February 2014)

	Granted donations				Accrual	
(in EUR)	FY 2013	FY 2014	FY 2014 (min)	FY 2014 (max)	FY 2013	FY 2014
Fixed salary	305,000.04	50,833.34	50,833.34	50,833.34	305,000.04	50,833.34
Other compensation[1]	21,405.86	3,523.94	3,523.94	3,523.94	21,405.86	3,523.94
Total	**326,405.90**	**54,357.28**	**54,357.28**	**54,357.28**	**326,405.90**	**54,357.28**
Annual variable compensation	0.00	0.00	0.00	101,666.68	0.00	0.00
Multi-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total	**326,405.90**	**54,357.28**	**54,357.28**	**156,023.96**	**326,405.90**	**54,357.28**
Benefit obligation[2]	20,494.92	3,415.82	3,415.82	3,415.82	20,494,92	3,415.82
Other compensations	0.00	0.00	0.00	0.00	0.00	331,000.00
Total compensation	**346,900.82**	**57,773.10**	**57,773.10**	**159.439,78**	**346,900.82**	**388,773.10**

[1] In 2014: company vehicle, accident insurance, partial payment of health insurance/long-term care insurance, "job ticket"
[2] In 2014: pension contribution, BVV basic pension

Pension commitments in the form of defined benefit plans exist for one active member of the Board of Management (Marina Attawar) and two former members of the Board of Management (Jochen Franke, resigned with effect from 30 September 2013, and Ulrich Wippermann, resigned with effect from 24 February 2014). According to the benefit plans, benefits are payable when a member of the Board of Management passes away or retires due to age. Jochen Franke will receive a capital payment in this case. In contrast, Marina Attawar and Ulrich Wippermann have the right to choose an annuity or a capital payment. No more premiums have been paid since November 2012 due to the contractually agreed expiry of the contribution periods. According to these pension benefit plans, the members of the Board of Management receive a guaranteed old age pension from DF Deutsche Forfait AG. The amounts are as follows:

- Marina Attawar: Annuity of EUR 11,022.60 or a one-time capital payment of EUR 202,518.00
- Ulrich Wippermann: Annuity of EUR 20,964.48 or a one-time capital payment of EUR 338,278.00
- Jochen Franke: One-time capital payment of EUR 147,244.00

In addition, Ms Marina Attawar receives the following payments from a reinsured benevolent fund:

- Insured annuity in the amount of EUR 15,247.40 or a capital payment of EUR 273,572.00

Based on a deferred compensation agreement with the members of the Board of Management, contributions from DF Deutsche Forfait AG are submitted to the insurance providers mentioned above. Until September 2014, they amounted to EUR 2,300.82 per month. Since March 2014 the monthly contributions have amounted to EUR 766.94.

Besides the basic salary, the current contracts of the members of the Board of Management provide for a taxable monthly additional benefit in the amount of EUR 1,500, which may be used for company pension purposes.

The company has not granted loans to members of the Board of Management nor provided guarantees on their behalf. During the current and preceding financial years, the members of the Board of Management were not involved in transactions outside the normal course of business of the company or other transactions of unusual form or content. They were also not involved in any such unusual transactions in earlier preceding financial years that have not yet been finalized.

Members of the Board of Management do not receive compensation based on shares.

Supervisory Board compensation for the 2014 financial year

Compensation for the Supervisory Board is governed by Section 12 of the DF Deutsche Forfait AG Articles of Association. Members of the Supervisory Board receive a fixed annual compensation of EUR 13,000 in addition to the reimbursement of expenses incurred while meeting their responsibilities. The chairperson and deputy chairperson receive twice this amount. In addition, members of the Supervisory Board receive an attendance fee of EUR 500.00 for every Supervisory Board

Supervisory Board compensation for the 2014 financial year

(Compensation in EUR)	Fixed salary	Attendance remuneration	VAT 19%	Total
Hans-Detlef Bösel	26.000,00	3.000,00	5.510,00	34.510,00
Christoph Freiherr von Hammerstein-Loxten	26.000,00	3.000,00	5.510,00	34.510,00
Florian Becker (until 12-06-014)	5.805,54	1.500,00	0,00	7.305,54
Dr. Ludolf-Georg von Wartenberg	13.000,00	3.000,00	3.040,00	19.040,00
Clemens von Weichs until 12-02-014)	1.495,91	500,00	379,22	2.375,13
Total	**72.301.45**	**11.000,00**	**14.439,22**	**97.740,67**

meeting they attend. In the 2014 financial year, compensation for all activities of all members of the Supervisory Board of DF Deutsche Forfait AG was EUR 97,740.67. Individual compensation for members of the Supervisory Board for 2014 is listed in the above table (page 31).

There are no service agreements between the members of the Supervisory Board and the company that provide for perks at the end of the term of service. The members of the Supervisory Board were not provided with compensation or other benefits in exchange for personal service in addition to the responsibilities of the Supervisory Board described above, such as consulting or deal acquisition. There are no additional contracts between the members of the Supervisory Board and the company.

DF Deutsche Forfait AG has not granted loans to members of the Supervisory Board nor provided guarantees or warranties on their behalf.

THE DF SHARE AND BOND

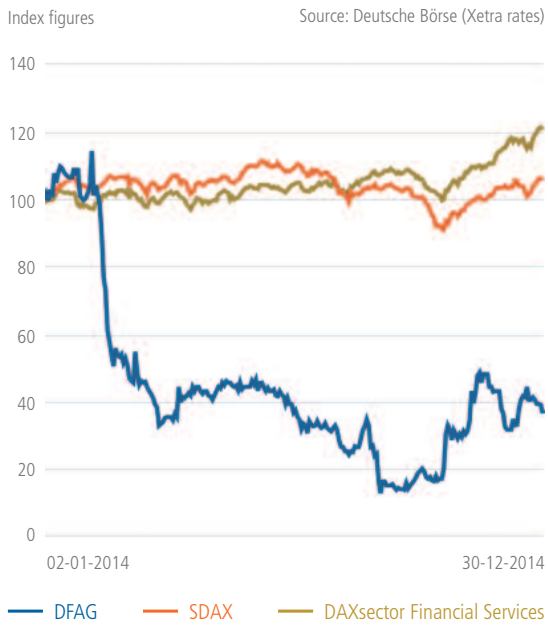
DF share loses significantly due to SDN listing

German equities recorded moderate growth in 2014. After the 2013 record year, Germany's DAX showed a positive performance and closed the year almost 4.0% higher. Driven by the better-than-expected economic trend and a growing number of people in employment, the DAX passed the 10,000 points mark in mid-2014 and closed the year at 9,805 points.

Keydata of the DF share

Issue price (24 May 2007)	EUR 7.50
Hight XETRA (13 January 2014)	EUR 4.32
Low XETRA (1 September 2014)	EUR 0.51
Year-end closing price XETRA (30 December 2014)	EUR 1.44
Performance 2014	-64 %
Ø price 2014	EUR 1.59
Ø daily trading volume in shares 2014 (all exchanges)	19,858
Ø daily trading volume in EUR 2014 (all exchanges)	EUR 33,358.70
Market capitalization as of 30 December 2014 (XETRA)	EUR 9,792,000

DF share compared to relevant indices



Germany's small and mid-caps also showed a solid performance in 2014. The MDAX gained 2.5% in the course of the year, while the SDAX small-caps index climbed by approx. 5.1% and the TecDAX technology index by approx. 17.5%. German finance shares, which are represented by the DAX Sector Financial Services, exhibited an above-average performance and about 21% higher. The global equity markets benefited from the continued loose monetary policy of the US and European central banks. The Dow Jones gained 8.4% in 2014, while the S&P Index closed almost 12% higher than a year before. Asia's Nikkei and Hang Seng also picked up quite sharply.

The DF share showed a clearly negative performance in the course of the reporting period due to the listing on the sanctions list of the US Office of Foreign Assets Control (OFAC) on 6 February 2014. The share price stood at EUR 3.99 at the beginning of the year and dropped to EUR 1.29 on 24 March 2014. As the year progressed and DF AG remained on the sanctions list, the share price dropped even further, hitting a low of EUR 0.51 on 1 September 2014. After the removal from the SDN list in October 2014, the share recovered successively

and closed at EUR 1.44 on 30 December 2014, which represented a loss of 64% for the year as a whole.

DF AG's market capitalization amounted to approx. EUR 9.8 million at the end of 2014 (end of previous year: EUR 26.7 million (-63.3%)). The free float is worth about EUR 6.4 million (free float: 65.42% of the shares). The number of shares traded picked up in the reporting period, when a total of 5.9 million were traded, compared to only 3.5 million in the previous year.

Keydata of the DF Corporate Bond

Start of trading	22-05-2013
ISIN WKN	DE000A1R1CC4 A1R1CC
Term	7 years, 05/2013 to 05/2020
Volume of issue	EUR 30,000,000
Coupon	7.875% p.a.
Value date of the issue	27-05-2013
Interest payments	annually
Denomination	EUR 1,000.00
Redemption	100%
Rating (as of 31-12-2014)	CCC
Stock exchange	Deutsche Börse, Entry Standard

On 31 December 2014, the Board of Management had a stake of approx. 8.5%, BayernInvest held 2.83% and British entrepreneur Mark West held 23.26% of the 6.8 million DF shares.

The DF AG share is currently covered by research houses equinet Bank AG, Frankfurt am Main, and Edison Investment Research Ltd, London.

Bond price also drops sharply

The price of the DF bond showed a similar performance as the DF share in the reporting period. After the OFAC listing, the bond price fell from over 100% to 32% of the nominal amount on 21 March 2014. As the year progressed, the bond recovered, especially after the successful delisting, and closed at approximately 54%, i.e. 45% lower than at the beginning of the year.

The Mibox mid-caps index showed a moderately negative performance and lost 1.83% by the end of the year. The DF bond turnover at the Frankfurt Stock Exchange totaled approx. EUR 22.4 million, which is equivalent to an average turnover of EUR 89,661 per day.

On 21 July 2014, Scope Ratings GmbH adjusted the rating from B- to CCC (see post- balance sheet events).

Explanatory report of the management board according to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB)

(1) Composition of the subscribed capital

DF AG's subscribed capital totals EUR 6,800,000.00. It is divided into 6,800,000 no-par bearer shares. There are no other share classes. Each share has one vote.

(2) Restrictions due to voting rights or share transfer

The Board of Management is not aware of any restrictions related to exercising voting rights or the transfer of shares, including restrictions as a result of agreements between shareholders.

(3) Shares in the subscribed capital exceeding 10% of the voting rights

The direct and indirect shares in the subscribed capital (shareholder structure) exceeding 10% of the voting rights are listed in the notes to the separate financial statements and the notes to the consolidated financial statements of DF Group.

(4) Shares with special rights that confer control

There are no shares with special rights that confer control.

(5) Type of the verification of voting rights of employees that hold shares in DF AG and do not exercise their right of verification directly

There is no verification of the voting rights of employees that hold shares in DF AG and do not exercise their right of verification directly.

(6) Statutory regulations and provisions in the Memorandum of Association about the appointment and dismissal of members of the Board of Management and the amendment of the Memorandum of Association

According to Section 6 (1) of the Memorandum of Association, the Board of Management consists of at least two persons; the Supervisory Board may establish a higher number and appoint deputy members of the Board of Management. According to Section 84 (2) of the Stock Corporation Act (AktG) and according to Section 6 (2) of the Memorandum of Association, the Supervisory Board can appoint a member of the Board of Management as chairperson or speaker of the Board of Management and another member as deputy chairperson or speaker. According to Section 84 of the Stock Corporation Act (AktG), members of the Board of Management are appointed and retired by the Supervisory Board. According to Section 11 (4) the Supervisory Board passes resolutions with a simple majority of votes. In case of a tie, the chairperson casts the deciding vote.

According to Section 179 (1) of the Stock Corporation Act (AktG), changes to the Memorandum of Association can be made via a resolution passed by the Annual General Meeting which, unless the Memorandum of Association specifies otherwise, requires a majority of at least three-quarters of the share capital represented during the vote in accordance with Section 179 (2) of the Stock Corporation Act (AktG). If changes to the purpose of the company are involved, the Memorandum of Association may only specify a larger majority than three-quarters of the share capital represented during the vote. In Section 18 (1), the Memorandum of Association of DF AG takes advantage of the option specified by Section 179 (2) of the Stock Corporation Act (AktG) and states that resolutions can be passed with a simple majority of votes and, in cases where a capital majority is required, with a simple capital majority.

(7) Powers of the Board of Management to issue or repurchase shares

Purchase and use of own shares

On 20 May 2010, the Annual General Meeting authorized the acquisition of up to 680,000 treasury shares until 19 May 2015, i.e. a total of 10% of the existing subscribed capital. The shares must be purchased on the stock market. The purchase price (excluding incidental purchase costs) paid by DF AG must not exceed or fall short of the price of the parent company share in XETRA trading (or a similar successor system) determined at the first auction of the trading day at Frankfurt Stock Exchange by more than 10%. The shares can be acquired directly by DF AG or by third parties authorized by DF AG in one or several stages within the limits of the above-mentioned restrictions. The shares can be acquired for any legally permissible reason as well as for the following purposes.

The Board of Management, on condition of approval by the Supervisory Board, has been authorized to sell the treasury shares acquired as a result of the above-mentioned authorization outside the stock exchange or by offering them to all shareholders on the condition that they are sold in exchange for cash and at a price which does not fall significantly below DF AG's share price at the time of sale. The shareholders' purchase rights are excluded in this case. This authorization is restricted to shares with a notional interest in the subscribed capital, which must not exceed a total of 10% of the subscribed capital, on the effective date of this authorization nor, if lower, on the date this authorization is executed. The maximum threshold of 10% of the share capital is reduced by the amount of subscribed capital which applies to shares that are issued as part of a capital increase during the term of this authorization, under exclusion of the purchase right pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG). The maximum threshold of 10% of the subscribed capital is also reduced by the amount of subscribed capital relating to shares

that have been issued for serving warrant bonds and/or convertible bonds, if these bonds are issued during the term of this authorization under exclusion of the purchase right and in accordance with Section 186 (3) sentence 4 of the Stock Corporation Act (AktG).

The Board of Management has also been authorized, on condition of approval by the Supervisory Board, to transfer the treasury shares acquired as a result of the above-mentioned authorization to third parties if this serves the purpose of acquiring companies, parts of companies, investments in companies or other assets, or carrying out company mergers. The shareholders' purchase rights are excluded in this case as well.

The Board of Management has been authorized, on condition of approval by the Supervisory Board, to recall the treasury shares acquired as a result of the above-mentioned authorization without requiring any further resolution by the Annual General Meeting. The shares can be recalled without reducing capital by adjusting the notional interest of the remaining no-par value shares in the company's share capital. In this case, the Supervisory Board is authorized to amend the number of no-par value shares in the Memorandum of Association.

The Supervisory Board is also authorized to stipulate that the Board of Management is only authorized to act with the Supervisory Board's approval in line with the resolution of the Annual General Meeting.

Authorized capital

According to the Memorandum of Association of 24 May 2012, the Board of Management is authorized, subject to approval by the Supervisory Board, to increase DF AG's subscribed capital by 24 May 2017 once or several times by a total of up to EUR 3,400,000.00 against cash and/or non-cash contributions (including mixed non-cash contributions) by issuing up to 3,400,000 new bearer shares (authorized capital 2012); in this context, the Board of Management is also authorized to schedule the commencement of the profit participation at a date other than the date provided for by law. As a general rule, the shareholders must be granted a subscription right. However, the Board of Management was authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights (1) to avoid fractional amounts, (2) in a capital increase against cash contributions if the issue price of the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) is not materially lower than the stock market price and the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) do not exceed 10% of the subscribed capital neither at the time the authorization becomes effective nor at the time it is exercised, (3) in a capital increase against non-cash contributions, especially for the purpose of the acquisition of a company, parts of a company, an equity investment in a company or other material assets, (4) to grant the holders of warrants and/or convertible bonds or bonds with option rights a subscription right to the extent that they would be entitled to such right after exercising a conversion or option right or meeting a conversion obligation as a shareholder and (5) to issue employee shares to employees of the company and of affiliated companies.

Convertible and warrant bonds

At the Annual General Meeting on 22 January 2015, the following authorization was proposed under agenda item 8 and approved by the shareholders:

a) Revocation of the existing authorization to issue convertible and warrant bonds granted by the Annual General Meeting on 20 May 2010

The authorization of the Board of Management granted by the Annual General Meeting on 20 May 2010 under agenda item 8 to issue bearer warrant and/or convertible bonds with a total nominal value of up to EUR 20,000,000.00 in one or several tranches until 19 May 2015 and to grant holders or creditors of warrant bonds option rights and holders or creditors of convertible bonds conversion rights on new bearer shares of the company up to a pro-rata share in share capital totaling up to EUR 3,400,000.00, subject to approval of the Supervisory Board, shall be revoked.

b) Authorization to change the existing bond into a warrant bond and to exclude shareholders' subscription right

The Board of Management, on condition of approval by the Supervisory Board, shall be authorized to amend until 21 October 2015 the terms and conditions of the bearer bonds (ISIN DE000A1R1CC4, WKN A1R1CC) in the total nominal amount of EUR 30,000,000.00 and with an interest rate of 7.875% p.a. (the "bond"), divided into 30,000 bearer bonds with a nominal amount of EUR 1,000.00 per bond (individually the "partial bond"), issued with the securities prospectus dated 2 May 2013 of DF AG and to grant holders of issued partial bonds option rights on new bearer shares of DF AG up to a pro-rata share in share capital totaling up to EUR 3,390,000.00. Each partial bond with a nominal amount of EUR 1,000.00 will include up to 113 option rights which entitle holders of partial bonds to subscribe to one new bearer share of DF AG for each option right at a subscription price of EUR 1.25 per new share. The total nominal amount of the bond after addition of the option rights will remain EUR 30,000,000.00; the total nominal amount of the option rights which the Board of Management may issue due to this authorization will amount to EUR 3,390,000.00. Exercising the option rights shall at the earliest be possible on 27 May 2016 and the option rights added to each partial bond with a nominal amount of EUR 1,000.00 may only be exercised uniformly. All option rights shall mature on 27 May 2020; option rights which have not been exercised by this date shall expire at the end of this day. Further details of the terms and conditions of the bond shall be defined by the Board of Management subject to the consent of the Supervisory Board together with the bond creditors. The Board of Management, on condition of approval by the Supervisory Board, shall furthermore be authorized to fully exclude the shareholders' subscription right to the option rights described above. Section 9 (1) in connection with Section 199 (2) of the German Stock Corporation Act (AktG) shall apply.

Due to a dilution protection clause, the option price shall be reduced (lowest issue price; currently EUR 1.00 at DF AG) regardless of Section 9 (1) AktG after detailed determination of the terms and conditions of the bond by reducing the additional payment if DF AG increases its share capital during the option period while granting a subscription right to its shareholders or issues further option bonds or grants other option rights and does not grant holders of option rights any subscription right to the extent they would be entitled to after exercising the option right. The terms and conditions may also provide for an adjustment of the option rights in the case of a capital reduction. The Board of Management shall be authorized to determine the further details of the issuance and form of the option rights added to the bonds.

c) Conditional capital

The conditional capital as defined in Section 4 (6) of the Memorandum of Association shall be revoked. The subscribed capital shall be increased by up to EUR 3,390,000.00 through the issue of up to 3,390,000 new bearer shares (conditional capital). The conditional capital increase serves to grant shares to the holders of the bearers bonds (ISIN DE000A1R1CC4, WKN A1R1CC) in the total nominal amount of EUR 30,000,000.00, divided into 30,000 bearer bonds with a nominal amount of EUR 1,000.00 per bond, to whom option rights to shares of DF AG are to be granted in accordance with the above authorization under paragraph b) until 21 October 2015 by way of the amendment of the terms and conditions of the bond. The total nominal amount of the option rights to be issued is EUR 3,390,000.00 The new shares shall be issued at the option price specified in paragraph b).

The conditional capital increase shall be executed only to the extent that use is made of the option rights. The new shares will participate in the profit from the start of the financial year in which they are issued. The Board of Management shall be authorized to define the further details of the conditional capital increase subject to the consent of the Supervisory Board."

The resolutions on the revocation and the formation of new conditional capital have not been filed for entry in the Commercial Register yet.

Ordinary capital increase

At the Annual General Meeting on 22 January 2015, the following resolution to increase the capital was proposed under agenda item 7 and approved by the shareholders:

a) The subscribed capital of DF AG shall be increased by up to EUR 6,800,000.00 against cash contribution through the issue of up to 6,800,000 new bearer shares representing EUR 1.00 of the subscribed capital each.

b) The new shares shall be issued at an issue price of EUR 1.00 per share. The Board of Management shall set the best possible subscription price for the new shares, taking the current market situation and the specific situation of DF AG into account, which shall not be lower than the lowest issue price. The new shares shall be entitled to profit as of 1 January 2014.

c) The new shares will be offered to shareholders by way of an indirect subscription right. The new shares will be subscribed by a credit institution or by an enterprise operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act ("bank") to be chosen and instructed by the Board of Management at the lowest issue price, with the bank being obliged to offer the shares to shareholders on a 1:1 basis at the subscription price determined by the Board of Management and to disburse the surplus proceeds to DF AG after deduction of an adequate commission and expenses. The deadline for acceptance of the subscription offer (subscription deadline) shall end no earlier than two weeks after the announcement of the subscription offer.

d) The subscription rights are transferable. Subscription rights will not be traded at the stock exchange and will not be organized by the parent company or the bank.

e) Where shareholders do not exercise their subscription rights to new shares, the Board of Management shall be authorized to offer these shares to the bank at the subscription price to place them with investors and to disburse the proceeds to DF AG after deduction of an appropriate commission and expenses.

f) The Board of Management shall be authorized, subject to the consent of the Supervisory Board, to define the further details of the capital increase and its execution, especially the further terms and conditions of the issue of the shares.

g) The costs of the capital increase and its implementation shall be borne by DF AG.

h) The Board of Management shall be authorized to carry out the capital increase in one or several, but no more than three, tranches and to file for entry in the Commercial Register of DF AG. The period for execution shall be six months from the time of the adoption of this capital increase resolution.

i) The Supervisory Board shall be authorized to amend the Memorandum of Association with regard to the execution of the capital increase."

The execution of the capital increase has not been filed for entry in the Commercial Register yet.

(8) Material agreements subject to a change of control resulting from a takeover bid

The parent company has credit commitments from Commerzbank AG, Sparkasse KölnBonn, WGZ Bank AG and Misr Bank Europe GmbH (collectively referred to as "lending banks") in the total amount of EUR 40 million to refinance the receivables purchases. In the loan agreements to be signed based on the credit commitments, the existing shareholder structure is defined as a material precondition for the granting of loans. Should the shareholder structure of DF AG change in such a way that a change of control within the meaning of sentence 5 of this paragraph occurs, the lending banks have the right to terminate the agreements. Alternatively, the lending banks reserve the right to continue the loan agreements, possibly at changed terms and conditions. A change of control within the meaning of the loan agreements shall be deemed to occur if and when more than 30% of the subscribed capital of DF AG is acquired by one investor or by several investors acting in concert.

