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# JT Family Holding Oy

Reg. no. FI19509691

## **ANNUAL REPORT**

**31.12.2012**

# ANNUAL REPORT 31.12.2012

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This annual report can be disposed of earliest on 1.1.2023  
and the accounting material relating to the report earliest on 1.1.2019

**BOARD OF DIRECTOR'S REVIEW (1.1. – 31.12.2012)**

JT Family Holding Oy and its subsidiaries form a group (JTFG), which is one of the leading microloan companies globally. JTFG is a privately owned independent group; it doesn't belong to any other group in the financial or commercial sector. JTFG commenced its activities in May 2005 and has grown rapidly in 17 countries across Europe and in two countries in APAC region.

JTFG is operating under generally accepted ethical principles, and is one of the leading players in developing the credibility of microloan businesses and common industry processes. JTFG has developed its business model and processes to be efficient and customer-oriented. The identification and scoring of customers are key factors in the business globally.

**KEY ACTIONS AND DEVELOPMENT DURING THE LAST THREE YEARS**

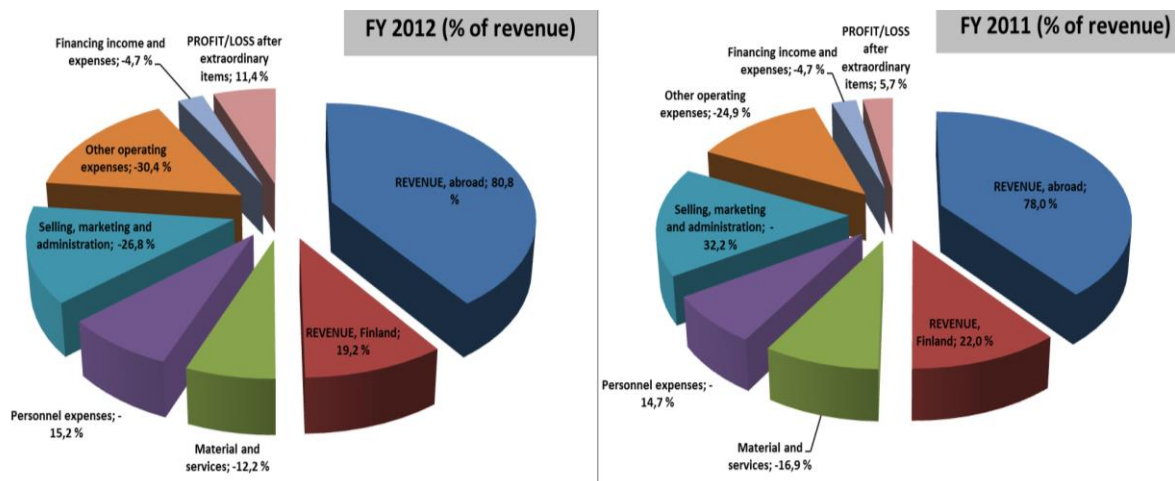
During the 3 previous financial years the Group has focused on continuously developing its operations. The Group has strengthened its position as one of the leading microloan companies in Europe and in APAC countries. The Group has been profitable since the beginning and its financial position is solid (see table below).

<b>KEY RATIOS</b>	<b>1-12/2012</b>	<b>1-12/2011</b>	<b>7/2009 - 12/2010</b>
<i>Return on equity %</i>	39,6 %	22,8 %	51,8 %
<i>Equity ratio %</i>	32,3 %	30,3% *)	31,4 %
<i>Average personnel</i>	202	148	97
<i>Revenue, k €</i>	47 157	33 704	30 928
<i>Profit after extraordinary items, k €</i>	5 392 **)	1 931	3 205

\*) equity ratio has been adjusted in 2011 to be comparable with 2012 by including the convertible capital loan issued by Pontos Group subsidiaries into equity as the loan was converted into new shares in March 2012

\*\*\*) As an extraordinary item there has been booked in JT Family Holding Oy a one-time VAT refund of 818 k€ related to VAT payments taken place in previous years as the VAT status of the company was reconsidered by Finnish authorities

The share of revenue from abroad has increased compared to the previous year (non-domestic revenue 81% / 78%) according to corporate expansion strategy. The Group has been able to finance its growth with a good profitability (Profit after extraordinary items: 11,4% / 5,7%).



