

CORRECTION: SIA ExpressCredit unaudited consolidated interim financial statements for 12 month of the year 2014

Correction: Management responsibility statement amended to the attached report.

Group has worked successfully over the period from 1 January to 31 December 2014. Total revenue for the period increased by 21% over the 2013 and reached EUR 16 627 992.

Due to implementation of the chosen business strategy, the Group's financial indicators continued to improve in year of 2014:

- During the period, the Loan portfolio of the Group has increased significantly – by 28% - and reached EUR 6.2 million;
- As at 31 December 2014, the amount of the Group's assets equaled EUR 10.9 million ;
- Net profit for 2014 was EUR 1 401 563 (2013 EUR 379 116).

During the reporting period, according to the bond issue prospectus, SIA ExpressCredit has elected and registered Council of the Company in the Register of Enterprises of the Republic of Latvia.

Branches

During the period from 1 January to 31 December 2014 has continued the work on the branch network to increase efficiency, loan volume increase and IT systems development. As at end of the period, the Group had 93 branches in 38 Latvian cities (31.12.2013. - 93 branches in 38 cities in Latvian).

Group's risk exposure

The Group is not exposed to material foreign exchange risk because settlement takes place in euro. The Group has financed assets by bond issue at fixed interest rate, reducing exposure to significant variable interest rate risk. Accurate application of the prudent strategies has allowed the Group to successfully manage its financial risks, particularly, liquidity and credit risk.

Subsequent events

On 12 February 2015, the Group's parent company and the Riga City council has signed a contract for the purchase of SIA "Riga City Pawnshop" 569 148 (100%) shareholding. The right to acquired shareholding rights have been acquired in the auction process. The purchase price of EUR 880 000 was transferred on 18 February 2015. On 23 February 2015, the transaction was registered in the Register of Enterprises of the Republic of Latvia.

Except for the above, there have been no significant events since the reporting date and the date of signing of the report that could significantly affect the results for the year 2014.

Future prospects

In the year 2015 the Group plans to strengthen market leadership and improve the branch network. It is planned that the company's portfolio and profit dynamics will be with upward trend from year 2014 results.

Profit or loss account for the year ended 31 December 2014

	Parent company	Group	Parent company	Group
	2014	2014	2013	2013
	EUR	EUR	EUR	EUR
Net sales	7 650 397	7 987 859	6 395 631	6 395 631
Cost of sales	(5 596 572)	(5 881 617)	(4 678 868)	(4 678 868)
Interest income and similar income	8 463 985	8 640 133	7 278 436	7 304 487
Interest expenses and similar expenses	(1 175 458)	(1 216 106)	(1 422 860)	(1 425 319)
Gross profit	9 342 352	9 530 269	7 572 339	7 595 931
Selling expenses	(4 812 824)	(4 880 420)	(4 397 795)	(4 405 302)
Administrative expenses	(1 877 951)	(1 883 023)	(1 329 204)	(1 332 376)
Other operating income	56 328	56 328	32 377	32 635
Other operating expenses	(1 225 712)	(1 226 186)	(1 309 495)	(1 312 750)
Profit before taxes	1 482 193	1 596 968	568 222	578 138
Corporate income tax for the reporting year	(263 264)	(286 038)	(224 730)	(225 810)
Deferred tax	90 633	90 633	26 788	26 788
Current year's profit	1 309 562	1 401 563	370 280	379 116

Balance sheet as at 31 December 2014

Balance sheet as at 31 December 2014

	Parent company	Group	Parent company	Group
	31.12.2014.	31.12.2014.	31.12.2013.	31.12.2013.
	EUR	EUR	EUR	EUR
Assets				
Long term investments				
Fixed assets and intangible assets	393 949	393 949	449 822	449 822
Loans and receivables	462 610	462 610		

			297 709	297 709
Loans to shareholders and management	1 295 066	1 295 066	1 942 057	1 942 057
Participating interest in subsidiaries	2 846	-	2 846	-
Deferred tax asset	117 420	117 420	26 787	26 787
Total long-term investments:	2 271 891	2 269 045	2 719 221	2 716 375
Current assets				
Finished goods and goods for sale	1 345 338	1 345 338	1 012 380	1 012 380
Loans and receivables	5 401 363	5 829 700	4 260 989	4 602 466
Receivables from affiliated companies	484 492	208 873	547 606	512 979
Other debtors	82 195	82 335	748 701	755 229
Deferred expenses	27 762	30 089	25 581	29 094
Cash and bank	1 197 128	1 197 718	720 753	790 889
Total current assets:	8 538 278	8 694 053	7 316 010	7 703 037
Total assets	10 810 169	10 963 098	10 035 231	10 419 412
Liabilities				
Shareholders' funds:				
Share capital	426 861	426 861	426 861	426 861
Prior years' retained earnings	279 540	295 703	1 009 260	1 016 586
Current year's profit	1 309 562	1 401 563	370 280	379 117
Total shareholders' funds:	2 015 963	2 124 127	1 806 401	1 822 564
Creditors:				
Long-term creditors:				
Bonds issued	6 471 466	6 471 466	3 108 191	3 108 191
Other borrowings	596 676	596 676	753 094	753 094
Total long-term creditors:	7 068 142	7 068 142	3 861 285	3 861 285
Short-term creditors:				
Bonds issued	992 436	992 436	984 967	984 967
Other borrowings	30 341	30 341	531 723	894 130
Accounts payable to affiliated companies	-	-	2 091 469	2 091 469
Trade creditors and accrued liabilities	435 014	456 100	404 778	407 220
Taxes and social insurance	268 273	291 952	354 608	357 777

Total short-term creditors:	1 726 064	1 770 829	4 367 545	4 735 563
Total liabilities and shareholders funds	10 810 169	10 963 098	10 035 231	10 419 412

SIA ExpressCredit is a licensed non-bank lending institution, which was founded in the 2009. SIA ExpressCredit operates 95 branches under the brand name Lombards24.lv in 38 largest Latvian cities and towns, offering loans against pledge of movable property (Lombard credits), loans without collateral, loan against vehicle collateral and mortgage loans. The Company has provided services to more than 200 thousand customers. The owners of SIA ExpressCredit are SIA Express Holdings (51%), SIA Ebility (24,5%) and SIA AE Consulting (24,5%).

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