In addition, bond creditors may call the 30,000 bearer bonds with a total nominal value of EUR 30,000,000.00 issued by DF AG in May 2013 in the event of a change of control. The terms and conditions of the bond define a change of control as (a) the acquisition of 30% of the voting rights in DF AG, (b) a merger involving the parent company (and leading to a change in the majority of the voting rights) or the sale of essentially all of the parent company's assets.

(9) Compensation agreements concluded by DF AG with members of the Board of Management or employees in the case of a takeover offer

DF AG has not entered into any compensation agreements with members of the Board of Management or employees in the case of a takeover offer.

Corporate Governance Statement according to Section 289a of the German Commercial Code (HGB)

The Board of Management and the Supervisory Board of DF Deutsche Forfait AG issued a declaration according to Section 161 of the Stock Corporation Act (AktG) regarding the recommendations of the Government Commission on the Corporate Governance Code. This declaration was published on DF AG's website on 13 March 2015.

Post-balance sheet events

Annual General Meeting on 22 January 2015

At the ordinary Annual General Meeting of DF AG on 22 January 2015 in Cologne, the resolution proposals were approved by a very large majority of the shareholders. Among the proposals approved by the shareholders were the increase in the subscribed capital by up to 6.8 million shares against cash contribution, which is of essential importance for the restructuring concept, as well as the issue of options for existing bonds.

First bondholders' meeting on 20–22 January 2015

In accordance with the terms and conditions of the bond, the first bondholders meeting was held in the form of a "vote without meeting" between 20 January 2015 (0:00 h) and 22 January 2015 (24:00 h). Bondholders representing EUR 11.76 million of the total bond volume participated in the vote. This was equivalent to 39.2% of the outstanding bond capital, which meant that the 50% quorum was not reached. 98.3% of the votes cast approved the restructuring concept proposed by DF AG.

Second bondholders' meeting on 19 February 2015

The second bondholders' meeting, which was held as a physical meeting in Cologne, was attended by bondholders representing bonds in the total amount of EUR 13.786 million. This was equivalent to 45.95% of the outstanding bond nominal value, which meant that the second bondholders' meeting had a quorum. At the bondholders' meeting, One Square Advisory Services GmbH, Munich (hereinafter referred to as "joint representative") was elected joint representative of the bondholders by 92.98% of the bond nominal value in attendance. In addition, the amendment of the terms and conditions of the bond was approved by 99.98% of the voting bond nominal value in accordance with the proposal by DF AG, as modified by the counter-motions filed at the second bondholders' meeting. The amendment of the terms and conditions of the bond primarily relates to the reduction of the annual nominal interest rate of the bond from 7.875% to 2.000% with retroactive effect from 27 May 2014 until 26 May 2018. For the interest payment period from 27 May 2017 to 26 May 2018 (interest payment date: 27 May 2018), the nominal interest rate may again amount to 7.875%, provided that a defined consolidated net income is achieved. For the interest periods from 27 May 2018 up to maturity of the bond on 27 May 2020 (this is equivalent to the last interest payment date), the nominal interest rate will again be raised to 7.875%, regardless of other criteria. The original proposal to grant option rights was withdrawn. The counter-motion to authorize the joint representative to hold further negotiations and sign agreements with the company was also approved by the required majority, namely by 99.98% of the participating bond capital.

Agreement between banks, the joint representative, DF AG

The Board of Management of DF AG has reached an agreement with the lending banks and the joint representative of the bondholders with regard to the demands made by the bondholders at the second bondholders' meeting on 19 February 2015 regarding the future collateralization of DF AG's financial liabilities. This means that a material condition precedent of the resolution adopted by the second bondholders' meeting on 19 February 2015 has been fulfilled and the way has finally been cleared for the implementation of the planned restructuring measures, especially the amendment of the terms and conditions of the bond. As a compromise between the different positions, the lending banks, the joint representative and DF AG have agreed on a collateralization concept. In return, the joint representative will refrain from raising further claims for the bondholders. The key elements of the agreement are outlined below:

(1) Senior collateralization of the lending banks in the amount of EUR 7.5 million vis-à-vis the bond creditors.

(2) Pari passu collateralization of payment claims exceeding EUR 7.5 million of the lending banks and receivables of the bond creditors in proportion to the respective amount of capital provided (taking the receivables of the banks in the amount of EUR 7.5 million with senior collateralization into account).

(3) If and when the lending banks increase their risk position above and beyond the current utilization (EUR 40 million) or additional debt capital in the amount of EUR 15 million, as provided for in the "Sanierungsgutachten" report, is raised from other debt capital providers, these liabilities may be ranked senior to the claims of the lending banks and the bondholders; in other words, if additional capital of up to EUR 15 million is raised and benefits from (senior) collateralization, the existing collateral positions mentioned above will each be downgraded accordingly.

The fact that certain deal types or transactions of DF Group are explicitly excluded from the prohibition to grant collateral to third parties (except for the lending banks, bondholders and other debt capital providers), the collateralization concept does not restrict DF Group's operational capabilities.

Downgrade of DF AG corporate rating from CCC to SD (Selected Default) by Scope Rating GmbH (hereinafter referred to as "Scope") on 23 February 2015

The downgrading is a consequence of the restructuring of the bond, in the context of which the bondholders agreed to a reduction of the nominal interest rate from 7.875% p.a. to 2.000% p.a. Scope classifies the fact that, based on this agreement, the issuer (DF AG) will not meet the original payment obligation entered into upon the issue of the bond as a "Selected Default". This rating classification is made regardless of the fact that the decision was taken by the bondholders themselves. Once the restructuring concept has been fully implemented, Scope will review the creditworthiness of DF AG against the background of the stronger equity base and the reduced interest burden and may upgrade the rating again.

Opportunities and risk management report

INTERNAL ACCOUNTING-RELATED CONTROL AND RISK MANAGEMENT SYSTEM

DF AG is the parent company of DF Group and runs the accounting and controlling department for the entire DF Group. This department is responsible for the accounts structure, accounts allocation policies as well as all accounting policies and processes at DF Group, taking into account country-specific requirements and laws. The subsidiary in Prague (DF Deutsche Forfait s.r.o. ("DF Prague") and DKL are included in the basis of consolidation. The accounts of DF Prague are kept by an external service provider. The accounting department in Cologne closely supervises the preparation of accounts in Prague and particularly the preparation of financial statements. Accounting for DKL is performed by the accounting department in Cologne and agreed with DKL's management on a monthly basis.

The company uses a standard software for the financial accounting process that is certified by an auditing firm. The software is installed on a central server at the parent company's premises and DF Prague is granted online access. The central accounting department in Cologne has full and continuous access to the accounts of DF Prague. Software authorizations ensure, however, that DF Prague can access only its own accounts. DKL has no access to the accounting software; information is exchanged and adjustments agreed by e-mail. The accounting software is stored in compliance with the data security policies of DF AG. Backup systems are in place to counter the IT continuity risk.

Individual business transactions are reported in accordance with the Group-wide accounts allocation policies. Transactions are only recorded if they are accompanied by corresponding documentations, which are usually provided by the contract management department (back office). More complex transactions and their accounts entries are discussed with the responsible employees in the contract management department. The accounting department analyzes all transactions before they are entered in the accounts. Automated transactions are a rare exception, e.g. when reporting exchange rate gains and losses caused by changes in exchange rates. The contract management department checks all reported forfaiting transactions one more time after the close of the transaction (acquisition and resale) or, where transactions are concerned that have not been resold yet and are therefore held in the company's own portfolio, at the end of the year. For this purpose, the contract management department is provided with cost center evaluations relating to individual transactions (reference numbers) as well as with entries and balances in income statement and balance sheet accounts, which are then checked by the contract management department against the underlying contracts. This four-eye principle helps to address potential differences and ensures full documentation in the business files. Moreover, these checks ensure that no transactions are booked which are illegal (e.g. sanctions law) or not authorized. Moreover, all receivables as reported by the accounting department are matched against the information provided by the forfaiting system (Forfaiting Manager), which is updated by the contract management department monthly. Any differences are clarified between the accounting and contract management departments. The above procedure is also observed in the context of the accounting process of DF Prague.

Tasks relating to the preparation of the separate and the consolidated financial statements are allocated with the help of a detailed time plan, which also includes an allocation of tasks for the employees of the accounting and controlling departments as well as corresponding instructions for the consolidated subsidiaries.

The separate financial statements included in the consolidated financial statements are prepared by an external service

provider for DF Prague and by the parent company for DKL in accordance with local laws and audited by a local auditing firm. All necessary documents and inter-company relations are finally endorsed and agreed in Cologne.

The preparation of the consolidated financial statements including the consolidation measures are performed by the parent company's accounting department in Cologne based on audited IFRS packages of the consolidated entities. The consolidated financial statements are checked for plausibility by employees of the controlling department. A checklist is used to check the individual financial statements for completeness.

The existing internal accounting-related control system is of high standard and the company currently has no plans for its further development. The internal control system accounts for the special characteristics of DF Group's business and especially the high degree of individuality of transactions.

RISK MANAGEMENT SYSTEM WITH REGARD TO COMPLIANCE AND MONEY LAUNDERING

Due to its project-related business model, DF AG and DF Prague engage in business with a large number of counterparties (sellers and buyers of export receivables), insurers such as banks and/or credit insurers, external agents, service providers for the legal review, implementation and processing of the different transactions (forfaiting, purchase commitments, agenting business) in different countries; DF Group's clients on the purchase side and the placement side are domiciled worldwide, mostly in emerging and developing countries. DF Group's business model means that it has only a small base of steady customers with whom transactions are executed regularly and/or at recurrent intervals. Instead, it is characteristic of the company's business that a project is implemented with a certain counterparty but that this is usually not repeated. Where repeat business is done with the same customer, this usually happens after a certain time. Exceptions to the above are service providers to the companies of DF Group such as banks, public/investor relations agencies, law firms, tax consultants and auditing firms.

Against this background, DF AG is obliged, under applicable statutory regulations, to perform transaction-related money-laundering checks, which comprise "Know Your Customer" checks, as well as compliance checks on its counterparties.

Violations of the statutory money-laundering regulations, Know Your Customer provisions and EU/US sanctions laws may have an extremely adverse impact on the operations as well as the net assets, financial position and results of operation of individual companies of DF Group and/or DF Group as a whole. In particular, there is a risk (i) that contractual partners/service providers who are essential for the operations of DF Group are not allowed or unable to do (any more) business with DF Group (for a limited time), (ii) that fines are imposed and (iii) that the company's boards are held liable for violations of applicable regulations. In addition, the disclosure of culpable violations or breaches of these regulations may have an adverse impact on the company's reputation.

As a consequence of its SDN listing, the parent company has revised and adjusted its group-wide compliance system in cooperation and consultation with external advisors; these measures include, in particular, (i) the appointment of a Compliance Officer, who reports directly to the Board of Management, (ii) adjustment of the IT system, which now automatically checks, on every working day, whether a client – both new and existing client – features on the EU and US sanctions lists. Regular updates of our database ensure that the (new) listing of a party involved in the underlying transaction on a sanctions list will be detected also during the holding period of a receivable. This will enable DF Group to immediately take the necessary steps. For those service providers with whom companies of the DF Group work regularly, the Compliance Officer keeps a "White List", which is updated regularly. Signing contracts and working with parties on the White List is possible without individual checks being required.

The audits required under the Anti-Money Laundering Act including the "Know Your Customer (KYC) audits" are other

integral elements of DF Group's compliance system. DF AG and its subsidiaries conduct their business operations in accordance with applicable anti-money-laundering provisions. DF Group attaches great importance to complying with the highest anti-money-laundering standards. Management and all employees of DF Group are obliged to comply with these standards. The purpose of the Anti-Money-Laundering Directive adopted by the company is to document and to explain key behavioral duties pursuant to the German Money Laundering Act (GwG) to the extent that they are typically relevant for DF Group in practice. This way DF Group's management and employees are to be enabled to comply with these obligations. The Anti-Money-Laundering Directive forms part of DF Group's general Compliance Program and does not affect DF Group's other obligations in the solicitation and execution of contracts (especially under the existing "Economic Sanctions Compliance Policy"). Where more far-reaching local obligations are imposed on subsidiaries or branches of DF AG, these obligations must also be complied with. Responsibility for the identification of customers to prevent money laundering and terrorist financing as well as for economic sanctions compliance rests with the Compliance Officer and his/her deputy. Strictly separated from both the front-office and the back-office, they report directly to the full Board of Management. In accordance with the Know Your Customer principle, DF Group identifies each potential customer before entering into a business relationship or executing a transaction. This identification includes information provided by the customer and the verification of this information by DF Group. Depending on the registered office and geographic location of the customer, DF Group additionally requests the KYC documents submitted by the customer to be certified by a notary public. As a part of this process, the customer has to state, among other things, why they wish to enter into a business relationship with DF Group (e.g. risk placement, liquidity requirement or other reasons), whether they act for their own account or the account of a third party and whether the economic beneficiary is a politically exposed person (PEP), which raises the additional question about the origin of the assets. The identification of the customer additionally includes checking them for possible sanctions. DF Group will not make a commitment to underwrite a risk in the context of a certain transaction before the identity of the customer has been established without any doubt whatsoever, all questions required by law have been answered satisfactorily and no relevant sanctions have been imposed on the customer. To ensure economic sanctions compliance, DF AG uses a software which checks all parties in DF Group's database against the sanctions lists of the European Union, Great Britain and the USA and indicates any matches. These checks are performed on a daily and overnight basis and the resulting reports are immediately evaluated by the Compliance Officer or his/her deputy the next day in order to prevent that a company of DF Group enters into or maintains a business relationship with a sanctioned party. In addition, the Board of Management and all employees of DF Group are trained once a year by the Compliance Officer with regard to "Know Your Customer" and sanctions compliance.

OPPORTUNITIES

DF Group recognized the growing importance of the African market at an early stage and positioned itself in this market. The business inquiries received since the removal from the SDN list vindicate this business decision. Strong growth on the African continent, both in terms of population and disposable incomes, has led to rising standards of living and growing consumer demand. Satisfying the huge demand for IT and telecommunications equipment, machinery and infrastructure investments will open up numerous opportunities for DF Group as a specialist export finance provider. We expect these developments to continue in the coming years. This and the constant improvement of previously non-manageable country risks means that Africa will offer a huge potential of interesting trade finance transactions for years to come.

In the first months following the removal from the SDN list, DF Group has noted greater customer acceptance than expected. The number of inquiries received and the fact that it is possible to place complex transactions with previous counterparties show, on the one hand, that we are still largely accepted or

that our acceptance has been restored on the placement side, which means that there are no restrictions on the market side that would prevent us from restoring the previous business volume. The number of inquiries received also shows that none of our competitors was able to occupy DF Group's market position while the company was on the SDN list. The solutions offered by our competitors are apparently regarded only as second best by our customers, who accept them only as long as the best solution is not available. The strength and market position of DF Group lie in its financial muscle, i.e. the ability to acquire a receivable at its own risk before outplacing it and thus to free the exporter immediately / quickly from the risks associated with the respective receivable. Besides reliability, the key factors include quick decision-making and the swift realization of transactions. Against this background, the fact that DF Group's refinancing resources and risk-bearing capacity will be limited until the restructuring concept is (fully) implemented and the human resources tied up because of the implementation of the restructuring concept, have turned out to be major bottleneck factors which have prevented the inquiries received from being transferred into a sufficient number of transactions.

RISKS

Legal risk

DF Group buys receivables (on a non-recourse basis) usually with the aim of reselling or outplacing them. Individual receivables remain in DF Group's books until their contractually agreed maturity only in exceptional cases. In the context of its trading business, DF Group usually guarantees to the buyer that the receivable exists (liability for legal validity), that the receivable has the warranted properties, that DF Group is the owner of the receivable (ownership) and that the receivable can be collected from the debtor, e.g. that there are no exceptions or objections. The above liability cases may arise primarily because of improper verification of documents or deficiencies in the contract and result in considerable damage. DF Group also obtains credit insurance to reduce the risk of receivables on an occasional basis. Receivables already covered by credit insurance are also acquired. If the receivable covered by credit insurance has to be written off, credit insurance benefits in the agreed amount (nominal amount of the receivable less a potential deductible) can be collected. Such credit insurance agreements must be precisely tailored to the transaction being covered. Otherwise, there is a risk that credit insurance terms and conditions may be violated. If the policyholder violates the terms and conditions, no credit insurance benefits may be payable in case of a loss. Depending on the amount of the credit-insured receivable, a risk which may jeopardize DF Group's future as a going concern may arise; the probability of such a risk arising is considered low, however. DF Group also enters into counter-guarantees with banks or other forfaiting companies in order to secure receivables. Once again, contract terms and conditions must be precisely tailored to the transaction being covered. Given that receivables with credit insurance coverage or counter-guarantees are resold and that, under certain contractual circumstances, DF Group is liable for the counter-guarantee or credit insurance, the above risks partly remain with DF Group even after the sale. While the probability of such claims being raised is considered to be low, their adverse impact on the bottom line may, in individual cases, be considerable.

The above risks are countered by having a well-trained contract management department. The workflows are regulated by detailed work instructions, which are constantly checked for up-to-dateness (e.g. experience from previous transactions, market conditions and habits, legal and regulatory conditions). The individual workflow and review steps required in the context of the risk management, documentation and implementation of each transaction are documented on a special form, which must be signed by the departments responsible for the individual subjects. Only once this has been done may a transaction be submitted to the Board of Management for approval. In addition, work results are checked by applying the principle of dual control. If and when required, external legal firms specializing in the countries involved and the applicable law are consulted for complex contracts and

document reviews. Where a transaction is executed in a country for the first time or where no transactions were executed in a country for a long time, a legal and/or tax opinion from a local law firm is obtained and/or updated on the basis of each individual case.

Country and counterparty risk

In accordance with its business model and strategy, DF Group primarily purchases receivables where the debtors (as in "primary debtor" (exporter) and "secondary debtor" (collateral provider)) are located in emerging or developing countries. Political, financial, economic, and social conditions in these regions are less stable compared to industrialized nations. In the event of an economic crisis or due to decisions taken by the respective rulers/governments, this may substantially affect the ability or willingness of the respective debtor and/or country to transfer due payments – especially in foreign currencies; in extreme cases, foreign currency payments may no longer be possible at all or only with prior state approval (e.g. by the national central bank) due to the introduction of corresponding legal provisions (foreign exchange control). As a result, a debtor who is otherwise willing and able to pay may be unable to pay on time or at all (country risk). The country risk comprises the two individual risks outlined below:

- funds cannot be transferred freely due to government restrictions (transfer risk)

and/or

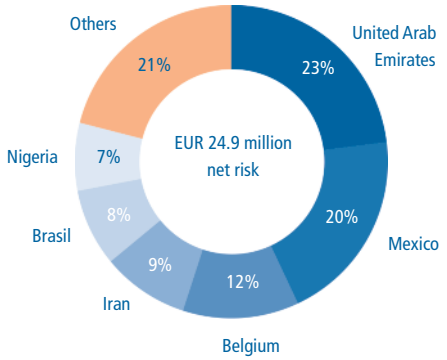
- local currencies may be exchanged for the foreign currency in which the receivable is denominated and, hence, payable, only after prior approval or not at all (convertibility risk).

As a result of the increasingly frequent problems in the global financial markets as well as regional and/or country-specific crises, the financing possibilities for exporters (creditors) and importers (debtors) and especially for sovereigns have deteriorated significantly, which has increased the risk of national crises, including non-payment of sovereign debt and/or government-guaranteed loans (this also includes the government credit insurance which is relevant for the business of DF Group). The credit rating of individual countries has also deteriorated significantly, further increasing this risk.

When purchasing receivables, DF Group also assumes the debtor's credit risk for the acquired receivable (counterparty risk) in addition to the country risk. The debtor may become insolvent or unable to pay for other company-specific reasons. However, counterparty risk is not limited to the (primary) debtor for a receivable; it also applies to the providers of security (e.g. banks or credit insurance companies (secondary debtors)) that supply counter-guarantees or credit insurance to DF Group in order to secure individual transactions. The possibility that providers of security may become unable to pay or insolvent cannot be excluded. In this case, a loss is only incurred if both the debtor and the security provider are unable to pay. While the probability of two parties involved in a transaction becoming insolvent is considered to be low, their adverse impact on the bottom line may, in individual cases, be considerable.

Due to increasingly frequent problems and crises in the financial markets or in individual regions or countries, banks and credit insurers as well as manufacturing and services companies are increasingly facing liquidity problems, which increases both the risk of payments not being received punctually (i.e. becoming overdue) and the risk of default of the debtors. DF Group, just like the financial industry as a whole, is facing overdue receivables. Restructuring solutions aimed at ensuring that DF Group's receivables are settled in spite of debtors' liquidity problems require extensive, time-consuming negotiations, which are also quite costly as law firms need to be consulted. Even if the restructuring negotiations are successful, i.e. a payment plan has been agreed, it often takes several years to put the agreed solution into practice. It cannot be ruled out that the creditworthiness of the debtor deteriorates again or even further during this (long) time, which means that the receivable will ultimately default in spite of the restructuring. Most of DF Group's current overdue receivables are backed by securities. The risk provisions established are deemed to be adequate based on the careful and due assessment of each individual case.

Allocation of net risk as of 31 December 2014



(Primary) debtors as well as providers of security sometimes attempt to shirk their obligations under false pretenses or at least to settle them only a certain time after the agreed maturity. These cases must be enforced by taking legal measures. The court proceedings which become necessary in this context often take place outside Germany. On the one hand, this requires the consultation of local law firms, which entails costs that must be financed in advance by DF Group until the proceedings are concluded. If and to what extent these legal expenses are refunded to DF Group depend on the outcome of the proceedings, the financial situation of the debtor at the end of the proceedings and the decision taken by the court regarding the allocation of costs. Furthermore, court proceedings may be very time-consuming, especially when conducted outside Germany and through several stages of appeal.

DF Group has a detailed risk management system, which is defined in writing and ensures that the company's receivables portfolio is diversified. The risk management system includes a limit system comprising counterparty, country and risk group limits. Countries with a similar risk profile are grouped in one of five risk groups. The limits are reviewed by the Supervisory Board's Working Committee (hereinafter referred to as "Working Committee") once a year and defined by DF AG's Supervisory Board at the proposal of the Working Committee; they may be utilized at the Board of Management's own discretion.

The chart on this page shows a breakdown of the unsecured risk (net risk) of EUR 24.9 million as of 31 December 2014. The net risk is defined as the nominal values of the forfaiting transactions (gross risk) less eligible securities accepted in accordance with the provisions of DF Group's Risk Manual. These include:

- assumption of liability by a credit insurer;
- (counter) guarantees from banks headquartered in risk category 1 countries or, if they are head- quartered in another country, whose rating is equivalent at least to a Moody's long-term rating of A3;.
- (counter) guarantees from enterprises headquartered in risk category 1 countries or, if they are head- quartered in another country, whose rating is equivalent at least to a Moody's long-term rating of A1.