The JTFG has expanded its business in Europe and in APAC countries in accordance with a strict and conceptualized model, most recently loan lending business has been launched in Russia.

In addition to the bond issue program taken place in 2011, JTFG has issued 4 new additional bond programs in 2012.

## EU CREDIT INSTITUTION LICENCE

After having established itself as an industry leader in the consumer microloan sector, JTFG has decided to escalate the types of lending products it is able to offer to customers.

The JTFG subsidiary in Malta has filed the credit institution application in 2011 and has been issued the credit institution licence in September 2012 by the Malta Financial Services Authority.

The credit institution licence represents a significant opportunity for the JTFG to operate in credit business in countries where a credit institution licence is required or may be required. Also, the credit institution activities elevate the existing level of trustworthiness; provide access to new external banking scoring databases, and offer options for taking in deposits to support the profitable growth of the JTFG.

## SIGNIFICANT FUTURE INVESTMENTS

Significant future investments will be in establishing operations in new countries and in IT development projects necessary for operations.

## RISK FACTORS AND RISK MANAGEMENT

The purpose of risk management is to decrease the probability of unexpected losses and threats against the reputation of the Group and, in addition, contribute to the increase in profitability and shareholder value. The risks of the JTFG operations can be divided into three main categories: credit risks (receivables from customers), market risks and operational risks (including liquidity, cash flow and other risks).

Credit risks have been managed by developing tools for the subsidiaries to evaluate the payment behavior of customers. These tools are used to only accept customers with solvency, which enables the control of the level of credit losses.

Market risks have been managed by creating continuous co-operation with local authorities and necessary stakeholders. Country specific risks are continuously monitored and changes are immediately reacted to.

Operational risks are managed by a policy of profitable growth in addition to developing and expanding the partner network. The uninterrupted and continuous operation of critical IT systems has been effectively guaranteed by different information security solutions. JTFG has developed its processes and systems in order to offer customers, stakeholders and partners the most efficient and practical software to cater for the needs of the developing micro loan industry.

JTFG operates with moderate and calculated risk. The Board of directors monitors operations regularly and is ultimately responsible for the sufficiency of risk management and that the company has access to appropriate software including instructions on the control and

monitoring of risks. The CEO is responsible for the daily operations of the Group. Each member of the Management Team is primarily responsible for identifying and controlling risks related to their functions according to instructions from the Board.

Ferratum follows proactively all legal changes which might take place in the countries where it operates and will adjust its operations accordingly always taking into account the customer user experience.

## FUTURE DEVELOPMENT

During financial year 2013 JTFG is expected to establish its position as the leading micro loan company in Europe. Group operations are directed by the strategy set by the Board of directors to be the leading global micro loan company by the end of 2014.

## CONVERSION

The convertible capital loan issued by the Pontos Group subsidiaries, i.e. from AS Pontos Capital and OÜ Pontcap 1, was converted into new shares during March 2012 based on the relevant application of Pontos Group subsidiaries.

Respectively, the JTFG has issued 1112 new shares, whereas AS Pontos Capital has subscribed for 982 shares and OÜ Pontcap 1 has subscribed for 130 shares.

## PURCHASE OF OWN SHARES

As authorized by the Extraordinary General Meeting of Shareholders JTFG on the 27<sup>th</sup> of December, JT Family Holding Oy has purchased in 2012 in total 15 own shares (at a unit price of 1.075,32 €). Respectively, the Company owned 15 own shares at the year-end 2012.

## BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFIT

The profit for the financial year of JT Family Holding Oy is 2 926 253,94 Euros and the distributable profit of the parent company at the end of the financial year were 2 920 106,10 Euros. The Board of directors proposes that the company will distribute dividends 790 000,00 Euros from retained earnings. There have been no significant changes in the financial position of the company subsequent to the end of the financial year. The liquidity of the company is good and, according to the Board, the proposed dividend distribution does not jeopardize the solvency of the company.

#### BOARD OF DIRECTORS AND AUDITORS

During the financial year 2012 the members of the Board of directors of JT Family Holding Oy have been Juhani Vanhala, Erik Ferm, Jorma Jokela, Kai Becker, Minna Andberg, Marko Risku and Lea Liigus. Juhani Vanhala and Erik Ferm have acted as Chairman of the Board.