Refinancing risk

For its trading activity and the related short-term bridge financing periods of the receivables acquired for resale/placement, DF Group requires considerable refinancing resources for the duration during which the receivables are/must be held in DF Group's trading portfolio. The availability of such resources is a precondition for realizing the planned business volume. The refinancing period corresponds to the period between the payment of the purchase price of a receivable and the receipt of the sales price when the receivable is sold or the nominal value at maturity. As of 31 December 2014, DF Group's refinancing sources included the bond, the credit lines from domestic banks as well as the financing granted by an investor in Prague. Due to

- negative developments regarding DF Group's net assets, financial position and results of operation;
- a changed risk assessment regarding the non-financial institutions sector and/or the specific business activity of DF Group and/or the regions/countries in which DF Group operates or;
- business policy decisions,

banks and/or other debt capital providers could cancel their credit lines or renew them on a much smaller scale upon maturity. Lower credit lines and, hence, a reduced refinancing capacity could reduce DF Group's business volume and profits if and to the extent that DF Group is unable to offset the reduced refinancing capacities with other factors; in extreme cases, DF Group could face insolvency in the short term. DF Group has credit lines with several banks and seeks to establish long-lasting and trusting relationships with its banks through open and regular contacts and meaningful reporting. In the context of the restructuring concept described above, DF AG is currently in negotiations with four banks about new credit agreements totaling approx. EUR 40 million running until 31 December 2016. The company issued its first 7-year EUR 30 million bond in May 2013, which diversifies the refinancing structure of DF Group in terms of both maturities and credit structure.

As outlined in the chapter net assets position both DF AG and DF Group are currently overindebted due to the losses posted in the past financial year. As with any financial institution, the risk-bearing capacity of DF AG and DF Group is assessed by the lending banks and by their customers on the basis of the absolute available equity capital and the equity ratio. For DF Group's customers, the creditworthiness and, hence, the equity capitalization of DF AG and DF Group are of outstanding importance as they take

- a purchase price and transaction settlement risk in the event of the sale of a receivable to a DF Group company;
- various contract fulfillment risks (e.g. assumption of liability for the legal validity for the receivable sold by the respective DF Group company) in the event of the purchase of a receivable from a DF Group company;
- a credit risk in the event of the takeover of a purchase commitment by a DF Group company.

By implementing the non-cash and cash capital increase, DF Group aims, on the one hand, to eliminate its overindebtedness. On the other hand, DF Group wants to establish an equity base that constitutes an adequate risk basis for DF Group's trading activities and will allow DF Group to continue conducting its business on the basis of the same risk principles as prior to the SDN listing. Should the above-mentioned equity capital measures not be implemented successfully,

- material preconditions for the implementation of the restructuring concept would not be fulfilled. Under the credit agreements currently negotiated, this would give the lending banks the right to cancel the loans;
- DF Group's (equity) capital base and refinancing resources would be insufficient to realize the planned business volume.

The subsidiary DF Deutsche Forfait s.r.o. benefits from a financing arrangement that will expire on 30 June 2015. Negotiations with the aim of renewing the credit line are underway.

Earnings risk

DF Group performs trading activities, i.e. the company has no investment portfolio which generates recurring income from year to year. A trading company needs to acquire and realize most of its business transactions a new every year. Merely some transactions closed or initiated in the previous years are carried over to the new year. If important customers and/or markets on the supply and/or demand side disappear entirely or partly or temporarily, this leads to a sharp drop in business volume and profits. However, DF Group works with a large number of different counterparties both when purchasing and selling receivables and when acquiring and outplacing purchasing commitments as well as in the agenting business, which means that the disappearance of individual business partners could be offset by others. As a transaction-driven company, DF Group has no customer base with which business is done on an ongoing/continuous basis. While repeat transactions with individual customers occur over the years, these often differ from previous transactions, which means that only little synergy/volume/efficiency effects can be generated. DF Group's broad regional diversification reduces its dependence on individual business partners and its exposure to the risks in individual countries and regions.

When buying and selling receivables with certain country risks, margins may decline due to strong competition, which would make these receivables (country risks) partly or entirely unsuitable for DF Group's business under risk/return aspects, which means that receivables and/or purchase commitments from these countries would/could be acquired or entered into only to a limited extent. Also, it is possible that the risks associated with certain countries deteriorate to such an extent that it is no longer possible for DF Group to resell these receivables to investors under risk aspects; this risk exclusively relates to receivables and purchase commitments already held in the trading portfolio. As the salability is an important criterion for the purchase of a receivable, DF Group could in future – at least temporarily – no longer do business in these countries. If these circumstances occur, part of the gross profit generated from sales with these countries would be lost. Moratoriums imposed on a country or the listing of a country on the EU sanctions list or the sanctions list of the United States of America may temporarily lead to a sharp drop in, or a complete suspension of, the forfaiting volume with this country.

As outlined under "Country and counterparty risk", DF Group has overdue receivables on its books. These are receivables from various (primary) debtors who failed to meet their payment obligations fully or partially upon contractual maturity of the respective receivables due to negative developments regarding their net assets, financial position and results of operation and whose collateral provider failed to honor the granted and/or contractually agreed securities. In addition, there are overdue receivables for which legal proceedings against the primary and/or secondary debtor are pending and for which DF Group will receive no interest and principal payments until the proceedings are concluded. These delayed payment receipts may have a substantial adverse impact on DF Group's earnings if the company fails to agree an interest rate which is at least equivalent to DF Group's refinancing costs in the restructuring negotiations. The same applies to pending legal proceedings. These entail the additional risk that, even if DF Group prevails, its legal and consulting expenses may not be (fully) refunded and/or a fee and cost judgment won in court cannot be executed because the debtor is or has become insolvent. If the restructuring arrangements are not met and/or if legal proceedings are lost contrary to DF Group's expectations, (additional) valuation allowances may be necessary in future.

Financial risks

DF Group underwrites most of its business in US dollars (hereinafter referred to as "USD"). To avoid exchange rate risks,

- DF Group usually funds itself at matching currencies, i.e. purchases of USD receivables are matched by bank loans in USD; or
- DF Group signs currency forward contracts whose amount is more or less equivalent to the purchase price of the receivables and whose maturity is equivalent to the estimated holding period or the total maturity of the receivables. To reflect the uncertainty regarding the sale and/or actual receipt of payment (purchase price when sold or receivable amount at final maturity), the currency forward contracts provide for flexible maturity/exercise corridors. In contrast to currency hedging by way of loans, hedging by way of currency forwards is not typically used on a single transaction basis.

This means that only the income from the transactions is subject to an exchange rate risk. This risk is regularly monitored with the help of currency accounts. Open currency items are closed by means of spot transactions.

Since the May 2013 bond issue, a considerable portion of DF Group's refinancing capacity has been available in EUR. In contrast to the year 2013, when the proceeds from the bond were transferred into financings at matching currencies (USD) via currency forwards, DF Group did not have this possibility for the better part of 2014 due to the SDN listing. This led to an USD overhang in the currency account, which led to net exchange gains of EUR 1.2 million in 2014 due to the EUR/USD exchange rate trend. The parent company is in talks with the lending banks to make currency forwards possible again. Among other things, this requires the extension of credit lines for settlement risks arising from such transactions. Managing currency risks will become more important in future also due to the fact that two of the lending banks will only make available

EUR credit lines in future and no financing at matching currencies by raising foreign currency loans will therefore be possible for this portion.

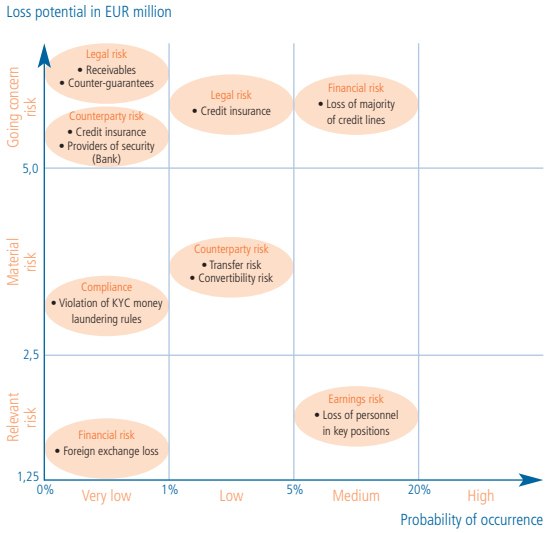
Above and beyond the exchange rate risks described above, individual items of the income statement are exposed to other potential exchange rate influences. For instance, DF Group sources certain services abroad. These services, e.g. provided by lawyers, are usually invoiced in local currency. An unfavorable exchange rate trend could make these services more expensive. The same applies to the running cost of the London office, which is paid in GBP.

Material items of the income statement may be exposed to inflationary influences if inflation-related increases in personnel expenses or services occurring in Germany cannot be passed on in the context of international trade transactions. In view of the macroeconomic environment, no such inflation risk can be identified at present.

Summary risk assessment

Risks are classified depending on DF Group's risk-bearing capacity, which is determined by the amount of the Group's equity capital. DF Group's risk-bearing capacity is determined, on the one hand, by the damage potential of a specific risk and, on the other hand, by the amount of equity capital of DF Group as the risk bearer. To classify the risks, they are allocated to one of the following three categories: going concern, material risk and relevant risk. A going concern risk is assumed to exist if a loss/damage amounting to over EUR 5.0 million arises. A material risk is assumed to exist if a loss/damage amounting to 50% of the going concern risk arises. A relevant risk is assumed to exist if a loss/damage amounting to 50% of the material risk arises. The matrix on this page shows DF Group's risk assessment. For the risks arising from the use of financial instruments, please refer to the chapters "Financial risks" and "Country and counterparty risk".

Risk map of the DF Group



GOING CONCERN RISKS

Based on the general risk classification as shown in the chart in the left column, in particular the risks shown in the chart on page 49 associated with the operating activity constitute going concern risks. In addition, DF Group has claims against various government and private credit insurance firms, which also represent a going concern risk in case of failure of the insurance cover. Without pre-empting the outcome of the pending proceedings, DF Group is convinced that the risk has been mitigated sufficiently even if no individual valuation allowances have been established.

- DF Group has put forward claims for credit-insured receivables against credit insurers in London in the amount of EUR 9.0 million. In several cases, these claims have to be enforced in arbitration proceedings.
- In 2013 DF Group made claims worth EUR 5.0 million against credit insurers in respect of credit-insured receivables and filed a number of legal proceedings to establish the legal validity of the claims against the debtors or to establish the legal validity of the insurance guarantee against the insurer.

Besides the above risks relating to the operating activities of DF Group, material risks currently exist with regard to the

Going concern risks for the DF Group

(Primary) debtor	Book value of the receivable*	DF Group risk assessment
Service provider oil exploration, Mexico	EUR 21.2 million	Except for a small residual amount, the receivables are insured by private credit insurers. The debtor is insolvent and the insolvency ratio will probably be close to zero. The unsecured portion of the receivables has almost fully been written off.
Steel trader, Great Britain	EUR 8.7 million	Part of the receivable (EUR 5.2 million) is credit insured, while the rest is secured by a commodities pledge and a personal guarantee.
Trading firm in Dubai, United Arab Emirates	EUR 5.7 million	The nominal value of DF Group's receivable (EUR 11 million) exceeds the carrying amount by far. The legal proceedings launched against the debtor and guarantor have so far been decided in favor of DF Group by the competent courts. The debtor is a diversified trading firm which holds a leading position in the region.
Asian Central Bank	EUR 4.9 million	The legal proceedings have turned out to be lengthy; the legal validity of the claim as such is guaranteed by a renowned European bank of excellent standing.
Automotive supplier, Germany	EUR 2.8 million	The nominal value of the receivables (EUR 4.5 million) exceeds the carrying amount by far. DF Group's claims for recovery of the receivables are substantiated by various covenants, e.g. assignment of receivables.

*Including other receivables (interest)

implementation of the restructuring concept proposed in the "Sanierungsgutachten" report. As outlined in the chapter "Objectives and strategies", the restructuring concept comprises two measures each on the equity side and the debt capital side. All four measures are mutually interdependent and must be implemented in their entirety and in the proposed amounts to ensure that the restructuring is successful. The individual measures and their current status are described below:

➢ Prolongation of credit lines and interest rate cut by the lending banks

DF's lending banks have promised to renew the credit lines in the amount utilized at the time of the SDN listing (approx. EUR 40 million in exchange rate-adjusted terms) until 16 December 2016 on the basis of the proposed collateralization concept and a term sheet negotiated with DF AG. This also includes the banks' readiness to temporarily reduce interest rates to 1.000% p.a. in order to assist in restructuring the company and help it recover quickly. The banks will receive a debtor warrant which will allow them, from the 2016 financial year onwards, to recover the interest rate reduction by up to 1.25 percentage points p.a. based on the actual utilization of the credit lines as of the 2015 financial year. In early March 2015, the lending banks and the joint representative of the bondholders agreed on a collateralization concept, whose details are outlined in chapter 5 "Post-balance sheet events", paragraph "Agreement between banks, the joint representative and DF AG".

➢ Restructuring of the bond

According to the resolution adopted by the second bondholders' meeting on 19 February 2015 (see chapter 5 "Post-balance sheet events"), interest payable on the bond payable with retroactive effect on 27 May of each year, will be adjusted as follows:

- from and including 27 May 2013 ("start of interest period") to and excluding 27 May 2014: 7.875% p.a.

- from and including 27 May 2014 to and excluding 27 May 2018: 2.000% p.a.
- from and including 27 May 2018 to and including 27 May 2020: 7.875% p.a.

The interest payment on 27 May 2018 for the interest period from 27 May 2017 to 26 May 2018 may amount to 7.875% p.a. instead of 2.000% p.a. if a certain level of consolidated net income is achieved. The implementation of the resolutions adopted by the second bondholders' meeting is subject to conditions precedent.

➢ Capital increase I (debt-to-equity swap)

DF AG will make an offer to all bondholders to swap their bonds in the nominal amount of EUR 1,000.00 for shares in DF AG (debt-to-equity swap) in an ex-rights issue. This offer may be accepted by all bondholders for all or part of their bond; in particular, there will be no obligation to participate in the debt-to-equity swap. An amount of up to EUR 3,4000,000.00 from authorized capital will be available to DF AG for the debt-to-equity swap through the issue of up to 3,400,000 new shares (imputed nominal amount of EUR 1.00) (hereinafter referred to as "capital increase I"). Shareholders' subscription right will be excluded. The value of the bond will be determined by an expert opinion from Ebner Stolz Partnerschaft mbB. Assuming a value of approx. 78% of the nominal amount, bonds in the nominal amount of up to EUR 6.4 million (depending on the subscription price of the shares) may be swapped. It is intended to end the swap period for capital increase I before the start of the subscription period for capital increase II (see below).

➢ Capital increase II (cash capital increase)

The cash capital increase by up to 6.8 million shares against cash contribution (hereinafter referred to as ("capital increase II") approved by the Annual General Meeting on 22 January 2015 represents another step in the capital restructuring. Capital increase II is to be implemented in the second quarter of 2015 as soon as DF AG has published a BaFin-approved securities prospectus. Old shareholders may exercise their statutory subscription rights.

Both the parent company, DF AG, and DF Group are currently overindebted. According to the restructuring concept described in the management report, there is no risk of imminent insolvency. However, insolvency may occur at short notice in view of the current financial situation of DF AG and DF Group, especially if the extension of new credit lines currently negotiated with the lending banks and/or other measures provided for in the restructuring concept fail. The Board of Management of DF AG is currently of the opinion that the company will continue as a going concern within the meaning of Section 252 (1) No. 2 HGB. Should, contrary to the current expectations of DF AG's Board of Management, the mutually interdependent restructuring measures described in the management report not be implemented in full or with a considerable delay or the operational targets defined in the "Sanierungsgutachten" report not be reached within the planned period (financial years 2015 to 2017). DF AG and, hence, DF Group will no longer be able to continue as a going concern.

Outlook

Expansive monetary policy with positive economic impact

In the second half of 2014, the world economy recovered more quickly than projected in the forecasts issued last autumn. Various factors which had an adverse impact on global economic activity in recent years have lost importance over the past months. Accordingly, the latest forecast by the International Monetary Fund (IMF) projects global economic growth rates of 3.5% for 2015 and 3.7% for 2016. Global economic growth will primarily be driven by the positive economic trend in the USA, which is also reflected in the appreciation of the US dollar.

The International Monetary Fund expects the US economy to grow at an accelerated rate of 3.6% in 2015. By contrast, growth rates of only 1.2% and 1.4% are projected for the eurozone for 2015 and 2016, respectively. This growth will be supported by the declining oil price, the European Central Bank's expansionary monetary policy and the depreciation of the euro. In the coming years, fiscal policy is likely to be less restrictive, which should also be reflected in a positive capital market trend. According to the International Monetary Fund, growth in the emerging and developing countries will remain moderate at 4.3% in 2015 and 4.7% in 2016.

Similar to the International Monetary Fund forecast, the Institute for the World Economy (IfW) believes that the large economies will continue their expansionary fiscal policy in the coming years, which will have a positive effect on the world economy. In addition, the lower oil price will stimulate growth in the developed economies. The International Monetary Fund experts also expect world trade to grow by 3.7% in 2015 and by 3.9% in 2016 as trade barriers continue to be removed and globalization continues. Imports to emerging and developing countries, which are at the heart of DF Group's business model, will play an important role in this context.

Growth potential for DF Group comfirmed

The economic data and the forecasts of the economic research institutes confirm the high attractiveness and the growth potential of the market segment in which DF Group operates. One of DF Group's primary objectives for 2015 will therefore be to implement the equity and debt capital measures proposed in the "Sanierungsgutachten" report as quickly as possible in order to lay the financial basis for exploiting the market potential described above. With regard to the implementation of the restructuring measures, DF Group made good progress in Q4 2014 and Q1 2015.

Good progress of DF Group restructuring

At the Annual General Meeting on 22 January 2015, the shareholders of DF AG approved, among other things, a share capital increase by up to 6.8 million shares against cash contribution. The bondholders' meeting on 19 February 2015 approved the amendment of the terms and conditions of the bond, which primarily relates to a reduction of the nominal interest rate, subject to certain conditions.

DF AG, the lending banks and the joint representatives of the bondholders, One Square Advisory Services GmbH, have reached an agreement on the demands of the bondholders with regard to the collateralization concept of DF AG's existing and future financial liabilities, which means that an important condition precedent for the resolutions adopted by the second bondholders' meeting on 19 February has been fulfilled. Key elements of the agreements are (i) the senior collateralization of the lending banks in the amount of EUR 7.5 million and the (ii) pari passu collateralization of the remaining payment claims of the lending banks after deduction of the amount of EUR 7.5 million with senior collateralization (EUR 32.5 million) and the creditors of the bond (EUR 30.0 million before the debt-to-equity swap) in proportion to the respective amount of capital provided. If and when the lending banks increase their risk

above and beyond the currently negotiated credit lines or DF AG raises additional debt capital in the amount of EUR 15 million, as provided for in the "Sanierungsgutachten" report, from other debt capital providers, these amounts may be ranked senior to these claims. The collateralization concept will not restrict DF Group's operational capabilities, as certain transaction types of DF Group are exempted from the prohibition to grant additional collateral.

Good progress of DF Group restructuring

Based on the above collateralization concept and a term sheet negotiated with DF AG, the lending banks of DF AG have agreed to make available credit lines totaling approx. EUR 40 million until 31 December 2016. This means that an important condition has been fulfilled for the capital increase I, in the context of which bonds may be swapped for shares (debt-to-equity swap) and capital increase II, which is planned for the second quarter of 2015. The successful implementation of all restructuring measures forms the basis for the restoration of the business volume.

Return to profitability earliest Q4 2015

In the coming months, the typical forfaiting income will not be sufficient to cover DF Group's expenses, not least because of the burdens arising in conjunction with the restructuring measures. The company's Board of Management assumes that it will take at least until the fourth quarter of 2015 before the company realizes a business volume that leads to a profit or at least to a balanced result.

Until the restructuring concept is fully implemented in the second quarter of 2015, the operational possibilities of the company will primarily be restricted by the limited financial resources. What is more, the implementation of the restructuring concept is tying up considerable manpower which is therefore not available to handle day-to-day business. Besides restoring and strengthening the equity and debt capital basis, it will be critical for the future of DF Group to retain our experienced, long-serving employees and to replace the employees we lost during and subsequent to the SDN listing with qualified new staff.

Objective: Positive result in 2017 financial year

Due to the one-time expenses arising from the implementation of the restructuring concept, DF Group will not be able to return to profit in the 2015 financial year but will reduce the loss significantly compared to the year 2014. The aim is to increase the business volume to a level that will again allow a positive result as of the financial year 2017.

Responsibility Statement by the Board of Management

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Group. The Group management report includes a fair review of the business development and the position of the Group together with the principal opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Cologne, April 2015
Board of Management

FINANCIAL FIGURES

Consolidated Balance Sheet – Assets

Consolidated Balance Sheet – Equity and Liabilities

Consolidated Income Statement

Consolidated Statement of Recognized Result

Consolidated Cash Flow Statement

Consolidated Statement of Equity Changes

Assets (in EUR)		31-12-2014	31-12-2013
A. Long-term assets			
I. Intangible assets	(17)	26,751.68	32,082.45
II. Tangible assets	(18)	296,021.50	516,818.97
III. Long-term financial assets	(19)	59,389.84	208,527.54
IV. Deferred taxes		0.00	0.00
		382,163.02	757,428.96
B. Short-term assets			
I. Trade accounts and other receivables	(20)	69,666,272.01	85,759,087.63
II. Tax receivables	(21)	147,709.40	455,557.44
III. Other short-term assets	(21)	299,209.94	295,919.62
IV. Cash and cash equivalents funds	(22)	14,748,219.60	20,603,046.98
		84,861,410.95	107,113,611.67
Total assets		**85,243,573.97**	**107,871,040.63**

(#) Reference to corporate notes.

Equity and Liabilities (in EUR)		31-12-2014	31-12-2013
A. Equity	(23)		
I. Subscribed capital		6,800,000.00	6,800,000.00
II. Capital reserve		7,359,044.50	7,359,044.50
III. Revenue reserves		-19,027,805.43	-3,556,792.68
IV. Reserves from currency conversion		-412,828.58	-432,335.63
		-5,281,589.51	10,169,916.19
B. Long-term liabilities			
1. Bond	(25)	28,884,370.90	28,727,537.85
2. Liabilities to banks		0.00	9,045,754.48
		28,884,370.90	37,773,292.33
C. Short-term liabilities			
1. Liabilities to banks	(28)	43,326,782.36	42,213,277.53
2. Short-term provisions	(26)	345,360.00	299,030.00
3. Tax liabilities	(27)	0.00	103,105.00
4. Trade accounts and other payables	(29)	9,596,687.88	12,754,812.83
5. Other short-term liabilities	(30)	8,371,962.34	4,557,606.75
		61,640,792.58	59,927,832.11
Total equity and liabilities		**85,243,573.97**	**107,871,040.63**

(#) Reference to corporate notes.