The auditors of JT Family Holding Oy are Authorized Public Accountants PricewaterhouseCoopers Oy with Authorized Public Accountant Mikko Nieminen named as the auditor in charge.

## Consolidated income statement

### Consolidated income statement

<b>EUR</b>	ref.	<b>1.1.-31.12.2012</b>	<b>1.1.-31.12.2011</b>
<b>REVENUE</b>	2	47 156 956,53	33 704 405,82
Other operating income	3	53 674,84	113 590,10
Materials and services	4	-5 752 395,05	-5 685 362,59
Personnel expenses	6	-7 168 437,26	-4 947 978,30
Depreciation, amortisation and impairment	8	-508 877,88	-385 564,84
Other operating expenses	9 - 10	-26 992 458,29	-19 269 452,97
<b>OPERATING PROFIT</b>		<b>6 788 462,88</b>	<b>3 529 637,22</b>
Financial income and expenses	11 - 12	-2 214 094,08	-1 598 856,56
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>		<b>4 574 368,80</b>	<b>1 930 780,66</b>
Extraordinary items	13	817 890,48	0,00
<b>PROFIT/LOSS AFTER EXTRAORDINARY ITEMS</b>		<b>5 392 259,28</b>	<b>1 930 780,67</b>
Income tax	14	-1 415 346,51	-525 802,22
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>3 976 912,76</b>	<b>1 404 978,44</b>

## Consolidated balance sheet

EUR	ref	31.12.2012	31.12.2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	15	2 459 739,01	2 183 682,26
Consolidated goodwill	16	7 469,19	22 407,55
Tangible assets	17	298 358,60	300 805,10
Investments	18	4 999,99	4 999,99
<b>NON-CURRENT ASSETS TOTAL</b>		<b>2 770 566,79</b>	<b>2 511 894,91</b>
<b>CURRENT ASSETS</b>			
Deferred tax assets	19	1 775 849,59	1 155 320,08
Non-current receivables		16 370,82	
Current receivables	20- 21	34 237 193,89	23 034 019,65
Cash and bank		2 670 730,29	5 225 064,58
<b>CURRENT ASSETS TOTAL</b>		<b>38 700 144,58</b>	<b>29 414 404,31</b>
<b>ASSETS TOTAL</b>		<b>41 470 711,37</b>	<b>31 926 299,22</b>
EUR		31.12.2012	31.12.2011
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
	22- 23		
Share capital		10 000,00	10 000,00
Treasury shares		-16 129,80	
Other reserves		3 069 200,49	68 291,61
Retained earnings		6 364 560,95	5 184 499,46
Profit/loss for the period		3 976 912,76	1 404 978,44
<b>EQUITY TOTAL</b>		<b>13 404 544,40</b>	<b>6 667 769,52</b>
<b>LIABILITIES</b>			
Deferred tax liabilities	24	330 169,11	175 863,37
Non-current liabilities, interest-bearing		20 915 158,50	17 548 190,68
Non-current liabilities, interest-free		26 208,26	
Current liabilities, interest-bearing	25	453 364,05	3 416 149,57
Current liabilities, interest-free		6 341 267,05	4 118 326,09
<b>LIABILITIES TOTAL</b>		<b>28 066 166,98</b>	<b>25 258 529,70</b>
<b>EQUITY AND LIABILITIES TOTAL</b>		<b>41 470 711,38</b>	<b>31 926 299,22</b>



**Consolidated cash flow statement**

<b>EUR</b>	<b>1.1.-31.12.2012</b>	<b>1.1.-31.12.2011</b>
<b><u>Cash flows from operating activities</u></b>		
Profit/loss for the period	3 976 912,76	1 404 978,44
<u>Adjustments for:</u>		
Depreciation, amortisation & impairment loss	508 877,88	385 564,84
Financial income and expenses	2 214 094,08	1 598 856,56
Income tax	1 415 346,51	525 802,22
Other adjustments	-817 890,48	
Operating profit before working capital changes	7 297 340,76	3 915 202,06
<u>Working capital changes:</u>		
Increase (-) /decrease(+) in trade and other receivables	7 317 246,89	4 742 582,77
Increase (+) / decrease (-) in trade payables	1 056 105,18	-976 199,03
Cash generated from operations	15 670 692,83	7 681 585,80
Interest paid	-494 929,02	-1 304 204,38
Interest received	60 556,81	218 195,16
Other financing items	-257 505,39	-483 055,27
Income taxes paid	-2 459 102,62	-810 907,03
Cash flow before extraordinary items	12 519 712,61	5 301 614,28
Cash flow from extraordinary items	817 890,48	0,01
<b>Net cash from operating activities (A)</b>	<b>13 337 603,09</b>	<b>5 301 614,29</b>

EUR

1.1.-31.12.2012 1.1.-31.12.2011

**Cash flows from investing activities**

Purchase of tangible and intangible assets	-740 222,03	-1 190 797,38
Proceeds from sale of tangible assets and intangible assets	-530,39	
Acquisition of subsidiaries	0,00	38,15
Proceeds from sale of investments	2 386,09	45 000,00
Loans granted (-) / Repayment of loans (+)	-17 778 219,52	-13 345 028,26
<b>Net cash used in investing activities (B)</b>	<b>-18 516 585,86</b>	<b>-14 490 787,48</b>

**Cash flows from financing activities**

Proceeds from issue of share capital		
Purchase of own shares	-16 129,80	-43 012,80
Proceeds from sale of own shares		67 590,00
Proceeds from short-term borrowings	1 150 556,94	847 455,00
Repayment of short-term borrowings	-1 113 342,46	-712 929,40
Proceeds from long-term borrowings (+) / Repayments	2 597 847,93	13 279 695,79
Dividends paid	-209 433,05	-347 000,00
<b>Net cash used in financing activities (C)</b>	<b>2 409 499,56</b>	<b>13 091 798,59</b>

**Net increase/decrease in cash and cash equivalents (A+B+C)**

**-2 769 483,20 3 902 625,40**

Cash and cash equivalents at beginning of the period	5 225 064,58	1 484 890,00
Net increase/decrease in cash and cash equivalents	-2 769 483,20	3 902 625,40
Effects of exchange rate fluctuations on cash held	212 599,76	-357 046,25
Cash and cash equivalents at the end of the period	2 670 730,29	5 225 064,58

## 1. Notes to consolidated financial statements

### Accounting principles

#### **Principles of consolidation**

The consolidated financial statements include all group companies. Subsidiaries are mainly 100 % owned by the Group. Ferbuy Singapore Pte. Ltd., Singapore is 90 % owned by the Group.

#### **Intercompany ownership of shares**

Intra-group ownership of shares has been eliminated through the purchase method. The asset and liabilities balances of subsidiaries as at acquisition date have been used as basis of elimination.

#### **Intercompany transactions and margins**

Intercompany transactions, unrealized margins relating to intercompany transactions and intercompany receivables and payables have been eliminated.

#### **Foreign currency translation**

The income statements for foreign currency subsidiaries have been translated into euros at the average exchange rate for the financial year and the balance sheets at the rate prevailing at year end. The average foreign currency exchange gains and losses have been recorded in the translation differences under equity. The foreign currency exchange gains and losses resulting from elimination of intercompany ownership is included in translation differences.

#### **Comparative data**

The financial year of the Group is 12 months long (1.1.-31.12.2012). The comparative data from financial year 2011 has been changed to reflect the presentation of income statement and balance sheet items in financial year 2012.

#### **Valuation and allocation principles**

The accounts and loan receivables of the company have been recorded at acquisition cost deducted by the credit loss reserve. The process fees relating to issue of loans are recognized as revenue at the time of issue. Tangible assets have been valued at acquisition cost deducted with depreciation according to plan. Group companies use different depreciation methods due to local differences and the depreciation has not been harmonized in the Group financial statements. The depreciation varies in the companies as follows:

Intangible assets: 4-10 year straight-line depreciation

Tangible assets: 8-33% straight-line depreciation, 25% declining depreciation

Immaterial rights: 5 year straight-line depreciation

Consolidated goodwill: 5 year straight-line depreciation

Pension costs are presented according to the local legislation in each country.