Consolidated Income Statement (in EUR)		01-01 - 31-12-2014	01-01 - 31-12-2013*
1. Typical forfaiting income	(8)		
a) Forfaiting income		2,972,335.48	9,924,406.33
b) Commission income		517,793.92	3,366,042.17
c) Income from additional interest charged		156,283.00	240,730.25
d) Exchange profits		7,632,929.44	5,450,287.08
e) Income from the fair value valuation and from the writing back of provisions for forfaiting and purchase commitments		299,027.78	391,991.40
		11,578,369.62	**19,373,457.23**
2. Typical forfaiting expenditure	(9)		
a) Expenditure from forfaiting		3,070,970.75	5,780,947.83
b) Commissions paid		727,857.63	1,677,079.89
c) Exchange losses		6,423.420.82	5,520,131.97
d) Credit insurance premiums		1,757.40	0.00
e) Depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments		762,714.72	4,022,084.91
		10,986,721.32	**17,000,244.60**
3. Gross result	(10)	**591,648.30**	**2,373,212.63**
4. Other operating income	(11)	363,473.85	127,806.08
5. Personnel expenses	(12)		
a) Wages and salaries		3,523,409.36	4,000,473.06
b) Social security contributions and expenditure for pensions and social welfare		401,378.48	508,915.29
6. Depreciation on tangible and intangible assets	(13)	116,415.76	124,464.26
7. Other operating expenditure	(14)	7,972,214.14	6,104,152.77
8. Interest income	(15)	46,915.90	54,716.46
9. Interest paid	(15)	4,446,994.43	2,950,352.09
10. Result before income taxes		**-15,458,374.12**	**-11,132,622.30**
11. Income taxes	(16)		
a) Income and earnings tax		12,638.63	107,850.05
b) Deferred taxes		0.00	1,317,030.69
12. Consolidated loss		**-15,471,012.75**	**-12,557,503.04**
Average number of shares		6,800,000	6,800,000
Earnings per share (not diluted, diluted)		-2.28	-1.85

*Adjustment of prior year figures, corporate notes section (2)
(#) Reference to corporate notes.

Consolidated Statement of Recognized Result (in EUR)	01-01 - 31-12-2014	01-01 - 31-12-2013
I. Consolidated loss	**-15,471,012.75**	**-12,557,503.04**
II. Other income		
Components, which will be reclassified to the income statement for the future		
Currency translation differences from the inclusion of foreign subsidiaries	*19,507.05*	*-595,575.98*
	19,507.05	**-595,575.98**
III. Recognized result	**-15,451,505.70**	**-13,153,079.02**

	Consolidated Cash Flow Statement (in kEUR)	01-01 - 31-12-2014	01-01 - 31-12-2013
	Cash flow		
	Consolidated loss	-15,471	-12,558
+	Depreciation on tangible and intangible assets	116	124
+	Income tax	13	1,425
+	Interest paid	4,447	2,950
-	Interest income	-47	-55
+/-	Result from disposal of long-term assets	265	0
+/-	Other transactions not affecting payments	-1,237	-2,436
+/-	Changes to trade accounts receivable	16,093	-9,660
+/-	Changes to other assets	302	2,036
+/-	Change to provisions	46	-93
+/-	Changes to trade accounts payable	-3,158	7,354
+/-	Change to other liabilities	-2,466	1,927
-	Paid taxes on profits	-167	-575
=	**Operative Cash flow**	**-1,264**	**-9,561**
-	Paid interest	-2,914	-1,364
+	Retained interest	47	55
=	**Cash flow from current business**	**-4,131**	**-10,870**
-	Payments for investments in long-term assets	-22	-360
+	Income from investments in long-term assets	23	0
+/-	Change in consolidated companies	0	63
	Cash flow from investment activity	**1**	**-297**
+/-	Change to financial liabilities	-1,731	-12,575
-	Payment of dividends	0	-1,224
+	Incoming payments from capital market transactions	0	28,728
=	**Cash flow from finance activity**	**-1,731**	**14,929**
	Changes in financial resources affecting payments	-5,861	3,762
+	Liquid funds at the start of the period	20,603	17,435
+/-	Effects from the currency conversion	6	-594
=	**Liquid funds at the end of the period**	**14,748**	**20,603**
-	Balances pledged	-1,158	-1,158
=	**Free liquid funds at the end of the period**	**13,590**	**19,445**

Consolidated Statement of Equity Changes 01-01-2013 bis 31-12.2014 (in EUR)	Subscribed capital	Capital reserves	Revenue reserves	Reserves from currency conversion*	Total
Balance 01-01-2013	**6,800,000.00**	**7,359,044.50**	**10,224,710.36**	**163,240.35**	**24,546,995.21**
Consolidated result			(12,557,503.04)		(12,557,503.04)
Other result				(595,575.98)	(595,575.98)
Recognized result			(12,557,503.04)	(595,575.98)	(13,153,079.02)
Dividend payment			(1,224,000.00)		(1,224,000.00)
Balance 31-12-2013	**6,800,000.00**	**7,359,044.50**	**(3,556,792.68)**	**(432,335.63)**	**10,169,916.19**
Consolidated result			(15,471,012.75)		(15,471,012.75)
Other result				19,507.05	19,507.05
Recognized result			(15,471,012.75)	19,507.05	(15,451,505.70)
Balance 31-12-2014	**6,800,000.00**	**7,359,044.50**	**(19,027,805.43)**	**(412,828.58)**	**(5,281,589.51)**

*Other comprehensive income

CORPORATE NOTES

Notes to the 2014 Consolidated Financial Statement

Auditors' Opinion

Responsibility Statement by the Management Board

Corporate Governance Report

I. Policies

(1) General information

The legal form of DF Deutsche Forfait AG is that of an "Aktiengesellschaft". The registered office of the company, as stated in the Memorandum of Association, is Cologne, Germany. The company's address is Kattenbug 18 - 24, 50667 Cologne. It is registered at Cologne Local Court (Amtsgericht) under HRB 32949.

DF Deutsche Forfait AG is a forfaiting company and, as such, is a financial enterprise within the definition of Section 1 (3) No. 2 KWG (German Banking Act). Forfaiting involves both the non-recourse purchase and sale of trade receivables and the assumption of risks through purchase commitments. The receivables are round-tripped or held internally in the portfolio and then sold. Unmarketable receivables, insurance deductibles and, in exceptional cases, lucrative transactions are retained in the Group's portfolio.

The consolidated financial statements of DF Deutsche Forfait AG (also "DF Group" or "Group") as of 31 December 2014 comply with the International Financial Reporting Standards (IFRS) at the accounting date as endorsed by the EU and with applicable supplementary regulations according to Section 315a (1) of the German Commercial Code (HGB).

IFRS also include the prevailing International Accounting Standards (IAS). All the binding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) for the 2014 financial year have also been applied. The figures for the previous year conform with the regulations applicable to the 2014 financial year.

The functional currency of the Group is the euro. All figures are presented in thousands of euros (kEUR) unless otherwise stated.

To give a clearer account, various items in the balance sheet and income statement have been aggregated. These items are described separately in the consolidated Notes. In principle, the income statement is prepared according to the total expenditure method. In the consolidated income statement, income and expenses are grouped by category and income and expense totals are presented to reflect the particular characteristics of a forfaiting company. The consolidated financial statements follow the structure guidelines set out in IAS 1.

The Board of Management and the Supervisory Board of DF Deutsche Forfait AG issued a declaration according to Section 161 of the Stock Corporation Act (AktG) regarding the recommendations of the Government Commission on the Corporate Governance Code. This declaration was issued and published on the company's website on 10 March 2015.

These consolidated financial statements were approved by the Board of Management and released for publication on 30 April 2015.

(2) Amendments in accounting policies

In the context of the preparation of the consolidated financial statements for the period ended 31 December 2014, the classification of trade receivables was revised within the meaning of IAS 39.9. The forfaiting receivables recognized in

the balance sheet were acquired with the intention of being sold in the short term and therefore should be classified as "held for trading" (hft) and be measured at their fair value, regardless of whether they are actually sold. The "loans and receivables (LaR)" category now comprises only those receivables which are designated to this category at the time of the purchase because no sale is intended as well as other receivables.

Under the previous classification practice, forfaiting receivables were classified as "loans and receivables" and only assigned to the "held for trading" category when they were actually sold in the short term (90 days).

As a result of the above change, "depreciation and value adjustments on receivables" in the consolidated income statement relate only to loans and receivables, while forfaiting income and expenses also include income and expenses from the fair value measurement of receivables held for trading. The changes have no material impact on the consolidated financial statements.

An adjustment of the classification and presentation represents a change in accounting policies (IAS 8.5), which must also be applied to the prior period to facilitate comparison (IAS 8.42).

(3) Amendments to the standards made by the IASB

Application of new standards and interpretations affecting the 2014 consolidated financial statements

The following standard, which had no material impact on the present consolidated financial statements, had to be applied for the first time in the past financial year.

IFRS 12 "Disclosures of Interests in Other Entities"
The standard combines the revised disclosure duties under IAS 27 as well as IFRS 10, IAS 31 as well as IFRS 11 and IAS 28 into a single standard. The new standard requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

Application of new standards and interpretations not affecting the 2014 consolidated financial statements

The following standards had to be adopted for the first time in the past financial year. They had no impact on the present financial statements of DF Group but may influence future transactions or agreements.

IFRS 10 "Consolidated Financial Statements"
The standard replaces the consolidation guidance in IAS 27 and SIC-12. Provisions that apply to separate financial statements remain unchanged in IAS 27, which has been renamed "Separate Financial Statements". IFRS 10 focuses on the introduction of a single consolidation model based on control of the subsidiary by the parent. This model should be applied to both parent-subsidiary relationships based on voting rights and to parent-subsidiary relationships based on other contractual arrangements. It consequently also applies to special purpose entities, whose consolidation is

currently based on the risk and reward concept of SIC 12. The control concept under IFRS 10 comprises the following three elements, all of which must be fulfilled: (1) power, (2) variable returns and (3) the ability to use the power to influence the amount of the variable returns.

IFRS 11 "Joint Arrangements"

This standard replaces IAS 31 and eliminates the possibility of proportional consolidation of joint ventures. The mandatory application of the equity method to joint ventures will in future be governed by IAS 28 (2011), which used to apply only to associates and which is now also applicable to the accounting for joint ventures. Changes in the terminology and the classification of entities as joint ventures mean, however, that not all joint ventures which are currently subject to proportional consolidation will, in future, have to be accounted for using the equity method.

IAS 27 "Separate Financial Statements"

The provisions for separate financial statements remain an unchanged component of the revised IAS 27. The other parts of IAS 27 (2008) are replaced by IFRS 10.

IAS 28 "Investments in Associates and Joint Ventures"

Additional amendments to IAS 28 have introduced a regulation according to which, in the event of a planned disposal of a part of an associate or joint venture, the portion held for sale should be accounted for in accordance with IFRS 5 provided it meets the classification conditions. The remaining portion is accounted for using the equity method until the time of disposal ("split accounting"). If the retained interest continues to be an associate, the equity method continues to be applied; otherwise, the retained investment is accounted under IFRS 9. In addition, the former exceptions to the scope of application of IAS 28, e.g. for venture capital organizations or mutual funds, have been abolished; however, investments in such entities may now optionally be measured at fair value or according to the equity method. This measurement option also applies to investments in associates held indirectly, e.g. through venture capital organizations or mutual funds. The provisions of SIC-13 have been integrated into IAS 28 (2011).

Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

The amendments to IAS 32 clarify existing application problems with regard to the requirements for offsetting financial assets and financial liabilities. In particular, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". This amendment became effective as of 1 January 2014 and must be applied retroactively.

Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

If the recoverable amount is the fair value less costs of disposal, the level of the fair value hierarchy within which the fair value measurement is categorized, the valuation techniques used to measure fair value less costs of disposal and the key assumptions used in the measurement of fair value measurements categorized within 'Level 2' and 'Level 3' of the fair value hierarchy must be disclosed. This amendment was endorsed by the EU with effect from 19 December 2013 and must be applied for financial years beginning on or after 1 January 2014.

Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"

If derivatives designated as hedging instruments are directly or indirectly transferred to a counterparty in the context of a novation, this does not constitute an expiry or termination. However, this requires the novation to take place because

of new or existing statutory or regulatory provisions and the contractual terms and conditions of the derivative to change only insofar as this is necessary for the novation. This amendment is effective for financial years beginning on or after 1 January 2014 and was endorsed by the EU with effect from 19 December 2013. Early adoption is possible.

Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities"
The amendments grant an exemption regarding the consolidation of subsidiaries if the parent company meets the definition criteria of an investment entity, e.g. the holding of certain mutual funds. If these criteria are met, certain subsidiaries are measured at the fair value pursuant to IFRS 9 and/or IAS 39. The amendments apply to financial years beginning on or after 1 January 2014. The amendment was endorsed by the EU with effect from 20 November 2013.

Amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance"
The amendments clarify the transition guidance of IFRS 10 and provide additional relief in all three standards. This includes, in particular, that the requirement to provide adjusted comparative information is limited to only the comparative period immediately preceding initial application. The amendments are effective for financial years beginning on or after 1 January 2012 and were endorsed by the EU with effect from 4 April 2013.

Early adoption of accounting standards

No IFRS that had been issued and approved as well as endorsed by the EU but were not mandatory as of 31 December 2014 were adopted early by DF Group.

Standards, interpretations and amendments that have been issued but not been applied yet

DF Group will apply the revised and new standards and interpretations as of the date at which they become effective – provided that they have been endorsed by the European Union. The full impact on the Group still needs to be analyzed, which means that it is not possible to describe the precise effects. Changes or effects resulting from first-time adoption of IFRS can be ruled out, however.

IFRS 15 "Revenues from Contracts with Customer"
The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 applies to all contracts with customers except for: (1) leases within the scope of IAS 17; (2) financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, IFRS 11, IAS 27 and IAS 28 (2011); (3) insurance contracts within the scope of IFRS 4, and (4) non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers. If no other standard provides guidance on how to separate and/or initially measure one or more parts of the contract, then IFRS 15 shall be applied. Application of the standard is mandatory for periods beginning on or after 1 January 2017. Early adoption is permitted.

IFRS 14 "Regulatory Deferral Accounts"
The new standard permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its

previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. The objective of IFRS 14 is to specify the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. The standard is designed as a limited scope standard to provide an interim, short-term solution for rate-regulated entities that have not yet adopted IFRS. Its purpose is to allow rate-regulated entities adopting IFRS for the first-time to avoid changes in accounting policies in respect of regulatory deferral accounts until such time as the IASB can complete its comprehensive project on rate-regulated activities. IFRS 14 was issued in January 2014 and is effective for periods beginning on or after 1 January 2016.

IFRS 9 "Financial Instruments"

The IASB issued the final version of the standard in the context of the completion of the different phases of its comprehensive project on financial instruments on 24 July 2014. Financial instruments are therefore no longer accounted for under IAS 39 but under IFRS 9. The version of IFRS 9 now issued supersedes all previous versions. The new standard includes requirements for the classification and measurement of financial assets, including impairment regulations, and complements the new hedge accounting regulations issued in 2013. First-time adoption is mandatory for financial years beginning on or after 1 January 2018. Early adoption is permitted subject to local requirements (such as European endorsement). Previous versions of IFRS may be adopted for a limited period (if not already done so) provided the relevant date of initial application is before 1 February 2015.

Amendments to IAS 1 „Disclosure Initiative"

The amendments primarily include the following: (1) clarification that disclosures in the notes are required only if they are not immaterial. This explicitly also applies when an IFRS requires a list of minimum disclosures; (2) explanations regarding the aggregation and disaggregation of items in the balance sheet and the statement of comprehensive income; (3) clarification as to how shares in other comprehensive income of entities accounted for using the equity method should be presented in the statement of comprehensive income and (4) eliminate the idea of a model structure of the notes to allow for greater individual relevance. The amendments are effective for financial years beginning on or after 1 January 2016. Early adoption is permitted provided that they the amendments have been endorsed by the EU. No time for first-time adoption has been proposed, but early adoption shall be permitted. The amendments to IAS 7 are to be adopted prospectively. Comments were requested by 17 April 2015.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments address acknowledged inconsistencies between the requirements of IFRS 10 and IAS 28 (2011) in the event of the sale of assets to an associate or a joint venture and the contribution of assets to an associate or joint venture. In future, the total gain or loss from a transaction should be recognized only if the assets sold or contributed constitute a business as defined in IFRS 3, regardless of whether the transaction is a share deal or an asset deal. If the assets do not constitute a business, the gain or loss may be recognized only partially. The amendments are effective for financial years beginning on or after 1 January 2015. Early adoption is permitted but requires EU endorsement.

Amendments to IAS 27 "Equity Method in Separate Financial Statements"

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The existing options for recognition at cost or in accordance with IAS 39/IFRS 9 remain in place. As of 2005, it was no longer permissible to apply the equity method for investments in the separate financial statements (of the parent company) under IAS 27. In response to constituent feedback, e.g. about the great effort involved in the fair value measurement on every reporting date, especially for non-listed associates, the IASB amended IAS 27. The amendments are effective for reporting periods beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 41 and IAS 16 "Bearer Plants"

So far, all biological assets have been recognized at fair value through profit or loss. This also applies to "bearer plants" such as grape vines, rubber trees and oil palms which are used to harvest biological assets over several periods but are not sold as agricultural products. After the amendments, bearer plants should be accounted for as assets under IAS 16, as they are of comparable use. By contrast, their fruits will continue to be accounted for under IAS 41. The amendments are mandatorily effective for periods beginning on or after 1 January 2016 subject to EU endorsement, which is still pending. The mandatory disclosures under IAS 8.28(f) are not required for the current period. Early voluntary adoption of the new regulations is permitted.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

The amendments provide additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. They are effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for financial years beginning on or after 1 January 2016. Early adoptions is permitted.

Amendments to IAS 19 "Defined Benefit Plans – Employee Contribution"

The amendments added an elective option to the Standard, pertaining to the accounting treatment of defined benefit pension plans to which employees (or third parties) make obligatory contributions. IAS 19 (2011) now stipulates that the service-based employee contributions specified in the formal rules of a defined benefit pension plan must be allocated to the service periods as negative benefits. This requirement is essentially in line with the projected unit credit method, meaning the projection of benefits (in this case, negative benefits) and the allocation of those benefits to the periods in which they were earned (projected and prorated). Whereas it was common practice prior to the adoption of IAS 19 (2011) to apply employee contributions to the pension obligation when paid and in the amount paid, the application of the new rules may possibly necessitate complex calculations. Employee contributions that are linked to performance and not to the number of years served with the company must still be recognized in the period in which the corresponding work is performed, without the calculation and distribution method based on application of the projected unit credit method. In particular, this applies to contributions defined as a fixed percentage of salary in the current year, fixed contributions during the entire service life of the employee as well as contributions whose amount

is exclusively dependent on the employee's age. The amendment should be adopted retrospectively for financial years beginning on or after 1 July 2014. Early voluntary adoption is permitted.

IFRIC Interpretation 21 "Levies"

The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes, fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other standards. IFRIC 21 does not deal with how to account with costs arising from the recognition of a liability to pay a levy, and instead other standards are applied in determining whether the recognition of a liability gives rise to an asset or expense. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. Initial application is in accordance with the requirements of IAS 8, i.e. the requirements are applied on a retrospective basis. It was endorsed by the EU on 13 June 2014. The following financial reporting standards of the IASB (Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24) form part of the Improvements to IFRSs 2010 - 2012 Cycle. The regulations should first be adopted for financial years starting on or after 1 July 2014.

Amendments to IFRS 2 "Definition of vesting conditions"

The amendment comprises a clarification of the definition of "vesting conditions" by introducing separate definitions for "performance conditions" and "service conditions" in Appendix A to the standard. According to these definitions, a service condition is a vesting condition which requires the completion of a specified service period as well as the achievement of certain performance targets during this service period. The performance targets should be defined with reference to the activities of the entity or the value of its equity instruments (incl. shares and options). They may relate to the overall performance of the entity or to the performance of parts of the entity or individual employees. In contrast to a performance condition, a service condition merely requires the completion of a certain service period and includes no performance targets. If the employee leaves the entity before completion of the service period, the vesting condition is deemed to be not fulfilled. With respect to the definition of "market conditions", moreover, it was clarified that they constitute not only performance conditions that are dependent on the market price or value of the entity's equity instruments, but also performance conditions that are dependent on the market price or value of the equity instruments of another entity of the same corporate group. These amendments should be applied prospectively to share-based compensation, the grant date for which is on or after 1 July 2014. Early voluntary adoption is permitted.

Amendments to IFRS 3 "Accounting for contingent consideration in a business combination"

According to IFRS 3.40, an "acquirer shall classify an obligation to pay contingent consideration as a liability or as equity on the basis of the definitions of an equity instrument and a financial liability in paragraph 11 of IAS 32 Financial Instruments: Presentation, or other applicable IFRSs". As the question whether contingent consideration should be classified as equity or as a financial liability applies only to contingent consideration that meets the definition of a financial instrument and the question arose when "other applicable IFRSs" should be applied for such classification, the wording of IFRS 3.40 was changed such that reference is made only to contingent consideration in a business combination that meets the definition of a financial instrument and the reference to "other applicable IFRSs" was deleted. Moreover, the provisions of IFRS 3.58 on the subsequent measurement of contingent consideration were unclear insofar as they stipulated that contingent consideration not classified as equity should be measured at the fair value while at the same time referring to IFRS 9 (or IAS 39), IAS 37 or other IFRSs which did not necessarily prescribe

fair value measurement. As a result of the amendment of this paragraph and the consequential amendments to IFRS 9, IAS 39 and IAS 37, subsequent measurement at the fair value and the recognition of all resulting effects in profit or loss are now prescribed for all contingent consideration not classified as equity. The amendment should be applied prospectively to all business combinations where the date of acquisition is on or after 1 July 2014. Earlier voluntary adoption is permitted provided that the consequential amendments to IFRS 9 (and IAS 39) and IAS 37 are adopted at the same time.

Amendments to IFRS 8 "Reconciliation of the total of the reportable segments' assets to the entity's assets"
The amendments to IFRS 8 made the following two clarifications: (1) When aggregating operating segments into reportable segments, the considerations applied by management to identify the operating segments (brief description of the aggregated business segments and the economic factors considered in determining the "similar economic characteristics" according to IFRS 8.12), and (2) a statement reconciling segment assets with the corresponding amounts in the statement of financial position is only required when information on segment assets is also part of the financial information that is regularly reported to the chief operating decision maker. The amendment should be adopted retrospectively for financial years beginning on or after 1 July 2014. Early voluntary adoption is permitted.

Amendments to IFRS 13 "Short-term receivables and payables"
An amendment of the "Basis for Conclusions" of IFRS 13 makes it clear that the consequential amendments to IFRS 9 and IAS 39 resulting from IFRS 13 were not meant to remove the possibility to refrain from discounting short-term receivables and payables in the event of immateriality.