## Group companies

## Group Ownership

Ferratum Finland Oy, Helsinki	100 %
Ferratum Estonia OÜ, Estonia	100 %
Ferratum Netherlands B.V., Netherlands	100 %
Ferratum Latvia SIA, Latvia	100 %
UAB Ferratum, Lithuania	100 %
Ferratum Sweden AB, Sweden	100 %
Ferratum Czech s.r.o., Czech	100 %
Ferratum Poland Sp. Z.o.o., Poland	100 %
Ferratum Finance Sp. Z.o.o., Poland	100 %
Ferratum Spain SL, Spain	100 %
Ferratum Bulgaria EOOD, Bulgaria	100 %
Ferratum Finance d.o.o., Slovenia	100 %
Ferratum Slovakia s.r.o., Slovakia	100 %
Ferratum Denmark ApS, Denmark	100 %
Ferratum Belgium BVBA, Belgium	100 %
Ferratum UK Ltd, Great Britain	100 %
Ferratum Capital Oy, Helsinki	100 %
Global Guarantee OÜ, Estonia	100 %
Ferratum d.o.o., Croatia	100 %
Ferratum Capital Poland S.A., Poland	100 %
Ferratum New Zealand Ltd., New Zealand	100 %
Ferratum Finance B.V., Netherlands	100 %
Pelegrat B.V., Netherlands	100 %
Ferratum Australia Pty Ltd, Australia	100 %
Ferratum Singapore Pte. Ltd., Singapore	100 %
Numeratum d.o.o., Croatia	100 %
OOO Ferratum Russia, Russia	100 %
Ferratum Bank (Malta) Limited, Malta	100 %
Ferratum (Malta) Holding Limited, Malta	100 %
Ferbuy Singapore Pte. Ltd., Singapore	90 %
Swespar AB, Sweden	100 %
Nereida Spain S.L., Spain	100 %

Ferratum Finland Oy holds 0,01% of the shares of Ferratum Belgium BVBA and 0,00001 % of the shares of Ferratum (Malta) Holding Limited. Ferratum (Malta) Holding Limited holds 99,99999 % of the shares of Ferratum Bank (Malta) Limited and JT Family Holding Oy holds 0,00001 % of the shares of Ferratum Bank (Malta) Limited.

All group companies have been consolidated to the annual report of the parent company.

## Notes to consolidated income statement

**1.1.-31.12.2012 1.1.-31.12.2011**

### 2. Revenue by geographic area

Revenue, abroad	38 080 784,59	26 305 297,88
Revenue, domestic	9 076 171,94	7 399 107,94
<b>Revenue, total</b>	<b>47 156 956,53</b>	<b>33 704 405,82</b>

### 3. Other operating income

Other operating income	53 674,84	113 590,10
<b>Other operating income, total</b>	<b>53 674,84</b>	<b>113 590,10</b>

### 4. Materials and services

External services	-5 752 395,05	-5 685 362,59
<b>Materials and services, total</b>	<b>-5 752 395,05</b>	<b>-5 685 362,59</b>

### 5. Average personnel

During financial year	202	148
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### 6. Personnel expenses

Wages and salaries	-5 949 840,37	-4 039 876,21
Pension expenses	-522 637,04	-398 145,17
Other social expenses	-695 959,84	-509 956,93
<b>Personnel expenses, total</b>	<b>-7 168 437,26</b>	<b>-4 947 978,30</b>

### 7. Management compensation

Board of directors and CEO	-245 199,90	-395 221,20
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### 8. Depreciation and amortization by asset class category

#### Intangible assets

Immaterial rights	-220 666,37	-220 509,30
Consolidated goodwill	-17 395,44	-16 774,43
Other capitalised expenditure	-169 730,41	-60 049,83
<b>Total</b>	<b>-407 792,23</b>	<b>-297 333,56</b>

1.1.-31.12.2012 1.1.-31.12.2011

**Tangible assets**

Depreciation of other tangible assets	-1 002,11	-1 018,08
Machinery and equipment	-100 083,55	-87 213,20
<b>Total</b>	<b>-101 085,66</b>	<b>-88 231,28</b>

Depreciation and amortisation, total	-508 877,88	-385 564,84
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**9. Other operating expenses**