Amendments to IAS 16 and IAS 38 "Revaluation method – proportionate restatement of accumulated depreciation"
These amendments clarify the method for calculating accumulated depreciation at the measurement date when the revaluation method according to IAS 16.35 or IAS 38.80 is applied. The new IAS 16.35(a) takes into account the fact that both the historical cost (gross carrying amount) and the amortized cost (carrying amount) can change on the basis of available market data when the revaluation method is applied. In such a case, there can be no proportionate change in accumulated depreciation. Instead, the change in depreciation results purely from the difference between the two revalued carrying amounts. Furthermore, a non-proportionate change in depreciation also arises in the case that impairment losses were recognized in earlier periods. The revaluation of historical acquisition/production costs and amortized cost (including impairment losses) does not result in a proportionate change in depreciation. These amendments should first be adopted in financial years beginning on or after 1 July 2014. Early voluntary adoption is permitted. Transitional rules specify that the amendments need only be applied to revaluations in financial years beginning on or after the date of first-time adoption, and to revaluations in the preceding period.

Amendments to IAS 24 "Key management personnel"
As a result of the amendment, the definition of "related parties" now also includes entities which provide key management personnel (KMP) services either themselves or through one of their group entities to the reporting entity without the two entities being otherwise related as defined in IAS 24 ("management entities"). A new paragraph 18A requires separate disclosures for the expenses recognized by the reporting entity for the services provided by the management entity. By contrast, the reporting entity is not required to disclose the compensation paid by the management entity to its employees who perform the management tasks at the reporting entity as defined in IAS

24.17. The amendment should be adopted retrospectively for financial years beginning on or after 1 July 2014. The following reporting standards that have been issued by the IASB but are not mandatory yet (amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40) form part of the Improvements to IFRSs 2011 - 2013 Cycle and were not adopted early. At the present stage, it appears justified to assume that the impact on the Group will be negligible. The amendments must first be adopted prospectively in financial years beginning on or after 1 July 2014 . Early voluntary adoption is permitted.

Amendments to IFRS 1 "Meaning of effective IFRS"
An amendment of the "Basis for Conclusions" of IFRS 1 clarifies the meaning of "effective date". Where two published versions of a standard exist at the time of the adoption of IFRS, i.e. a currently applicable version and version that is not yet mandatory but of which early application is permitted, first-time adopters of IFRS may choose either of the two versions, provided that the same version is applied throughout the periods covered by the entity's financial statements subject to contrary regulations in IFRS 1.

Amendments to IFRS 3 "Scope exceptions for joint ventures"
The amendments revise the existing scope exception for joint ventures from IFRS 3. On the one hand, they clarify that the exception applies to all "joint arrangements" as defined in IFRS 11; on the other hand, they clarify that the exception applies only to the financial statements of the joint venture or joint arrangement itself, and not to recognition in the financial statements of the parties to the joint arrangement.

Amendments to IFRS 13 "Scope of paragraph 52 – portfolio exception"
IFRS 13.48 permits an entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or paid to transfer a net short position (i.e. a liability) for a particular risk exposure ("portfolio exception"). The proposed amendment would clarify that the portfolio exception applies to all contracts within the scope of IAS 39 and IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities in IAS 32 (e.g. certain contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument). The amendment should be applied prospectively from the beginning of the financial year in which IFRS 13 is first adopted. Early voluntary adoption is permitted.

Amendments to IAS 40 "Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property"
The amendments clarify that the scope of IAS 40 and the scope of IFRS 3 are independent of each other, which means that they are not mutually exclusive by any means. Therefore, any acquisition of property classified as investment property on the basis of the criteria of IFRS 3 must be reviewed as to whether the transaction entails an acquisition of a single asset, a group of assets or a business within the scope of IFRS 3. In addition, the criteria of IAS 40.7 et seq. must be applied to determine whether the property in question is investment property or owner-occupied property. As a general rule, the amendment should be applied prospectively to all investment property acquired on or after the start of the first period in which the amendments are first applied, which means that it is not necessary to adjust the prior-year figures. The following reporting standards that have been issued by the IASB but are not mandatory yet (amendments to IFRS 5, IFRS 7, IAS 19 und IAS 34) form part of the Improvements to IFRSs 2012 - 2014 Cycle and have not yet been endorsed by the EU. At the present stage, it appears justified to assume that the impact on the Group will be negligible. The amendments are effective for reporting periods beginning on or after 1 January 2016 with early adoption permitted.

Amendments to IFRS 5 "Changes in methods of disposal"
The amendment adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendment also adds specific guidance for cases in which the accounting for held-for-distribution is terminated. The amendments should be applied prospectively.

Amendments to IFRS 7 "Servicing Contracts"
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required.

Amendments to IFRS 7 "Applicability of the amendments to IFRS 7 to condensed interim financial statements"
The amendments clarify the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.

Amendments to IAS 19 "Regional market issue"
The amendments clarify that the high-quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid (the depth of the market for high quality corporate bonds should be assessed at currency level).

Amendments to IAS 34 "Disclosure of information elsewhere in the interim financial report"
The amendments clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

(4) Basis of consolidation, reporting date

The consolidated financial statements cover DF Deutsche Forfait AG (also referred to as "DF AG") as the parent company as well as two subsidiaries, namely DF Deutsche Forfait s.r.o., Prague/Czech Republic and Deutsche Kapital Ltd., Dubai/United Arab Emirates ("DKL"). DKL was established by DF Deutsche Forfait AG in April 2013 and was initially included in the interim consolidated financial statements for the period ended 30 June 2013. As in the previous year, DF Group continues to hold 100% of the equity capital of both entities. The reporting date of DF Group and the consolidated subsidiaries is 31 December.

This means that DF AG is a controlling entity as defined in IFRS 10.5 et seq. and derives its control directly from its voting rights.

The subsidiaries DF Deutsche Forfait Americas, Inc., Miami/USA, and DF Deutsche Forfait do Brasil Ltda., São Paulo/Brazil, in which DF AG holds 100% of the voting rights, as well as the investment in DF Deutsche Forfait West Africa Ltd., Accra/Ghana, in which DF AG holds 60% of the voting rights, and in DF Deutsche Forfait Pakistan (Private) Limited, Lahore/Pakistan, in which DF AG indirectly holds 99% of the voting rights, are not included in the basis of consolidation. As in the previous year, the non-consolidated subsidiaries are non-essential for the consolidated financial statements as of 31 December 2014, both individually and collectively, and do not influence the true and fair view of the assets, liabilities, financial position and the profit or loss presented in the consolidated financial statements.

(5) Consolidation procedures

The basis for the consolidated financial statements are the financial statements of the consolidated companies prepared at 31 December 2014 under uniform accounting and valuation policies according to IFRS 10 "Consolidated Financial Statements". The consolidated subsidiaries being start-ups, no differences arise from consolidation. Intragroup receivables, liabilities, provisions, income and expenses, and profits are eliminated on consolidation.

(6) Currency translation

The consolidated financial statements are prepared in euros, the functional currency of the company, pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Since the subsidiaries carry out their business autonomously in financial, economic and organizational terms, the functional currency is essentially identical to the company's local currency. Therefore, in the consolidated financial statements, the income and expenses from the financial statements of subsidiaries – which are prepared in a foreign currency – are translated at the annual average rate; assets and liabilities are translated at the closing rate.

Exchange differences resulting from the translation of equity are reported under equity as a currency translation reserve. The translation differences resulting from differing translation rates between the balance sheet and the statement of comprehensive income are recognized in other comprehensive income.

In the separate financial statements of DF Deutsche Forfait AG and its subsidiaries, foreign currency receivables and liabilities are valued at the cost of acquisition on accrual. Exchange gains and losses on the balance sheet date are shown in the income statement.

The exchange rates on which translation into euros is based correspond to the euro reference rates published by the European Central Bank and are as follows:

Curreny translation in EUR	Closing rate		Average rate	
	31-12-2014	31-12-2013	2014	2013
US Dollar	1.2141	1.3791	1.3285	1.3281
Czech Koruna	27.735	27.4270	27.5360	25.9800

(7) Accounting and valuation policies

The financial statements of the companies included in the consolidated financial statements have been prepared according to uniform accounting and valuation policies in accordance with IFRS 10. Revenue, hereafter typical forfaiting income, comprises forfaiting and commission income, income from additional interest charges, exchange rate gains, and income from the writing back of provisions for forfaiting and purchase commitments. Forfaiting income also includes the positive effects from the fair value measurement of receivables held for trading.

Forfaiting and commission income is realized at the time the legally binding purchase or the commitment to purchase receivables is made. If this income is periodic, it is taken in on an accrual basis. Income from additional interest charges is taken in on an accrual basis over the duration of the retained amounts. Typical forfaiting risks, recognized in previous periods as a value adjustment on receivables classified as LaR or as a provision for contingent liabilities, are treated as income in the financial year in which the risks no longer exist.

Typical forfaiting expenses include expenses which are a direct result of typical forfaiting income and can be individually attributed to transactions. Expenses are attributed to the periods in which they are incurred. Forfaiting expenses also include the negative effects from the fair value measurements of held-for-trading receivables from the forfaiting business. Operating expenses are recognized as expenses upon effective payment or as incurred.

All interest on borrowing in the income statement is reported under interest expense.

Intangible assets include software, licenses and the right to Internet domain names. Software, as an intangible asset acquired for consideration, is recognized at cost and regularly amortized using the straight-line method over its estimated useful life of three years. Depreciations are included under the position "depreciation on tangible and intangible assets" of the income statement. The acquired domain names have been recorded as assets that are not subject to amortization. No impairment test was carried out for these assets as they are of minor importance for the consolidated financial statements.

All items of property, plant and equipment are used for business purposes and are recognized at cost, less regular depreciation. Depreciation on property, plant and equipment is calculated using the straight-line method according to the expected average useful life. Regular depreciation is based on the following Group standard useful lives:

Useful life in years	2014	2013
Other installations, fittings and office equipment		
IT-Hardware	3-6	3-6
Cars	4-6	4-6
Fixtures	3-8	3-8
Tenants' installations	5-7	5-7
Office equipment	10-23	10-23

There were no adjusting events or market developments to indicate an adjustment in the estimated useful lives or a decrease in value of the intangible assets and property, plant and equipment.

Financial assets are recognized in accordance with the respective categories defined under IAS 39. The Group classifies financial assets in the following categories: financial assets recognized at fair value through profit/loss, loans and receivables, and available-for-sale financial assets. Financial assets recognized at fair value through profit/loss comprise financial assets held for trading. This category comprises those trade receivables that were acquired for trading and will

be sold in the short term. Changes in the fair value of financial assets in this category are recognized in profit/loss at the time of the value increase or impairment. Receivables held for trading are assigned to the respective category and recognized at fair value through profit/loss. Attributable transaction costs are recognized in profit or loss.

Financial instruments in the "loans and receivables" category are non-derivative financial assets with fixed or determinable payments which are not listed in an active market. They are initially recognized at their fair value plus directly attributable transaction costs (IAS 39.43). They are measured at amortized cost less potential impairments using the effective interest method. Gains and losses are recognized in the income statement for the period at the time of derecognition or impairment of "loans and receivables". Available-for-sale financial assets are non-derivative financial assets that were assigned either to this category or to none of the other categories. Available-for-sale financial assets are measured at fair value plus directly attributable transaction costs upon initial recognition and assigned to non-current assets. In the context of subsequent measurement, available-for-sale financial assets are measured at fair value, with changes in the value, except for impairments, recognized in other comprehensive income and in equity as reserve. When an asset is derecognized, other comprehensive income is reclassified to the income statement. Available-for-sale financial assets comprise non-consolidated investments in affiliated companies. As their fair value cannot be reliably determined, they are measured at cost, unless they are intended to be sold within twelve months from the balance sheet date.

The Group derecognizes a financial asset when the contractual rights relating to the cash flows expire or when the rights to receive the cash flows from a transaction are transferred in the context of a transaction in which all material benefits and risks associated with this financial asset are transferred as well (IAS 39.17).

Regular assessments are carried out according to IAS 39 "Financial Instruments: Recognition and Measurement" to determine whether there is objective evidence of a financial asset or a portfolio of financial assets being impaired. After testing for impairment, any impairment loss is recognized.

A financial asset not recognized at fair value through profit/loss, including an interest in an enterprise, is tested for impairment at every balance sheet date (IAS 39.58). A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. The following may be objective evidence that a financial asset is impaired:

- default or delinquency of a debtor;
- indications that the debtor will enter bankruptcy or other financial reorganization;
- adverse changes in the payment status of borrowers or issuers;
- decrease in the estimated future cash flows due to adverse economic conditions that correlate with defaults.

In addition, a significant or prolonged decline in the fair value below the cost of acquisition constitutes objective evidence of impairment. The Group considers a decline by 20% to be significant and a period of six months to be prolonged.

The Group assesses indications of the impairment of a financial asset measured at amortized cost both individually for each financial asset and collectively. All assets that are individually significant are tested for individual impairment. Those assets that are not individually impaired are collectively tested for impairment which has already occurred but still needs

to be identified. Assets that are not individually significant are collectively tested for impairment. When assessing collective impairment, the Group considers historical trends in the probabilities of default, the timing of payments and the amount of the losses incurred.

The amount of the impairment of a financial asset, which is subsequently recognized using the effective interest method, is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (IAS 39.63). If the amount of the impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit/loss (IAS 39.65).

Unless they fall in the "held for trading" category, trade receivables and other current assets are loans and receivables recognized at amortized cost using the effective interest method. The country-specific credit risk is covered by country value adjustments, which are calculated on the basis of the country ratings published in the financial magazine "Institutional Investor" and adapted if necessary. The publication of the "Country Credit Ratings" in the "Institutional Investor" draws on a survey of numerous banks and analysts, and ensures impartial valuation in the consolidated balance sheet of DF Group. Itemized value adjustments are established where required.

Cash and cash equivalents are reported in the balance sheet at face value. The item includes cash on hand and bank deposits with a maturity of up to three months.

Deferred tax assets and liabilities are determined according to IAS 12 "Income Taxes" using the liability method based on the balance sheet date for all temporary differences between the tax basis and IFRS measurements. Deferred taxes are calculated on the basis of tax rates which apply or are expected to apply under prevailing law in the particular countries when the asset is realized or the liability is settled.

Deferred tax assets for the carryforward of unused tax losses are recognized only to the extent that sufficient taxable temporary differences exist against which the deductible temporary differences and tax losses can be utilized. Above and beyond this, no deferred tax assets were recognized as it is currently unlikely that sufficient taxable results will be generated in the coming financial years (IAS 12.24 et seq., IAS 12.34).

With regard to changes in equity, please refer to the separate consolidated statement of changes in equity.

Pension obligations include defined contribution and defined benefit plans.

The obligations for defined benefit plans are measured using the projected unit credit method in accordance with IAS 19 "Employee Benefits". The calculation is based on an actuarial valuation that takes biometric assumptions into consideration.

Pension obligations are counterbalanced by the asset value of reinsurance on the opposite side. Reinsurance claims are pledged to the plan beneficiaries. The insurance is recognized at plan assets, as it is irrevocably available for benefit purposes only, even in the event of company insolvency (qualified insurance policy). The present value of the covered obligation is limited by the value of the plan assets.

The value of the pension obligation and the fair value of reinsurance are offset. Under IAS 19, actuarial gains and losses must be immediately and fully recognized in other comprehensive income. Past service cost must be directly recognized in profit or loss in the year in which it is incurred.

IAS 19 (revised 2011) only allows a typifying return on plan assets equivalent to the discount rate applied to the pension obligations at the beginning of the period.

Expenses for contribution-based pension plans are recorded as expenditures in the year of payment.

Provisions are recognized as a present obligation (legal or constructive) to a third party as a result of a past event when it is probable that an outflow of resources will be required and a reliable estimate can be made of the requisite amount of the provision. These are measured at full cost.

Financial liabilities are initially recognized at the fair value, which is usually equivalent to the cost of acquisition. Transaction costs are also considered. Subsequently, all liabilities are measured at amortized cost. At DF Group, these are usually short-term liabilities, which are therefore carried at the repayment amount. DF Group has no liabilities held for trading. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Critical estimates and assumptions used in accounting

The preparation of the consolidated financial statements to IFRS requires assumptions to be made and estimates to be used which have an effect on the assets and liabilities, income and expenses, and contingent liabilities shown in the balance sheet both in terms of amount and reporting. The assumptions and estimates that relate to the unified group stipulation of useful lives, the valuation of pension obligations, and the accounting for and measurement of provisions, are regarded as immaterial for the consolidated financial statements. In isolated cases, the actual values may deviate from the assumptions and estimates made. Changes are included in income at the point in time when more accurate information becomes available.

The determination of the fair values of trade receivables requires assumptions regarding the country and counterparty risks which are primarily based on the circumstances prevailing on the balance sheet date. A 10% increase in these risks would lead to negative effects of kEUR 1,394 (previous year: kEUR 984) from the fair value measurement of contingent liabilities on Group equity and the Group result.

Assets measured at amortized cost (loans and receivables) are subject to risks relating to creditworthiness and future payments. A 10% increase in these risks could lead to additional valuation allowances or write-downs of kEUR 531 (previous year: kEUR 316).

II. Notes to the Income Statement

(8) Typical forfaiting income

Portfolio income earned in the period, trading income (the difference between amortized cost / fair value and the sales price of a receivable) and the positive effects from the fair value measurement of receivables held for trading are recorded as forfaiting income. Commission income primarily results from purchase commitments and counter-guarantees. At the same time, only DF Group income from loan agreements is recorded in typical forfaiting income.

The prior year amounts of forfaiting income, income from the writing back of provisions for forfaiting and purchase commitments, forfaiting expenses and depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments were adjusted in accordance with IAS 8.46 (paragraph 2). Revenue breaks down as follows:

Typical forfaiting income in kEUR	2014	2013	2013 as reported before
Forfaiting income	2,972	9,924	9,306
Commission income	518	3,366	3,366
Income from additional interest charged	156	241	241
Exchange rate gains	7,633	5,450	5,450
Income from the writing back of value adjustments on receivables and of provisions for forfaiting and purchase commitments	299	392	1,010
Total	**11,578**	**19,373**	**19,373**

(9) Typical forfaiting expenses

Forfaiting expenses are incurred where the sales price realized is lower than the carrying amount and negative effects result from the fair value measurement. Typical forfaiting expenses break down as follows:

Typical forfaiting expenses in kEUR	2014	2013	2013 as reported before
Forfaiting expenses	3,071	5,781	7
Commission expenses	728	1,677	1,677
Exchange losses	6,423	5,520	5,520
Credit insurance premiums	2	–	–
Depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments	763	4,022	9,796
Total	**10,987**	**17,000**	**17,000**

Depreciation and value adjustments on receivables were exclusively related to loans and receivables.

(10) Gross result

Gross result is the difference between typical forfaiting income and expenses.

Gross result in kEUR	2014	2013
Net forfaiting	(99)	4,143
Net commission	(210)	1,689
Result from additional interest charges	156	241
Result from exchange rate gains and losses	1,210	(70)
Net valuation in forfaiting business	(464)	(3,630)
	593	**2,373**
Less credit insurance premiums	2	–
Total	**591**	**2,373**

(11) Other operating income

Other operating income breaks down as follows:

Other operating income in kEUR	2014	2013
Income from the allocation of charges	172	–
Income resulting from VAT settlement correction	85	–
Income from offsetting non-cash benefits under the provision of motor vehicles	20	39
Income from writing back other liabilities	29	65
Income from the disposal of already fixed asset items	24	20
Miscellaneous other operating income	33	4
Total	**363**	**128**

Income from the allocation of legal and consultation charges were recognized separately for value-added tax purposes. The settlement corrections relate to the retroactive declaration of value-added tax and, more specifically, to adjustments of the revenues from collection activities in the previous year.

(12) Personnel expenses

Personnel expenses break down as follows:

Personnel expenses in kEUR	2014	2013
Salaries	3,523	4,000
Total salaries	**3,523**	**4,000**
Social security contributions	*329*	*423*
Pensions	*58*	*72*
Other social security expenses	*15*	*14*
Total social security expenses	**402**	**509**
Total	**3,925**	**4,509**

Social security contributions include employer's contributions to state pension providers in the amount of kEUR 176 (previous year: kEUR 209). Pensions include expenses for defined contribution benefit plans in the amount of kEUR 58 (previous year: kEUR 70).

(13) Depreciation/amortization on tangible and intangible assets

Depreciation and amortization break down as follows:

Depreciation and amortization in kEUR	2014	2013
Amortization on intangible assets	9	6
Depreciation on tangible assets	107	118
Total	**116**	**124**

(14) Other operating expenses

Other operating expenses break down as follows:

Other operating expenses in kEUR	2014	2013
Legal and consultation fees, accounting expenses	4,584	1,862
Administrative expenses/cooperation partners	1,155	1,712
Cost of premises (rental and cleaning costs)	382	429
Insurance, fees, contributions	169	104
Travel expenses	158	432
Payment transaction fees	136	142
Other taxes	97	241
Telephone, postage and web connection charges	82	153
Vehicle costs	24	88
Miscellaneous other expenses	1,185	941
Total	**7,972**	**6,104**

Other operating expenses increased due to higher legal and consultation expenses, which include expenses incurred in conjunction with the OFAC listing (approx. EUR 1.7 million) and legal proceedings relating to overdue receivables.

Costs for cooperation partners include the expenses for the office in London, the cooperation partner in Italy and France as well as the subsidiaries in Pakistan and Sao Paulo.

Miscellaneous other expenses primarily include expenses relating to the public listing and the Annual General Meeting (kEUR 327), expenses for rights of use and IT equipment (kEUR 82) and the compensation of the members of the Supervisory Board (kEUR 98).

(15) Financial results

The financial results break down as follows:

Financial results in kEUR	2014	2013
Interest income from banks	–	7
Interest income from loans and receivables	47	48
Total interest income	**47**	**55**
Interest expense payable to banks	1,499	1,307
thereof from refinancing the forfaiting business	*1,494*	*1,219*
thereof from interest on overdraft	*5*	*88*
Miscellaneous interest expenses	2,948	1,643
thereof interest on bond	*2,519*	*1,500*
thereof other interest	*429*	*143*
Total interest expense	**4,447**	**2,950**
Net interest = financial results	**(4,400)**	**(2,895)**

Miscellaneous interest expenses in 2014 increased primarily because of the fact that interest payable on the bond was due for the first full financial year. This item also includes interest expenses of DF Deutsche Forfait s.r.o. to Arnstock CZ in the amount of kEUR 409, which relate to the transfer of credit lines that were cancelled because of the OFAC listing.

(16) Income tax

Deferred tax assets from temporary differences may not be recognized if it is not sufficiently probable that taxable results will be available against which the deductible temporary differences can be utilized (IAS 12.27). For the same reason, no deferred tax assets are recognized for the loss incurred in the 2014 financial year (IAS 12.34 et seq.). Deferred tax assets resulting from losses carried forward are recognized in the income statement (IAS 12.56) to the extent that temporary differences in the same amount are available against which the unused tax losses can be utilized. Group income tax breaks down as follows:

Income taxes in kEUR	2014	2013
Income tax expense from the current year	–	107
Allowances for previous years	13	1
Current tax expense	**13**	**108**
Deferred taxes from temporary differences	366	495
Deferred tax expense	(366)	822
Deferred taxes	**–**	**1,317**
Total	**13**	**1,425**

Tax expense includes corporation and trade income tax payable by domestic companies and comparable income tax payable by the foreign companies. Other taxes are included in other operating expenses.