Selling, marketing and administration	-12 649 083,29	-10 861 437,02
Others	-14 343 375,00	-8 408 015,94
<b>Other operating expenses, total</b>	<b>-26 992 458,29</b>	<b>-19 269 452,96</b>

**10. Audit fees**

Statutory audit	-157 020,63	-112 773,41
Other audit fees	-329 365,40	-193 435,00
<b>Audit fees, total</b>	<b>-486 386,03</b>	<b>-306 208,41</b>

**11. Financial income and expenses**

Interest and financial income from others	1 365 953,11	1 812 465,20
Interest and financial expense to others	-3 580 047,19	-3 411 321,76
<b>Financial income and expenses, total</b>	<b>-2 214 094,08</b>	<b>-1 598 856,56</b>

**12. Foreign exchange gains and losses**

Foreign exchange gains	1 228 000,55	1 456 084,62
Foreign exchange losses	-1 292 286,63	-1 548 705,89
<b>Foreign exchange gains and losses, total</b>	<b>-64 286,08</b>	<b>-92 621,27</b>

**13. Extraordinary items**

Extraordinary income	817 890,48	0,00
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As an extraordinary item there has been booked in JT Family Holding Oy a one-time VAT refund of 818 k€ from previous years as the VAT status of the Company was reconsidered by Finnish authorities

**14. Income taxes**

Current tax	-1 840 454,13	-1 679 612,03
Tax for previous accounting periods	732,93	7 715,27
Deferred tax	424 374,69	1 146 094,54
<b>Income taxes, total</b>	<b>-1 415 346,51</b>	<b>-525 802,23</b>

## Notes to consolidated balance sheet

<b>15. Intangible assets</b>	<b>Immaterial rights</b>	<b>Other capitalized expenditure</b>	<b>Total</b>
Acquisition cost 1.1.	1 103 012,85	1 418 682,13	2 521 694,98
Translation differences (+/-)	21,06		21,06
Additions	1 274,39	640 875,18	642 149,57
Disposals	-803,59		-803,59
Reclassification between items		24 319,47	24 319,47
Acquisition cost 31.12.	1 103 504,71	2 083 876,78	3 187 381,49
Cumulative depreciation 1.1.	-221 549,81	-116 462,91	-338 012,72
Translation differences (+/-)	-18,83		-18,83
Cumulative depreciation on disposals	785,86		785,86
Amortisation for the period	-220 666,37	-169 730,41	-390 396,78
Accumulated depreciation 31.12.	-441 449,16	-286 193,32	-727 642,48
<b>Book value 31.12.2012</b>	<b>662 055,55</b>	<b>1 797 683,46</b>	<b>2 459 739,01</b>
<b>Book value 31.12.2011</b>	<b>881 463,04</b>	<b>1 302 219,22</b>	<b>2 183 682,26</b>

<b>16. Consolidated goodwill</b>	<b>Total</b>
Acquisition cost 1.1.	93 052,44
Acquisitions	2 457,08
Acquisition cost 31.12.	95 509,52
Cumulative depreciation 1.1.	-70 644,89
Amortisation for the period	-17 395,44
Accumulated depreciation 31.12.	-88 040,33
<b>Book value 31.12.2012</b>	<b>7 469,19</b>
<b>Book value 31.12.2011</b>	<b>22 407,55</b>

<b>17. Tangible assets</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost 1.1.	528 036,96	29 425,08	557 462,04
Translation differences	1 447,52	391,69	1 839,21
Additions	72 258,12	63 810,30	136 068,42
Decrease	-43 541,75		-43 541,75
Reclassification between items		-24 319,47	-24 319,47
Acquisition cost 31.12.	558 200,85	69 307,60	627 508,45
Cumulative depreciation 1.1.	-255 716,35	-940,59	-256 656,94
Translation differences	-1 051,90	-115,80	-1 167,70
Cumulative depreciation of decreases	29 760,44		29 760,44
Amortisation for the period	-100 083,55	-1 002,11	-101 085,66
Accumulated depreciation 31.12.	-327 091,36	-2 058,50	-329 149,86
<b>Book value 31.12.2012</b>	<b>231 109,50</b>	<b>67 249,10</b>	<b>298 358,60</b>
<b>Book value 31.12.2011</b>	<b>272 320,62</b>	<b>28 484,49</b>	<b>300 805,10</b>