Deferred taxes are calculated on the basis of tax rates which apply or are expected to apply under prevailing law in the particular countries when the asset is realized or the liability is settled. In Germany, the standard rate of corporation tax is 15.0%. Taking into consideration a solidarity surcharge of 5.5% on top of corporation tax and an average effective trade income tax rate of approximately 16.5%, this results in a tax rate of approximately 32.5% for domestic companies. This tax rate was uniformly applied across the reporting period to calculate domestic deferred tax effects. The tax effects of foreign companies were of secondary importance in the reporting period and were disregarded on account of their immateriality. The currency conversion difference from the recognition of economically independent foreign units would give rise to income tax assets worth KEUR 134 (previous year: KEUR 140) if realised. The status of deferred tax assets and liabilities as at 31 December 2014 is detailed in the table below:

Deferred tax assets and liabilities by type of temporary differences	**Assets**		**Liabilities**	
	2014	**2013**	**2014**	**2013**
Trade receivables	–	–	–	9
Period accruals	–	–	–	7
Pension obligations	–	–	3	–
Tax loss carryforward	366	429	–	–
Bond	–	–	363	413
Total	**366**	**429**	**366**	**429**
Offsetting	*(366)*	*(429)*	*(366)*	*(429)*
Balance sheet value	**–**	**–**	**–**	**–**

With respect to the value of deferred tax assets, care was taken only to recognize amounts which are at least highly likely to be realized. This estimate takes into account all positive and negative factors affecting a sufficiently high income in the future. The estimate may change depending on future developments.

As of 31 December 2014, DF AG had tax loss carryforwards of kEUR 32,589 (previous year: kEUR 16,263) relating to trade tax and of kEUR 34,449 (previous year: kEUR 17,175) relating to corporate income tax as well as temporary differences relating to trade tax and corporate income tax of kEUR 187 each (previous year: kEUR 258) for which no deferred tax assets were recognized.

The difference between expected and reported income tax revenue (previous year tax expense) can be accounted for as follows:

Difference between expected and reported income tax revenue in kEUR	2014	2013
Earnings before tax	(15,458)	(11,133)
Nominal tax rate	32.5%	32.5%
Expected income tax	*(5,024)*	*(3,618)*
Non-deductible expense	72	101
Tax effects from previous years	13	22
Effects from deviant local tax rates	–	65
Tax losses for which no deferred tax assets have been recognized	4,952	4,845
Other tax effects	–	10
Income taxes	**13**	**1,425**

III. Notes to the Balance Sheet

(17) Intangible assets

The movement of intangible assets is shown on the pages 112 and 113 of the consolidated fixed assets schedule.

(18) Tangible assets

The breakdown of the combined tangible fixed asset items in the balance sheet and their movement in the reporting year are shown in the consolidated fixed assets schedule on the pages 112 and 113.

(19) Non-current financial assets

Non-current financial assets include the following shares in non-consolidated affiliated companies:

Non-current financial assets in kEUR (share in equity capital)	31-12-2014	31-12-2013
DF Deutsche Forfait Americas Inc., Miami/USA (100%)	3	3
DF Deutsche Forfait Holding Ltd., Dubai (100%)	–	152
DF Deutsche Forfait do Brazil Ltda., São Paulo/Brazil (99%)	15	15
Global Trade Fund SPC, Cayman Islands (100%)	1	1
Global Trade Fund Holding Ltd., Cayman Islands (100%)	4	4
DF Deutsche Forfait (Private) Ltd., Lahore/Pakistan (99%)	–	–
Total	**23**	**175**

In the reporting period, the carrying amount of the investment in DF Deutsche Forfait Holding Ltd., Dubai, of kEUR 152 was written down to kEUR 0, as the company is in liquidation. The impairment was recognized in other operating expenses. DF Deutsche Forfait Holding Ltd. was not active and merely held 99% of the shares in DF Deutsche Forfait (Private) Ltd. in Lahore. The shares were transferred to DF AG without payment of a purchase price. Non-current financial assets also include rent deposits in the amount of kEUR 36 (previous year: kEUR 34) for the offices used by DF Group.

(20) Trade receivables

Trade receivables in the amount of kEUR 69,666 (previous year: kEUR 85,759) include receivables purchased as part of the forfaiting business of kEUR 64,390 (previous year: kEUR 80,268) and other receivables amounting to kEUR 5,276 (previous year: kEUR 5,491). Receivables from the forfaiting business include a portfolio of current transactions that are settled as contractually agreed ("trading portfolio") as well as overdue receivables ("restructuring portfolio") towards nine debtors dating back to the time before the listing on the SDN list ("List of Specially Designated Nationals and Blocked Persons" of the US Office of Foreign Assets Control). The carrying amounts of the trade receivables break down as follows:

Trade receivables in kEUR	31-12-2014	31-12-2013
Trading portfolio	16,698	33,695
Restructuring portfolio	47,692	46,573
Other receivables	5,276	5,491
Total	**69,666**	**85,759**

The restructuring portfolio is disclosed as follows:

in kEUR	Gross risk	Fair value adjustments	Book value	Security	Net risk
Total	**56,254**	**8,561**	**47,692**	**41,752**	**14,502**

With regard to the carrying amount of the receivables held in the restructuring portfolio, 8.7% was acquired in 2007, 45.8% in 2008, 4.6% in 2009, 6.6% in 2011, 32.8% in 2012 and 1.5% in 2013 by member companies of DF Group. Between them, the three largest debtors of the restructuring portfolio account for 73% of the carrying amount of the receivables.

(21) Tax receivables and other current assets

Current assets break down as follows:

Current assets in kEUR	31-12-2014	31-12-2013
Prepaid expense	107	147
Miscellaneous other assets	192	149
Tax receivables	148	455
Total	**447**	**751**
thereof financial assets	*149*	*139*
thereof non-financial assets	*297*	*612*

Tax receivables include prepaid income tax for the year 2014, which are shown as repayment claims.

(22) Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 14,748 (previous year: kEUR 20,603) and related to bank deposits with a maturity of up to three months. An amount of kEUR 1,158 (previous year: kEUR 1,158) of these deposits is pledged as collateral. Cash and cash equivalents were mostly denominated in euros and could not be used to pay off current liabilities to banks, which are mainly used to refinance transactions in US dollars.

(23) Equity

Changes in the equity of DF Group are reported in the statement of changes in equity on page 61.

Subscribed capital: The share capital of the Group amounts to kEUR 6,800 and is divided into 6,800,000 no-par bearer shares, which are fully paid.

Capital reserve: The capital reserve consists of the difference between the proceeds from the share issue and the nominal increase in capital. Taking into account financing costs offset against the capital reserve and adjusted for tax effects and the withdrawal of kEUR 3,927 in 2011, the Group has an unchanged capital reserve in the amount of kEUR 7,359.

Revenue reserves: Revenue reserves consist of profits generated in the past by the companies included in the consolidated financial statements, unless distributed or increased by withdrawals from the capital reserve. As of 31 December, DF Group posted a negative amount of kEUR 19,027 (previous year: kEUR 3,557).

Currency translation reserve: This reserve shows the differences in other comprehensive income arising from foreign currency translation of the financial statements of foreign subsidiaries through equity in the form of an adjustment item from currency translation. The reserve is negative and reduced the reported equity in the reporting year by kEUR 413 (previous year: kEUR 432). The change in the reserve amounted to kEUR 20 in the financial year, primarily resulting from the consolidation of the Czech subsidiary.

Earnings per share: Earnings per share are based on the average number of common shares issued and outstanding in the reporting period (6,800,000) and amounted to EUR -2.28 (both basic and undiluted), compared to EUR -1.85 in the previous year.

Statement of income and expenses: The composition of comprehensive income is shown under the financial data in the consolidated statement of comprehensive income.

Authorized capital: According to the Memorandum of Association of 24 May 2012, the Board of Management is authorized, subject to approval by the Supervisory Board, to increase the company's share capital by 24 May 2017 once or several times by a total of up to EUR 3,400,000.00 against cash and/or non-cash contributions (including mixed non-cash contributions) by issuing up to 3,400,000 new bearer shares (authorized capital 2013); in this context, the Board of Management is also authorized to schedule the commencement of the profit participation at a date other than the date provided for by law.

Issuance of warrant and/or convertible bonds: By resolution of the Annual General Meeting on 20 May 2010, the Board of Management was authorized, subject to approval by the Supervisory Board, to issue bearer warrant and/or convertible bonds with a total nominal value of up to EUR 20,000,000.00 in one or several tranches until 19 May 2015 and to grant bond holders or creditors option rights and/or conversion rights on new bearer shares of the company up to a pro-rata share in share capital totaling up to EUR 3,400,000.00 according to the terms and conditions for warrant and convertible bonds.

Right to purchase own shares: The Annual General Meeting on 20 May 2010 authorized the company to purchase own shares representing up to a total of 10% (680,000 shares) of the share capital on the stock exchange until 19 May 2015. The Board of Management was authorized to sell the purchased shares on the stock exchange or via an offer to all shareholders in exchange for cash.

(24) Pension obligations

Pension obligations comprise obligations from expectancies in accordance with IAS 19 "Employee Benefits". As far as one active member and two former members of the Board of Management are concerned, there are pension commitments in the form of defined benefit plans. According to the benefit plans, benefits are payable if a member of the Board of Management passes away or retires due to age. In this case, Mr. Franke will receive a capital payment. In contrast, Ms. Attawar and Mr. Wippermann have the right to choose an annuity or a capital payment. The company's obligation consists of providing the active employees with their committed benefits. The benefit plan is externally financed by means of reinsurance.

Actuarial assumptions in %	31-12-2014	31-12-2013
Discount rate	2.00%	3.60%
Inflation rate	1.00%	1.00%
Imputed pension adjustment interval	annual	annual
Pension growth rate	1.00%	1.00%

The amount of the pension obligation (present value of the earned benefit claims) was calculated by actuarial methods, for which estimates are absolutely necessary. In addition to assumptions as to life expectancy, the factors shown in the table on the previous page play a role in the calculation.

The diagrams below illustrates the changes in the present value of entitlements for pension obligations and plan assets:

Changes/reconciliation in the accumulated benefit obligation in kEUR	2014	2013
Accumulated benefit obligation of the pension commitments (Defined Benefit Obligation) as of 1 January	477	446
Interest cost	17	16
Expected pension payments	–	–
Expected DBO 31 December	494	462
Actuarial losses from DBO	160	15
thereof accounted for by changes in financial assumptions	160	(8)
thereof accounted for by experience-based assumptions	–	*(23)*
Defined Benefit Obligation (DBO) as of 31 December	**654**	**477**

Changes in plan assets in kEUR	2014	2013
Value of plan assets as of 1 January	514	499
Typifying investment income	18	18
Income from plan assets	122	(3)
Value of plan assets as of 31 December	**654**	**514**

The tables below show the deviations between actuarial assumptions and actual developments in the reconciliation and over a 5-years period:

Changes/reconciliation in the asset ceiling effect in kEUR	2014	2013
DBO as at 1 January	(477)	(446)
Value of plan assets as at 1 January	514	499
Asset ceiling effect as at 1 January	37	53
Interest cost of asset ceiling effect	1	2
Actuarial losses from DBO	(160)	(15)
Result from assets	122	(3)
Asset ceiling effect as at 31 December	**–**	**37**

Funded status in kEUR	2014	2013	2012	2011	2010
Accumulated benefit obligation	654	477	446	274	250
Included impacts of deviations	160	15	134	(13)	(11)
Plan assets	654	514	499	455	461
Included impacts of deviations	120	(3)	(12)	(64)	(53)
Funded status as 31 December	**–**	**37**	**53**	**181**	**211**

In the 2013 financial year, Dr. Klaus Heubeck's "2005 G tables" were used to calculate the defined benefit plans. Due to the over-calculation of the reinsurance policy, the value of plan assets is limited to the amount of the present value of the pension obligation. The balance of the asset value of plan assets totaling kEUR 654 (previous year: kEUR 514) and the liability value of the obligation of kEUR 654 (previous year: kEUR 477) is shown. At the reporting date, plan assets no longer exceeded the liability value of the obligation (previous year: by kEUR 37). The figure shown in the balance sheet was calculated as follows:

Derivation of the net figure carried in the balance sheet	31-12-2014	31-12-2013
Defined Benefit Obligation	(654)	(477)
Fair value of the pension plan assets	654	514
Asset ceiling effect	–	(37)
Balance	**0**	**0**

Actuarial gains or losses may result from increases or reductions in either the present value of the defined benefit obligation or the fair value of plan assets; possible reasons for these differences include changes in the calculation parameters and estimate revisions concerning the risk trend of pension obligations and deviations between the actual and expected return on the qualified insurance policies. Actuarial gains and losses should be recognized in other comprehensive income. As they were offset against each other, they were not recognized. For reasons of immateriality, no sensitivity analysis was performed. The defined benefit plans incurred the following expenditure, which breaks down into the following components:

Expenditure on defined benefit pension plans in kEUR	2014	2013
Interest expense	17	16
Interest income from plan assets	(18)	(18)
Interest on asset ceiling effect	1	2
Recognized in the income statement	**0**	**0**

Components of other comprehensive income (OCI)	2014	2013
Actuarial losses (gains)	160	15
Interest income from plan assets	122	3
Changes in the effect of the 'asset ceiling'	(38)	(18)
Recognition in other comprehensive income (OCI)	**0**	**0**

During each reporting period, the net value amounted to EUR 0, since the increase in pension obligations was matched by an increase in plan assets. Based on a duration of the obligations of 18.5 years, pension payments in the amount of EUR 1,774 are expected for the following period under the pension benefit plans that existed as at 31 December 2014.

(25) Bond

The bond issued by DF Deutsche Forfait AG is shown as "other liability" under non-current liabilities (IAS 32.11). The 7-year bond has a nominal amount of EUR 30 million, which is equivalent to the repayment amount, and carries a nominal coupon of 7.875%.

The bond was initially recognized at the time of addition and net of transaction expenses (IAS 39.9, 39.A13) at a fair value (IAS 39.43) of kEUR 28,728. As of 31 December 2014, the financial liability was measured at amortized cost using the effective interest rate method (IAS 39.47). Total interest expenses in the reporting period amounted to kEUR 2,519 and are recognized in the income statement under interest expenses. With regard to the amendment of the terms and conditions of the bond after the end of the financial year, please refer to note 41.

(26) Current provisions

Current provisions include obligations arising from forfaiting and purchase commitments. Country risks are evaluated using the value adjustment rates based on Institutional Investor's "Country Credit Ratings".

Current provisions in kEUR	
1 Januar 2013	**392**
Addition	299
Use	–
Release/Reclassification	392
31 Dezember 2013	**299**
Addition	345
Use	–
Release/Reclassification	299
31 Dezember 2014	**345**

(27) Income tax liabilities

The prior year figure in the amount of kEUR 103 relates to corporate income tax, solidarity surcharge and trade tax of the parent company for the year 2012.

(28) Liabilities to banks

Liabilities to banks break down into the following currencies:

Liabilities to banks in kEUR	31-12-2014	31-12-2013
Current account overdraft		
EUR	8	–
USD	27,411	4,733
CZK	2,495	4,020
GBP	65	72
JPY	5	6
	29,984	*8,831*
Non-current liabilities to banks		
USD	–	9,046
Non-current liabilities to banks		
EUR	–	5,000
USD	13,343	18,563
CZK	–	9,819
	13,343	*42,428*
Total	**43,327**	**51,259**

The credit lines and loan agreements with DF AG's lending banks were suspended in February 2014 due to DF AG's SDN listing, which means that DF AG cannot raise any more funds under the loan agreements in addition to the loans raised as of February 2014. Payments received from the collection of the receivables may be used for new business and to cover the costs and must not be used to reduce the outstanding credit lines. The suspension continued to exist as of the balance sheet date. Except for a formerly long-term loan agreement which expired on 2 January 2015 and has also been suspended, the loan agreements do not include any covenants. DF AG is currently in final negotiations with the lending banks about the conclusion of loan agreements in the amount of approx. EUR 40 million with a term until 31 December 2016. These loan agreements contain covenants whose violation would give the banks the right to terminate the agreements. DF Deutsche Forfait s.r.o. has signed a loan agreement with an investor which contains no covenants and is limited until 30 June 2015.

(29) Trade accounts payable

The table below shows the composition of the trade accounts payable:

Trade accounts payable in kEUR	31-12-2014	31-12-2013
Liabilities from the obligation to pass on payments received	6,680	10,036
Liabilities from non-consolidated participations in forfaiting deals	2,056	1,834
Deferred liabilities	643	514
Other liabilities	218	371
Total	**9,597**	**12,755**

(30) Other current liabilities

The item "Other current liabilities" includes the following individual items:

Other current liabilities in kEUR	31-12-2014	31-12-2013
Liabilities towards Arnstock CZ	6,201	–
Other tax liabilities	180	2,313
Liabilities to employees	4	1
Liabilities from duties and premiums	8	8
Holiday pay	44	73
Accounting and audit expenses	207	84
Deferred income	5	214
Miscellaneous other liabilities	1,723	1,865
Other current liabilities	**8,372**	**4,558**
thereof financial liabilities	*8,187*	*2,031*
thereof non-financial liabilities	*185*	*2,527*

DF Deutsche Forfait s.r.o. has an other financial liability towards Arnstock CZ in conjunction with the transfer of credit lines that were cancelled because of the OFAC listing. The current liabilities also include deferred liabilities in the amount of kEUR 229 for purchased services invoiced up to the preparation of the consolidated financial statements. Other tax liabilities in the previous year primarily related to the retroactive declaration of value-added tax for the years from 2007 to 2013. Miscellaneous other liabilities also include the interest liability from the bond issue accrued up to the balance sheet date.

IV. Other information

(31) Notes on risk grouping

DF Group has a detailed risk management system which is laid down in writing and contains a limit system consisting of counterparty, country and risk group limits. DF Group controls its business by using risk groups based on the forfaiting volume, which forms part of the regular internal reports to the Board of Management. Each of the five risk groups comprises countries with a similar risk profile. The limits are defined by the Supervisory Board of DF AG and may be used by the Board of Management at its own discretion. They are assigned according to the country of domicile of the original debtor of each receivable. Countries are assigned to a risk group according to their external ratings. Risk group I is for countries with the highest credit rating and risk group V is for countries with the lowest credit rating.

Forfaiting volume in EUR million	2014	2013
Risk group I	5.3	101.1
Risk group II	–	18.3
Risk group III	7.7	88.0
Risk group IV	0.3	61.6
Risk group V	16.9	254.4
Total	**30.2**	**523.4**

Share in gross result	2014	2013
Risk group I	16%	9%
Risk group II	28%	6%
Risk group III	-4%	49%
Risk group IV	6%	11%
Risk group V	54%	25%
Total	**100%**	**100%**

In addition, the forfaiting volume is divided by region.

Forfaiting volume in EUR million	2013	2013
Africa	18.1	70.7
Asia	2.6	167.9
Australia	–	–
Europe	7.8	232.3
North America	–	–
South and Central America	1.7	52.5
Total	**30.2**	**523.4**

Share in gross result	2014	2013
Africa	43%	13%
Asia	13%	33%
Australia	–	-1%
Europe	40%	6%
North America	–	–
South and Central America	4%	48%
Total	**100%**	**100%**

(32) Tenancies and leases

At the respective reporting date, the following minimum future lease payments exist based on operating lease contracts that cannot be cancelled:

Operating leases in kEUR	Maturity <1 year	1-5 years	>5 years	Total
31 Dezember 2014				
For office space	232	278	–	510
For vehicle leasing	–	–	–	–
For office equipment	8	21	–	29
Total	**240**	**299**	**-**	**539**
31 Dezember 2013				
For office space	285	389	–	674
For vehicle leasing	–	–	–	–
For office equipment	2	7	–	9
Total	**287**	**396**	**–**	**683**

Lease payments of kEUR 8 (previous year: kEUR 20) were made in the reporting year. This exclusively concerned minimum lease payments.

(33) Employees

The average number of staff employed as of the reporting date is shown in the following table. The "other" and "controlling/accounting" items also include student workers.

Number of employees	2014	2013
Salaried employees	**45**	**58**
of which in trade/sales	18	23
of which in contract management	10	13
of which in controlling/accounting	7	10
of which other/internal administration	10	12

The marked decline in the average number of employees in the financial year is attributable to the difficult situation of the Group resulting from the OFAC listing as well as to restructuring measures initiated.

(34) Other financial obligations

There are other financial obligations, particularly from forfaiting and purchase commitments. Other financial obligations are as follows:

Other financial obligations in kEUR	Maturity <1 year	1-5 years	>5 years	Total
31 Dezember 2014				
From forfaiting commitments	3,950	–	–	3,950
From purchase commitments	1,440	–	–	1,440
Total	**5,390**	–	–	**5,390**
31 Dezember 2013				
From forfaiting commitments	21,918	8,121	–	30,039
From purchase commitments	2,246	–	–	2,246
Total	**24,164**	**8,121**	–	**32,285**

Other financial obligations arising from forfaiting and purchase commitments are partly secured. The following is a comparison of securities, at nominal value, with other financial obligations, also at nominal value:

Securities in kEUR	31-12-2014	31-12-2013
Other financial obligations	*5,390*	*32,285*
– Receivable sold: the receivable is resold after it is purchased by DF Group. The purchaser is already legally obliged vis-a-vis DF Group to purchase the receivable.	–	15,556
– Underlying receivable paid or sale invoiced	301	1,912
– Credit securities	–	11,410
= Securities	*301*	*28,878*
Other financial obligations after deduction of securities	**5,089**	**3,407**

(35) Total fee of the auditors

The following fees were invoiced for the services provided by auditors Warth & Klein Grant Thornton AG for 2014. The figures for 2013 relate to another auditor. Other audit services include the review of the interim reports.

Auditing fees in kEUR	2014	2013
Audits	197	350
Other audit services	68	64
Tax consulting services	10	11
Other services	18	–
Total fee	**293**	**425**

(36) Relationships with related parties

According to IAS 24 "Related Party Disclosures", persons or companies controlling DF Group or controlled by it must be disclosed unless they are already included in the consolidated financial statements of the DF Group as consolidated companies. Control is deemed to exist if one shareholder holds more than half of the voting rights of DF Deutsche Forfait AG or is empowered by the Memorandum of Association or a contractual agreement to steer the financial and company policies of the management of DF Group.

In addition, under IAS 24, the disclosure requirement extends to business with entities which exercise significant influence over the financial and company policies of DF Group, including close family members and intermediaries. Significant influence on the financial and company policies of DF Group can be based on a shareholding in DF Group of 20% or more or a seat on the Board of Management or the Supervisory Board of DF Deutsche Forfait AG.

As in the previous year, DF Group is affected by the disclosure requirements of IAS 24 solely in terms of business with entities with a significant influence and members of the Management in key positions (Board of Management and the Supervisory Board) of DF Deutsche Forfait AG.

Besides the Board of Management, the Supervisory Board and the non-consolidated subsidiaries, the following parties are considered to be "related" as of the balance sheet date:

Mr. Mark West, Great Britain, has held 23.62% of the voting rights (equivalent to 1,581,705 voting rights) in DF Deutsche Forfait AG since 8 October 2014. DF Group and Mr. Mark West do not maintain business relationships.

Another related party is an enterprise whose managing partner maintains personal relations with a member of our Supervisory Board (other related party within the meaning of IAS 24). This company granted a loan of EUR 6.2 million (previous year: EUR 0) with a term until 30 June 2015. Interest expenses in the amount of kEUR 409 (previous year: kEUR 0) were incurred on this loan in the financial year.

Business relationships with the non-consolidated subsidiaries were negligible in 2014.

The following parties were no longer regarded as "related" as of the balance sheet date:

Until 18 July 2013, M.M.Warburg & CO Gruppe KGaA, Hamburg, which directly and indirectly held 21% of the voting rights at least temporarily, was regarded as a company which had significant influence on DF Group. The transactions with M.M.Warburg & CO KGaA were part of the ordinary business activities of DF Group and were concluded on an arm's length basis.

M.M.Warburg & CO KGaA Hamburg, and M.M.Warburg Gruppe (GmbH & Co.) KGaA, Hamburg, informed us, pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), that their voting interests in DF Deutsche Forfait AG dropped below the thresholds stipulated in this Act on 18 July 2014 and amounted to 0% on that date.

Primrose Energy S.A., Panama City/Republic of Panama, informed us, pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), that its voting interest exceeded the thresholds of 3%, 5%, 10%, 15% and 20% on 18 July 2014 and amounted to 20.51% on that date. 20.51% of the voting rights (equivalent to 1,394,805 voting rights) were imputable to Dr. Shahab Manzouri pursuant to Section 22 (1) sentence 1 No. 1 WpHG.

No transactions between DF Group and Primrose Energy S.A. as well as Dr. Shahab Manzouri occurred during the reporting period and in the previous year.

The Board of Management was composed as follows in the 2014 financial year:

Board member	Position
Marina Attawar	Chief Trading Officer
Frank Hock	Chief Financial Officer
Ulrich Wippermann	Chief Trading Officer (until 24 February 2014)

The current compensation for members of the Board of Management breaks down as follows:

Board of Management compensation in kEUR	Marina Attawar	Jochen Franke	Frank Hock	Ulrich Wippermann
2014				
Fixed salary	305	–	305	51
Other compensation	35	–	33	7
Variable compensation	35	–	35	–
Severance payments	–	–	–	331
Total	**375**	**–**	**373**	**389**
2013				
Fixed salary	305	229	254	305
Other compensation	35	22	28	42
Variable compensation	–	–	–	–
Total	**340**	**251**	**282**	**347**

As far as one active member (Marina Attawar) and two former members of the Board of Management (Jochen Franke, resigned with effect from 30 September 2013, and Ulrich Wippermann, resigned with effect from 24 February 2014) are concerned, there are pension commitments in the form of defined benefit plans. According to the benefit plans, benefits are payable if a member of the Board of Management passes away or retires due to age. In this case, Jochen Franke will receive a capital payment. In contrast, Marina Attawar and Ulrich Wippermann have the right to choose an annuity or a capital payment. No more premiums have been paid since November 2012 due to the contractually agreed expiry of the contribution periods. According to these pension benefit plans, the members of the Board of Management receive a guaranteed old age pension from DF Deutsche Forfait AG. The amounts are as follows:

- Marina Attawar: Annuity of EUR 11,022.60 or a one-time capital payment of EUR 202,518.00
- Ulrich Wippermann: Annuity of EUR 20,964.48 or a one-time capital payment of EUR 338,278.00
- Jochen Franke: One-time capital payment of EUR 147,244.00

In addition, Marina Attawar receives the following payments from a reinsured benevolent fund:

- Insured annuity in the amount of EUR 15,247.40 or a capital payment of EUR 273,572.00

Based on a deferred compensation agreement with the members of the Board of Management, contributions from DF Deutsche Forfait AG are submitted to the insurance providers mentioned above. No share-based compensation is granted.

The short-term compensation for members of the Supervisory Board breaks down as follows:

Supervisory Board compensation in kEUR	2014	2013
Fixed compensation	72	94
Attendance fee	11	–
VAT	15	15
Total	**98**	**109**

(37) Notifications pursuant to Sections 21 (1) and 22 of the Securities Trading Act (WpHG)

DF AG has received the following notifications pursuant to the Securities Trading Act (WpHG):

Marina Attawar, Cologne, notified us in accordance with Section 21 (1a) of the Securities Trading Act (WpHG) on 29 May 2007 that her voting rights share in DF Deutsche Forfait AG, Kattenbug 18–24, 50667 Cologne, amounted to 5.51% (which corresponds to 375,000 voting rights) on 22 May 2007, the date of first admission of DF Deutsche Forfait AG shares for trading in the regulated market on the Frankfurt stock exchange. All of these voting rights were allocated to her through Xylia 2000 Vermögensverwaltungs GmbH in accordance with Section 22 (1) sentence 1 no. 1 of the Securities Trading Act (WpHG). Furthermore, she notified us in accordance with Section 21 (1a) of the Securities Trading Act (WpHG) that the voting rights share of Xylia 2000 Vermögensverwaltungs GmbH, Nussbaumerstrasse 17 b, 50823 Cologne, in DF Deutsche Forfait AG, Kattenbug 18–24, 50667 Cologne, amounted to 5.51% (which corresponds to 375,000 voting rights) on 22 May 2007, the date of first admission of DF Deutsche Forfait AG shares for trading in the regulated market on the Frankfurt stock exchange.

BNP Paribas Investment Partners Belgium N.V./S.A., Belgium, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 2 September 2011 that its voting rights exceeded the threshold of 3% of the voting rights on 31 August 2011 and amounted to 2.80% (which corresponds to 190,222 voting rights) on that date.

Jochen Franke, Germany, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 6 June 2013 that his voting interest in DF Deutsche Forfait AG, Cologne, Germany, fell below the threshold of 3% of the voting rights on 3 June 2013 and amounted to 2.9% (which corresponds to 197,095 voting rights) on that date. Pursuant to Section 22 (1), sentence 1, no. 1 of the Securities Trading Act (WpHG), 2.9% of the voting rights (which corresponds to 197,095 voting rights) are attributable to Jochen Franke through Franke Vermögensverwaltung GmbH.

Franke Vermögensverwaltung GmbH, Cologne, Germany, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 6 June 2013 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany fell below the threshold of 3% of the voting rights on 3 June 2013 and amounted to 2.90% (which corresponds to 197,095 voting rights) on that date.

Capiton Value Beteiligungs-GmbH, Berlin, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 15 July 2013 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany, ISIN: DE0005488795, WKN: 548879, fell below the thresholds of 5% and 3% of the voting rights on 10 July 2013 and amounted to 1.42% (which corresponds to 96,742 voting rights) on that day.

Capiton Value Management AG, Berlin, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 15 July 2013 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany, ISIN: DE0005488795, WKN: 548879, fell below the thresholds of 5% and 3% of the voting rights on 10 July 2013 and amounted to 1.42% (which corresponds to 96,742 voting rights) on that date. Pursuant to Section 22 (1) sentence 1 no. 1 of the Securities Trading Act (WpHG), these voting rights are attributable to Capiton Value Management AG.

Capiton Holding GmbH, Berlin, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 15 July 2013 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany, ISIN: DE0005488795, WKN: 548879, fell below the thresholds of 5% and 3% of the voting rights on 10 July 2013 and amounted to 1.42% (which corresponds to 96,742 voting rights) on that date. Pursuant to Section 22 (1) sentence 1 no. 1 of the Securities Trading ACT (WPHG), these voting rights are attributable to Capiton Holding GmbH.

Xylia 2001 GmbH, Bonn, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 17 March 2014 that its voting interest in DF Deutsche Forfait AG, Cologne, fell below the threshold of 3% of the voting rights on 13 March 2014 and amounted to 2.99% (which corresponds to 203,900 voting rights) on that day.

Ulrich Wippermann, Bonn, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 15 August 2014 that his voting interest in DF Deutsche Forfait AG, Cologne, fell below the threshold of 3% of the voting rights on 13 March 2014 and amounted to 2.99% (which corresponds to 203,900 voting rights) on that day.

Primrose Energy S.A., Republic of Panama, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 13 October 2014 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany, fell below the thresholds of 20%, 15%, 10%, 5% and 3% of the voting rights on 8 October 2014 and amounted to 0% (which corresponds to 0 voting rights) on that date.

Dr. Shahab Manzouri, notified us in a correction to a previous publication, Great Britain, in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 16 October 2014 that his voting interest in DF Deutsche Forfait AG, Cologne, Germany, fell below the thresholds of 20%, 15%, 10%, 5% and 3% of the voting rights on 8 October 2014 and amounted to 0% (which corresponds to 0 voting rights) on that date.

Mark West, Great Britain, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 13 October 2014 that his voting interest in DF Deutsche Forfait AG, Cologne, Germany, exceeded the thresholds of 3%, 5%, 10%, 15% and 20% of the voting rights on 8 October 2014 and amounted to 23.62% (which corresponds to 1,581,705 voting rights) on that date.

BayernInvest Kapitalanlagegesellschaft mbH, Munich, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 22 December 2014 that its voting interest in DF Deutsche Forfait AG, Cologne, Germany, fell below the thresholds of 3% and 5% of the voting rights on 19 December 2014 and amounted to 2.83% on that date.

(38) Financial instruments

Use and management of financial instruments

The starting point for the risk management of financial instruments involves capturing all risks systematically and regularly and assessing them for loss potential and the probability of occurrence. Market risk, currency risk and most of all default risk have been identified as significant risks for financial instruments. The risks are summarized in a risk map for DF Deutsche Forfait AG, which provides a comprehensive overview of the risks and the individual risk management systems. DF Deutsche Forfait AG pursues active risk management.

Legal risk

Legal risk is the business risk with the highest loss potential for DF Group. It describes the risk in the forfaiting business which can arise due to the incorrect review of documents or deficiencies in drawing up contracts, particularly since the seller is generally liable for the legal existence of the receivable when selling it (liability for legal validity). This risk is countered by having a well-trained and generously staffed contract management department. The workflows are regulated by detailed work instructions. In addition, work results are checked by applying the principle of dual control. The legal office and/or external legal firms are consulted for complex contracts and document reviews.

Liquidity risk

The cash flow projections are prepared at the level of the operating companies and pooled in the Group. Management monitors the permanent forward planning of the Group's liquidity reserve to ensure that sufficient liquidity is available to cover the operating requirements. The table below shows the Group's financial liabilities by maturity classes, based on the remaining term on the balance sheet date with regard to the contractually agreed final maturity. The amounts shown in the table represent the contractually agreed non-discounted cash flows.

in kEUR	up to 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	> 5 years
As of 31 December 2014					
Bond	–	2,363	2,363	7,088	32,363
Financial liabilities	43,327	–	–	–	–
Trade liabilities and other financial liabilities	9,597	–	–	–	–
As of 31 December 2013					
Bond	–	2,363	2,363	7,088	34,725
Financial liabilities	42,313	–	9,046	–	–
Trade liabilities and other financial liabilities	12,755	–	–	–	–

Default risk

Default risk is subdivided into country risk and counterparty risk. Countries undergo an up-to-date assessment on the basis of analyses by credit assessment agencies. Credit assessments are carried out for individual receivables (credit reports/references, evaluation of historical data, etc.). The taking of country and counterparty risks is managed by a competence arrangement with a limit system. The competence arrangement as well as country and counterparty limits are approved by the Supervisory Board, and the degree to which the limits are used is reported to it regularly. DF Group reduces this risk even further by selling the receivables rapidly. Moreover, country and counterparty risks are secured (e.g. by bank guarantees). The default risk on the purchased trade receivables at the respective reporting dates was as follows (further information is provided in note 7):

in kEUR	31-12-2014	31-12-2013
Nominal value of trade receivables	74,878	92,134
– Discount deduction	(359)	(1,367)
+ Other receivables	7,397	5,491
= Gross carrying amount before adjustments	81,916	96,258
– Fair value adjustments	(12,250)	(10,499)
= Carrying amount = maximum default risk	69,666	85,759
– Sold receivables	(839)	(19,580)
– Bank securities (e.g. guarantees)	(2,578)	(3,072)
– Cash securities	(5,555)	(5,097)
– Credit insurance	(35,458)	(33,108)
– Guarantor is a company (e.g. counter liabilities by forfaiting companies)	(8,227)	(9,048)
– Underlying receivables were paid or their purchase settled	(2,368)	(1,000)
+ Twin securities	196	1,352
= Securities	54,829	69,553
= Unsecured default risk	**14,837**	**16,206**

The risk management system actively controls these default risks as described above, mainly by means of imposing country and counterparty limits.

Market risk/interest rate risk

Receivables are typically purchased at discounted nominal value. This discount on the market value is calculated on the basis of the money and capital market interest rate for the equivalent term (e.g. 1-year LIBOR) plus risk margin. The margin reflects the individual risk of each transaction, which mainly depends on country and counterparty risks. As DF Group focuses on reselling the receivables, interest rate risk mainly consists of market risk since, if the interest rate rises, so too does the discount on the market value, which is calculated up to the final date of maturity of the receivable, thereby reducing the market value of the receivable upon its sale. In its capacity to increase refinancing costs, interest rate risk is of secondary importance to the Group. Due to the brief period receivables are held in the DF Group portfolio, short-term refinancing is the rule. This market risk affects all receivables held in the company's portfolio. The receivables are resold quickly in order to reduce the market risk to a minimum.

Currency risk

DF Group purchases receivables in various currencies and always refinances at matching currencies. Unsold foreign currency receivables usually incur foreign currency liabilities to the amount of the purchase price. An open currency item, and therefore a currency risk, exists only in the amount of the difference between purchase and selling prices (profit on individual transactions). The open currency items are listed in a monthly currency account and, if necessary, closed by means of currency transactions.

In the income statement, exchange gains and losses for receivables and the corresponding liabilities are reported separately. Since the receivables and corresponding liabilities are valued separately, large exchange gains and losses are included in the income statement. In order to assess the level of currency risk, the balance of the gains and losses must be considered.

Sensitivity calculations assume a negative change in exchange rates of 10% compared to the functional currency. This means a debit carryover assumes an exchange rate increase in relation to the functional currency, while a credit carryover assumes an exchange rate decrease. The exposure as of 31 December 2014 results in the following sensitivity values, which also represent the impact on the result and equity capital:

Currency in kEUR	31-12-2014	31-12-2013
CHF	8	7
CZK	38	79
GBP	7	20
USD	48	98

Information regarding the fair value pursuant to IFRS 7 and IFRS 13

Determination of fair values

A number of accounting methods and disclosures of the Group require the determination of the fair values of financial and non-financial assets and liabilities. For measurement and/or disclosure purposes, the fair values were determined on the basis of the methods described below (further information is provided in note 7). IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. According to the measurement method, financial instruments to be measured at fair value are categorized at three levels as outlined below:

- Level 1 (IFRS 13.76): quoted prices in active markets (unadjusted) for identical assets or liabilities;
- Level 2 (IFRS 13.81): inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the asset or liability;
- Level 3 (IFRS 13.81): unobservable inputs for the asset or liability. An asset or liability should be assigned to Level 3 already if there is only one unobservable input factor that significantly influences the measurement.

In the context of the preparation of the consolidated financial statements for the period ended 31 December 2014, DF Group revised the classification of trade receivables within the meaning of IAS 39.9. The receivables from the forfaiting business recognized in the consolidated financial statements fall into either of the following categories:

- Financial assets which are classified as held for trading because they were acquired (primarily) with the intention to sell them in the short term, should be measured at fair value through profit and loss.

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortized cost using the effective interest method (subsequent measurement).

The receivables from the forfaiting business recognized as of the balance sheet date were acquired with the intention to sell them in the short term. The receivables should therefore be classified as held for trading and be measured at the fair value regardless of whether they were/are actually sold.

Under the previously applied classification method (consolidated financial statements for the period ended 31 December 2013), the receivables were classified as loans and receivables and assigned to the held for trading category only if they were actually sold in the short term (90 days). A breakdown was made only in the notes to the consolidated financial statements as there are no measurement differences between the two classes of financial assets.

No market/transaction prices are available for financial instruments in the trade receivables category (loans and receivables/held for trading) and no representative alternative prices can be determined or observed. As the forfaiting business is based on individual transactions, market prices can be determined with sufficient measurement certainty for the agreed settlement date (purchase and sale) with the contractually agreed terms and conditions. To avoid the influence of accidental or arbitrarily defined measurement parameters, the Group measures trade receivables at amortized cost using the effective interest method and considering potential value adjustments.

The fair value of receivables and liabilities carried on the balance sheet at amortized cost is determined by discounting cash flows taking credit spreads and LGDs of loans into account. The fair value of receivables with a default rating is determined on the basis of the expected future cash flows. For current receivables and liabilities (e.g. current accounts), the carrying amount is recognized as the fair value.

No fair values are determined for non-listed equity instruments (shares in non-consolidated affiliated companies recognized in accordance with IAS 39), as no active market exists for these financial instruments and the required estimates cannot be made within acceptable fluctuation margins and adequate probabilities. These financial instruments are therefore recognized at cost including required depreciation.

Measurement processes

For initial measurement (addition on the trading day), the receivables are recognized at their fair value (nominal value less discount on the market value); subsequently they are measured at amortized cost using the effective interest method (monthly addition of the discount on the market value and corresponding recognition of the portfolio income). No market prices, usually applied measurement methods of identical receivables and observable transactions are available for the assets. The Group therefore considers the value determined at amortized cost to also represent the (approximate)

fair value. A fair value measurement is also available for receivables which are subject to individual or country value adjustments. The Group continues to be of the opinion that the method applied to determine the fair value of receivables held for trading (amortized cost using the effective interest method) is suitable and that there are no sufficient reasons to give up this method. As of 31 December 2014, receivables from the forfaiting business were assigned to the held for trading category (IFRS 13.72, 13.93).

Value of financial instruments

The table below shows the carrying amounts of financial instruments (IAS 7.6), and compares them with their fair values (IFRS 7.25). The prior year figures have been adjusted (also see note 2).

Carrying amounts of financial instruments in kEUR	Measurement category under IAS 39	Book value 31-12-2014	Fair Value 31-12-2014	Book value 31-12-2013	Fair Value 31-12-2013
Assets					
Shares in non-consolidated affiliated companies	AfS	23	23	175	175
Trade receivables	LaR	5,276	5,276	3,684	3,684
Trade receivables	HfT	64,390	64,390	82,075	82,075
Other current assets	LaR	299	299	296	296
Cash and cash equivalents		14,478	14,478	20,603	20,603
Liabilities					
Liabilities to banks	FLAC	43,327	43,327	51,259	51,259
Trade payables	FLAC	9,597	9,597	12,755	12,755
Other current liabilities	FLAC	8,187	8,187	2,031	2,031
Thereof aggregated by measurement categories as defined in IAS 39					
Loans and receivables	LaR	5,575	5,575	3,980	3,980
Held for Trading	HfT	64,390	64,390	82,075	82,075
Financial liabilities measured at amortized cost	FLAC	61,111	61,111	66,045	66,045

The carrying amounts of trade receivables (loans and receivables, "LaR", rated at amortized cost, using the effective interest method) and of financial liabilities mostly have short remaining terms and approximate the fair value. Expenses from the fair value measurement amounted to kEUR 3,071 (previous year: kEUR 5,774), while the write-downs and valuation allowances on loans and receivables amounted to kEUR 417 (previous year: kEUR 3,723). All financial liabilities are measured at amortized cost ("FLAC"). Net gains and losses from financial instruments include valuation differences, depreciation and appreciation, exchange rate differences, interest, and other gains and losses.

Net incomes and net losses from financial instruments in kEUR	2014	2013
Loans and receivables	592	2,873
Assets measured at fair value	(1,713)	(5,156)
Amortization of disposable financial assets	(152)	–
Financial assets valued at amortized cost	(4,447)	(2,950)

Financial liabilities are mainly used to finance loans and receivables. Therefore, the assessment of the net loss on financial liabilities valued at amortized cost also has to take into account the net gain on loans and receivables.

(39) Capital management

The primary goal of the capital management activities of DF Group is to provide sufficient financial resources for the purchase and sale of receivables (forfaiting business) at all times. Under the DF Group business model, financing is mainly required for current receivables related to sales transactions. DF Group requires equity and debt capital for this purpose. Capital management mainly obtains debt capital in the form of bank loans, which includes the approved lines of credit. Capital management activities for DF Group are based in Cologne. With the help of computer systems, utilization of the lines of credit is monitored and controlled on a daily basis.

As of 31 December 2014, DF Group's equity amounted to EUR -5.3 million (previous year: EUR 10.2 million) while debt capital in the form of liabilities to banks amounts to EUR 43.3 million (previous year: EUR 51.3 million). DF Group had access to lines of credit with different banks. In addition, DF Group issued a 7-year EUR 30 million bond in May 2013 (note 41 contains information about the amendment of the terms and conditions of the bond in 2015).

(40) Notes to the cash flow statement

The cash flow statement shows how cash and cash equivalents of DF Group changed in the course of the reporting year as a result of cash inflows and outflows. In accordance with IAS 7 "Cash Flow Statements", cash flows are classified into operating, investing and financing activities. A reconciliation of cash and cash equivalents in the balance sheet complements the cash flow statement. The funds reported in the cash flow statement encompass all the cash and cash equivalents shown in the balance sheet, i.e. cash on hand and deposits with banks accessible within three months. Disposal is restricted insofar as an amount of kEUR 1,158 is pledged.

Cash flows from investing and financing activities are determined on a cash basis. By contrast, cash flows from operating activities are indirectly derived from the consolidated result. Under indirect calculation, the relevant changes in balance sheet items connected with operating activities are adjusted by effects from currency translation.

(41) Adjusting events after the end of the financial year

Personnel changes

Dr. Jürgen Honert, lawyer in Munich, and Dr. Tonio Barlage, Managing Director of Cartagena Capital GmbH in Hamburg, were appointed members of the Supervisory Board of DF AG at the ordinary Annual General Meeting on 22 January 2015.

Other events

On 30 December, DF Deutsche Forfait AG invited the holders of the corporate bond (ISIN: DE000A1R1CC4) to a vote without meeting on the bond restructuring measures from 20 to 22 January 2015. The vote did not have the required minimum quorum of 50% of the outstanding bond capital.

In an ad hoc announcement pursuant to Section 15 WpHG dated 20 February 2015, DF Deutsche Forfait AG announced that the second bondholders' meeting on 19 February 2015 approved the amendment of the terms and conditions of the bond. The meeting in Cologne was attended by bondholders representing EUR 13,786 million of the bond. This is equivalent to 45.95% of the outstanding bond capital, which means that the second bondholders' meeting had the required quorum. At the bondholders' meeting, One Square Advisory Services GmbH was elected joint representative of the bondholders by 92.98% of the votes. In addition, 99.98% of the capital participating in the vote approved the amendment of the terms and conditions of the bond. The amendment primarily relates to the reduction of the nominal interest rate of the 2013/20 bond from 7.875% to 2.000% with retroactive effect from 27 May 2014 until 27 May 2018. Between 27 May 2017 and 27 May 2018, the interest rate may again amount to 7.875%; this is dependent on the achievement of a certain consolidated result. From 27 May 2018 to 27 May 2020, the nominal interest rate will be raised to 7.875% again. The original proposal to grant option rights was withdrawn. The counter-motion to authorize the joint representative to hold further negotiations and sign agreements with the company was also approved by the required majority, namely by 99.98% of the participating bond capital.

The ordinary Annual General Meeting of DF Deutsche Forfait AG was convened for 22 January 2015. The Annual General Meeting approved all items on the agenda. At the Annual General Meeting on 22 January 2015, the following resolution to increase the capital was proposed under agenda item 7 and approved by the shareholders:

- The share capital of DF AG shall be increased by up to EUR 6,800,000.00 against cash contribution through the issue of up to 6,800,000 new bearer shares representing EUR 1.00 of the subscribed capital each.

- The new shares shall be issued at an issue price of EUR 1.00 per share. The Board of Management shall set the best possible subscription price for the new shares, taking the current market situation and the specific situation of DF AG into account, which shall not be lower than the lowest issue price. The new shares shall be entitled to profit as of 1 January 2014.

- The new shares will be offered to shareholders by way of an indirect subscription right. The new shares will be subscribed by a credit institution or by an enterprise operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act ("bank") to be chosen and instructed by the Board of Management at the lowest issue price, with the bank being obliged to offer the shares to shareholders on a 1:1 basis at the subscription price determined by the Board of Management and to disburse the surplus proceeds to DF AG after deduction of an adequate commission and expenses. The deadline for acceptance of the subscription offer (subscription deadline) shall end no earlier than two weeks after the announcement of the subscription offer.

- The subscription rights are transferable. Subscription rights will not be traded at the stock exchange and will not be organized by the parent company or the bank.

- Where shareholders do not exercise their subscription rights to new shares, the Board of Management shall be authorized to offer these shares to the bank at the subscription price to place them with investors and to disburse the proceeds to DF AG after deduction of an appropriate commission and expenses.

- The Board of Management shall be authorized, subject to the consent of the Supervisory Board, to define the further details of the capital increase and its execution, especially the further terms and conditions of the issue of the shares.
- The costs of the capital increase and its implementation shall be borne by DF AG.
- The Board of Management shall be authorized to carry out the capital increase in one or several, but no more than three, tranches and to file for entry in the Commercial Register of DF AG. The period for execution shall be six months from the time of the adoption of this capital increase resolution.
- The Supervisory Board shall be authorized to amend the Memorandum of Association with regard to the execution of the capital increase.

The execution of the capital increase has not been filed for entry in the Commercial Register.

On 23 February 2015, Scope Rating GmbH has downgraded the rating of DF AG from CCC to SD (Selected Default).

At the time of the preparation of the financial statements for the period ended 31 December 2014, the Board of Management plans to sell its Dubai subsidiary, Deutsche Kapital Ltd.

Cologne, 29 April 2015
The Board of Management

Consolidated Fixed Assets as of 31 December 2014

Acquisition costs in EUR	01-01-2014	Currency change	Additions	Disposals	31-12-2014
I. Intangible assets					
Rights, Software	115,936.84	2,881.50	1,848.30	0.00	120,666.64
II. Tangible assets					
Other equipment, factory and office equipment	1,371,320.72	3,251.05	20,137.78	532,660.80	862,048.75
Total	1,487,257.56	6,132.55	21,986.08	532,660.80	982,715.39

Depreciation/Amortization, Net book value in EUR	Depreciation/Amortization					Net book value	
	01-01-2014	Currency change	Additions	Disposals	31-12-2014	31-12-2014	31-12-2013
I. Intangible assets							
Rights, Software	83,854.39	1,109.82	8,950.75	0.00	93,914.96	26,751.68	32,082.45
II. Tangible assets							
Other equipment, factory and office equipment	854,501.75	1,064.29	107,465.01	397,003.80	566,027.25	296,021.50	516,818.97
Total	938,356.14	2,174.11	116,415.76	397,003.80	659,942.21	322,773.18	548,901.42

Consolidated Fixed Assets as of 31 December 2013

Acquisition costs in EUR	01-01-2013	Currency change	Additions	Disposals	31-12-2013
I. Intangible assets					
Rights, Software	90,312.07	-764.98	28,992.27	2,602.52	115,936.84
II. Tangible assets					
Other equipment, factory and office equipment	1,119,754.20	-918.61	286,981.67	34,496.54	1,371,320.72
Total	1,210,066.27	-1,683.59	315,973.94	37,099.06	1,487,257.56

Depreciation/Amortization, Net book value in EUR	Depreciation/Amortization					Net book value	
	01-01-2013	Currency change	Additions	Disposals	31-12-2013	31-12-2013	31-12-2012
I. Intangible assets							
Rights, Software	80,293.51	-148.99	6,310.39	2,600.52	83,854.39	32,082.45	10,018.56
II. Tangible assets							
Other equipment, factory and office equipment	770,973.20	-133.78	118,153.87	34,491.54	854,501.75	516,818.97	348,781.00
Total	851,266.71	-282.78	124,464.26	37,092.06	938,356.14	723,873.76	553,241.26

Auditors' Opinion

We have audited the consolidated financial statements prepared by DF Deutsche Forfait Aktiengesellschaft, Köln – comprising a consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income for the period, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements – and the group management report of DF Deutsche Forfait Aktiengesellschaft, Köln for the financial year from 01.01.2014 to 31.12.2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and with the additional requirements of the German commercial law pursuant to Section 315a paragraph 1 are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of DF Deutsche Forfait Aktiengesellschaft, Köln for the financial year from 01.01.2014 to 31.12.2014 comply with IFRS, as adopted by the EU, and the additional requirements of the German commercial law pursuant to Section 315a paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitable presents the opportunities and risks of future development.

Without qualifiying this opinion, we refer to the group management report. In the section opportunities and risk report is mentioned that the company's ability to continue as a going concern is at risk. The risks consist in the operative activities of the DF-Group as well as in the current situation in connection with the implementation of the restructuring concept represented in the group management report. The restructuring concept consists of two measures each on

equity and liability side. The four measures were mutually dependent and have to be implemented in total and in the planned amount for a successful restructuring. In cases where the mutually dependent restructuring measures against the current expectation of the management board of the DF Deutsche Forfait AG were performed not in whole or with considerably lack of time or when the operative aims of the reorganization concept in the review period (business year 2015 to 2017) will not be achieved, the DF Deutsche Forfait AG as well as the DF-Group will not continue as a going concern.

Munich, 30 April 2015

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier
Wirtschaftsprüfer
[German Public Auditor]

Andreas Schuster
Wirtschaftsprüfer
[German Public Auditor]

Responsibility Statement by the Management Board

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Group. The Group management report includes a fair review of the business development and the position of the Group together with the principal opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Cologne, 29 April 2015
The Board of Management

Corporate Governance Report

In this statement, the Board of Management and the Supervisory Board report on corporate governance at DF Deutsche Forfait AG (also referred to as "DF AG" or "the company") in accordance with Section 3.10 of the German Corporate Governance Code and Section 289a (1) of the German Commercial Code (HGB).

Corporate governance stands for responsible corporate management aimed at the long-term creation of value. Essential characteristics of good corporate governance include transparent corporate communications, protection of shareholder interests and purposeful cooperation between the Board of Management and the Supervisory Board. The purpose of the German Corporate Governance Code as adopted by the "Government Commission on the German Corporate Governance Code" is to make the rules for corporate management and supervision in Germany transparent to national and international investors in order to boost confidence in the management of German companies.

The German Corporate Governance Code is of great importance for DF AG. The code represents a recognized management standard for good corporate governance of listed German companies.

Declaration of conformity pursuant to Section 161 AktG on compliance with the German Corporate Governance Code

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Board of Management and the Supervisory Board of a listed German stock corporation must declare once a year if the company has complied with the German Corporate Governance Code ("Code" or "DCGK") and which recommendations of the Code have not been applied and why. This declaration must be made permanently available to the shareholders.

The Board of Management and the Supervisory Board of DF AG issued their last declaration of conformity in accordance with Section 161 of the Stock Corporation Act (AktG) on 20 February 2014. For the period from the publication of the last declaration of conformity until 24 June 2014, the following declaration of 10 March 2015 relates to the recommendations of the Code as last amended on 24 May 2013. From 24 June 2014, the declaration relates to the recommendations of the Code as last amended on 24 June 2014 and published in the Federal Gazette on 30 September 2014. The exact wording has been published under the heading "Declaration of Conformity" and is available as a download from the DF AG website.

The Board of Management and the Supervisory Board of DF AG herewith confirm that the recommendations made by the "Government Commission on the German Corporate Governance Code" have been and will be met with the subsequent exceptions:

1. The D&O insurance policy for members of the Supervisory Board does not include a deductible (Section 3.8 (3) DCGK).

The D&O insurance does not include a deductible for Supervisory Board members. DF Deutsche Forfait AG does not believe that a deductible would increase the motivation and sense of responsibility of the Supervisory Board members.

2. DF AG does not have a chairperson or speaker for the Board of Management (Section 4.2.1 DCGK)

DF Deutsche Forfait AG does not believe that a chairperson or speaker for the Board of Management is required, since the cooperative arrangement for the division of responsibilities within the Board of Management has been working very well. Moreover, DF Deutsche Forfait AG is of the opinion that the appointment of a chairperson does not make sense for a Board of Management currently composed of only two members. However, DF AG will evaluate the situation regularly in order to determine if the appointment of a speaker or chairperson is advisable.

3. The contracts of the members of the Board of Management do not provide for a cap to the overall compensation (Section 4.2.3 (2) DCGK).

DF Deutsche Forfait AG is of the opinion that such a cap is not necessary for the existing compensation system. Where the variable compensation components are capped, this also applies to the achievable total compensation.

4. In the event of premature termination of the Board activity, the payments to a member of the Board of Management including fringe benefits may exceed the equivalent of two annual compensations (Section 4.2.3 (4) sentence 1 DCGK)

Under the employment contracts of DF Deutsche Forfait AG, a member of the Board of Management is to receive the agreed fixed compensation until the end of the agreed contractual period if the contract is terminated by the company. The current contracts between DF Deutsche Forfait AG and the members of the Board of Management were concluded for a period of three years and provide for a termination period of six months with effect from the end of a quarter. Accordingly, the severance pay cap of two years' compensation recommended in the Code would be exceeded only in the event of an early termination of the contract and, even in this case, only within limits which DF Deutsche Forfait AG considers to be acceptable.

5. There is no age limit for members of the Supervisory Board (Section 5.4.1 (2) sentence 1 DCGK).

DF Deutsche Forfait AG does not impose an age limit on members of the Supervisory Board since it selects representatives based on the knowledge, skills and professional experience required for the respective duties. The company does not wish to restrict itself by establishing an age limit.

6. The Supervisory Board of DF Deutsche Forfait AG does not have an audit committee (Section 5.3.2 sentence 1 DCGK).

DF Deutsche Forfait AG does currently not comply with the recommendation of Section 5.3.2 DCGK to establish an audit committee. These responsibilities are assumed by the Supervisory Board as a whole. Establishing an audit committee does not seem to be advisable at present, as the Supervisory Board of DF Deutsche Forfait AG currently consists of only six members, in accordance with the company's Memorandum of Association, and a committee would therefore not increase its efficiency.

7. The Supervisory Board of DF Deutsche Forfait AG does not have a nomination committee (Section 5.3.3 DCGK)

DF Deutsche Forfait AG has not established a nomination committee so far. These responsibilities are currently being assumed by the Supervisory Board as a whole. DF Deutsche Forfait AG shares the opinion of legal literature that the formation of a nomination committee is unnecessary if there are no employee representatives on the Supervisory Board. The company is therefore not going to establish such a committee.

8. DF Deutsche Forfait AG has not specified any concrete objectives for the composition of the Board of Management, the Supervisory Board and the extended management (Sections 4.1.5, 5.1.2 (1) and 5.4.1 (2) and (3) DCGK).

Where the composition of the Board of Management, the Supervisory Board and the extended management of the company is concerned, DF Deutsche Forfait AG primarily attaches importance to the experience, skills and knowledge of each individual (Sections 4.1.5, 5.1.2 (1) and 5.4.1 (2) DCGK). By contrast, the Supervisory Board and, with regard to Section 4.1.5 DCGK, the Board of Management consider diversity criteria to be of subordinate importance, even though such criteria – just like the related desire for an appropriate degree of female representation – are explicitly welcomed. In view of the fact that the Supervisory Board of DF Deutsche Forfait AG is composed of only six members in accordance with the Memorandum of Association, the Supervisory Board has not specified any concrete objectives for its composition (Section 5.4.1 (2) DCGK). Accordingly, such objectives are not published in the Corporate Governance Report (Section 5.4.1 (3) DCGK). The Supervisory Board will, however, agree on suitable candidates for the Supervisory Board in time for the next Supervisory Board elections.

9. DF Deutsche Forfait AG does not publish the annual report within 90 days after the end of the financial year and the interim reports within 45 days after the end of the reporting period (Section 7.1.2 sentence 4 DCGK).

In the past, DF Deutsche Forfait AG did not publish the annual report within 90 days after the end of the reporting period and the interim reports within 45 days after the end of the reporting period. Instead, DF Deutsche Forfait AG reported within the deadlines prescribed in the stock exchange regulations for the Prime Standard of the Frankfurt Stock Exchange and in accordance with the Securities Trading Act (WpHG), as the Board of Management and the Supervisory Board deem the deadlines stipulated by the stock exchange regulations to be appropriate. This means that DF Deutsche Forfait AG will publish its annual report within four months and interim reports within two months after the end of the respective reporting period. DF Deutsche Forfait AG intends to maintain this practice in future.

Dual management and supervisory structure

As a German joint stock company, DF Deutsche Forfait AG has a dual management and supervisory structure consisting of the Board of Management and the Supervisory Board.

Board of Management

The members of the Board of Management are appointed by the Supervisory Board. They are responsible for independently managing the company with the aim of creating sustainable value to its benefit, thus taking into account

the interests of its shareholders and employees. The members of the Board of Management conduct the company's business with the due care of a prudent businessman in accordance with the laws, the company's Memorandum of Association and the rules of procedure issued by the Supervisory Board for the Board of Management.

The cooperation between the members of the Board of Management is governed by the rules of procedure, while the responsibilities of the Board of Management members are defined in the schedule of responsibilities and in a separate competence arrangement. The rules of procedure contain a list of transactions for which the Board of Management requires the approval of the Supervisory Board. The Board of Management cooperates in a trusting manner with the other bodies of the company in the interest of the latter.

Supervisory Board

The Supervisory Board advises the company's Board of Management and supervises its management activities. According to the Memorandum of Association, it is composed of six members, all of whom are elected by the Annual General Meeting. As recommended by the DCGK, the members of the Supervisory Board are elected individually.

The Supervisory Board can form committees from among its members and assign them decision-making power to the extent permitted by law. The Supervisory Board of DF AG appoints a working committee from among its members after every new election of the Supervisory Board.

The working committee primarily addresses the risk principles and risk management at DF AG. In the context of risk management, it mainly reviews the limit applications and issues recommendations. It also approves individual transactions where no sufficient limits exist or the Board of Management does not have the required authority.

The Supervisory Board has not established an audit committee or a nomination committee. These responsibilities are currently being assumed by the Supervisory Board as a whole. The Supervisory Board has decided to assign the function of independent financial expert on the Supervisory Board to Dr. Barlage. As a result of his activity Dr. Barlage has comprehensive accounting expertise. The report of the Supervisory Board on its activities during the 2014 financial year is found on pages 8 to 15.

Close cooperation between the Board of Management and the Supervisory Board

The Board of Management and the Supervisory Board of DF AG cooperate closely and in a trusting manner to the benefit of the company. To exercise its supervisory function, the Supervisory Board, and in particular the Chairman and the Deputy Chairman of the Supervisory Board, liaise regularly with the Board of Management.

The Board of Management determines the strategic direction of the company, obtains approval from the Supervisory Board and implements strategic decisions. Transactions and corporate measures of special significance require approval from the Supervisory Board. Thanks to a regular, timely and comprehensive dialogue with the Board of Management, the Supervisory Board is at all times informed about the strategy, plans, business developments as well as the risk management and the material risk positions of the company.

Transparent communication

DF Deutsche Forfait AG communicates in an open and transparent manner with its shareholders, bondholders and other investors. All dates of special interest to shareholders and bondholders are found on the company website, including publication dates for annual and interim reports. Additional information relates, for instance, to reportable securities transactions according to Section 15a of the Securities Trading Act (WpHG) as well as ad hoc reports and press releases.

Efficiency audit

The regular audit regarding the efficiency of the Supervisory Board represents an important pillar of good corporate governance. The German Corporate Governance Code stipulates in Section 5.6 that the Supervisory Board shall "regularly check the efficiency of its actions". To do this, a questionnaire tailored to the special characteristics of DF Deutsche Forfait AG has been developed. It primarily encompasses organizational processes in the Supervisory Board, the timely and sufficient supply of information to the Supervisory Board as well as personnel-related questions. In the past financial year, all Supervisory Board members took part in the survey. At the Supervisory Board meeting on 4 December 2014, the answers and suggested improvements were discussed. Due to the size of the company and the uncomplicated flows of information between the Supervisory Board and the Board of Management, the efficiency audit was carried out without the help of an external advisor. The investigation turned up positive results.

Risk management, accounting and auditing, compliance

On the one hand, the risk management system established by the company serves to diversify risks and to limit them in accordance with the company's risk-bearing capacity, primarily in order to avoid jeopardizing the company's continued existence. On the other hand, risks shall be identified at an early stage in order to avoid them or to at least initiate counter-measures. The risk management system is reviewed and refined regularly and adjusted to changing conditions on an ongoing basis. Details are found in the management report starting on page 42.

The consolidated financial statements of DF Group are prepared in accordance with International Financial Reporting Standards (IFRS), such as they have been endorsed by the European Union, as well as with Section 315a of the German Commercial Code (HGB). The separate financial statements of DF AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act.

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, was elected auditor by the Annual General Meeting on 22 January 2015, appointed by the Supervisory Board, and audited the 2014 consolidated financial statements in this capacity. Prior to the appointment, the Supervisory Board ensured that the relationships between the auditor and the company or its institutions do not give reason to doubt the independence of the auditor.

In 2014, DF Group revised and adjusted its Group-wide compliance system in cooperation and consultation with external advisors; these measures include, in particular, (i) the appointment of a Compliance Officer, who reports directly to the Board of Management, (ii) adjustment of the IT system, which now automatically checks, on every working day, whether a client – both new and existing client – features on the EU and US sanctions lists. Regular updates of the database

ensure that the (new) listing of a party involved in the underlying transaction on a sanctions list will be detected also during the holding period of a receivable. This will enable DF Group to immediately take the necessary steps. For those service providers with whom companies of the DF Group work regularly, the Compliance Officer keeps a "White List", which is updated regularly. Signing contracts and working with parties on the White List is possible without individual checks being required.

The audits required under the Anti-Money Laundering Act including the "Know-Your-Customer" audits are other integral elements of DF Group's compliance system. DF AG and its subsidiaries conduct their business operations in accordance with applicable anti-money-laundering provisions.

Compensation of the Board of Management and the Supervisory Board

Board of Management compensation system

The system of compensation and the amount of the compensation received by the Board of Management are determined and regularly reviewed by the Supervisory Board of DF AG. When signing agreements regarding the compensation of the members of the Board of Management, the Supervisory Board has always paid attention to the appropriateness of the compensation and will continue to do so in future.

The compensation of the members of the Board of Management currently comprises a fixed salary as well as variable compensation in the form of a performance bonus.

Pursuant to Section 87 (1) AktG, the compensation structure in listed companies should be geared to sustainable corporate development; variable compensation components shall therefore be based on a multi-year assessment. This requirement of a multi-year assessment base is met in the following form:

After the adoption of the financial statements, the respective member of the Board of Management receives a performance bonus for the financial year ("bonus year") in accordance with Section 87 AktG. The performance bonus is assessed on the basis of the company's earnings per share in the bonus year (earnings per share in EUR). If earnings per share (EPS) exceed EUR 0.35, the member of the Board of Management receives a performance bonus of 5% of the amount of EPS that exceeds EUR 0.35. Irrespective of the above formula, the performance bonus per performance year is capped at 2 times the fixed compensation of the respective Board member. 49% of the performance bonus calculated in accordance with the above formula is paid after the adoption of the balance sheet by 31 March of the following year. The remaining 51% is carried forward to the following year and paid out only if the calculation formula also leads to payment of a bonus in the following year.

Compensation of the Supervisory Board

Compensation for the Supervisory Board is governed by Section 12 of DF AG's Memorandum of Association. Members of the Supervisory Board receive a fixed annual compensation of EUR 13,000 in addition to the reimbursement of expenses incurred while meeting their responsibilities. The chairperson and deputy chairperson receive twice this amount. In addition, members of the Supervisory Board receive an attendance fee of EUR 500.00 for every Supervisory Board meeting they attend.

The compensation report provides a detailed presentation of the fundamental structure of the compensation of the Board of Management and the Supervisory Board and discloses the compensation received by the individual members of the Board of Management in accordance with statutory requirements. The compensation report is published as part of the audited consolidated financial statements.

Shareholdings and reportable transactions of the Board of Management and the Supervisory Board

Shareholdings of members of the Board of Management

As at 31 December 2014, the members of the Board of Management held the following shares:

- Marina Attawar did not personally hold shares or stock options of DF Deutsche Forfait AG. However, she is the sole shareholder of Xylia 2000 Vermögensverwaltungs GmbH which held 6.5% of the shares of DF Deutsche Forfait AG.
- Frank Hock held 2% of the shares of DF Deutsche Forfait AG, partly privately and partly via an investment management company in which he is the sole shareholder.

Accordingly, the Board of Management directly or indirectly held 8.5% of the shares of DF AG as at 31 December 2014.

Shareholdings of members of the Supervisory Board

- Hans-Detlef Bösel holds 0.1% of the shares of DF Forfait AG via an investment management company.
- Christoph Freiherr von Hammerstein-Loxten holds 1.0% of the shares of DF AG via an investment management company.
- Dr. Ludolf Georg von Wartenberg holds 0.2% of the shares of DF AG.
- Dr. Tonio Barlage holds 2.2% of the shares of DF AG via an investment management company.

The members of the Supervisory Board directly or indirectly hold 3.5% of the shares of DF AG.

Reportable transactions

Transactions reported to DF AG according to Section 15a of the Securities Trading Act (WpHG) are accessible on the DF Deutsche Forfait AG website www.dfag.de/en/ under the section Investor Relations and the sub-section Corporate Governance.

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