<b>18. Investments</b>	<b>Other shares and equity interests</b>
Acquisition cost 1.1.	5 000,00
Disposals	0,00
Acquisition cost 31.12.	5 000,00
Impairment losses during the period	0,00
Accumulated impairment losses 31.12.	0,00
<b>Book value 31.12.2012</b>	<b>5 000,00</b>
<b>Book value 31.12.2011</b>	<b>5 000,00</b>

<b>19. Non-current receivables</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Deferred tax asset	1 775 849,59	1 155 320,08
Accruals	16 370,82	
<b>Non-current receivables, total</b>	<b>1 792 220,41</b>	<b>1 155 320,08</b>



20. Current assets	31.12.2012	31.12.2011
Trade and loan receivables	32 917 451,98	21 935 199,06
Other receivables	703 290,65	741 126,01
Accruals	616 451,26	357 694,58
<b>Current assets, total</b>	<b>34 237 193,89</b>	<b>23 034 019,65</b>

21. Accruals	31.12.2012	31.12.2011
Accrual personnel expenses	0,00	645,55
Accrual taxes	222 489,72	85 142,05
Other accruals	410 332,37	271 906,98
Total	632 822,08	357 694,58

22. Change in equity 2011	Share capital	SVOP reserve	Other reserves	Translation difference	Retained earnings	Equity total
<b>Equity, opening balance 2011</b>	10 000,00		714,53	-3 883,09	5 625 662,47	5 632 493,91
Sales of own shares		67 590,00				67 590,00
Dividend distribution					-347 000,00	-347 000,00
Translation difference (+/-)			-12,92	-690,01	57 756,61	57 053,68
Adjustment to retained earnings					-147 346,52	-147 346,52
Profit/loss for the period					1 404 978,44	1 404 978,44
<b>Equity total, end of 2011</b>	<b>10 000,00</b>	<b>67 590,00</b>	<b>701,61</b>	<b>-4 573,10</b>	<b>6 594 051,01</b>	<b>6 667 769,52</b>

23. Change in equity 2012	Share capital	SVOP reserve	Other reserves	Translation difference	Retained earnings	Equity total
<b>Equity, opening balance 2012</b>	10 000,00	67 590,00	701,61	-4 573,10	6 594 051,01	6 667 769,52
Sales of own shares						
Treasury shares			-16 129,80			-16 129,80
Dividend distribution					-210 000,00	-210 000,00
Translation difference (+/-)			11,28	8 282,44	-22 301,80	-14 008,08
Transfer from equity loans		3 000 000,00				3 000 000,00
Reclassification between items			897,60		-897,60	0,00
Adjustment to retained earnings						
Profit/loss for the period					3 976 912,76	3 976 912,76
<b>Equity total, end of 2012</b>	<b>10 000,00</b>	<b>3 067 590,00</b>	<b>-14 519,31</b>	<b>3 709,34</b>	<b>10 337 764,37</b>	<b>13 404 544,40</b>

<b>24. Non-current liabilities</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Bonds	10 027 000,49	6 280 843,43
Loans from financial institutions	2 541 310,01	2 576 259,33
Other liabilities	8 373 056,26	8 691 087,92
Deferred tax liabilities	330 169,11	175 863,37
<b>Non-current liabilities, total</b>	<b>21 271 535,88</b>	<b>17 724 054,04</b>
<b>25. Current liabilities</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Convertible bonds	0,00	3 000 000,00
Trade payables	1 315 829,65	621 904,81
Other liabilities	1 463 302,17	1 007 125,96
Accruals	4 015 499,27	2 905 444,89
<b>Current liabilities, total</b>	<b>6 794 631,10</b>	<b>7 534 475,66</b>
<b>26. Accruals (non-current and current)</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Accruals of personnel expenses	668 765,02	709 486,77
Accruals of financial items	1 655 035,76	81 482,18
Tax liabilities	697 063,57	1 153 919,92
Other accruals	994 634,93	960 556,01
<b>Total</b>	<b>4 015 499,27</b>	<b>2 905 444,89</b>
<b>27. Deferred tax assets and liabilities</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Deferred tax assets</b>		
From accruals	1 775 849,59	1 155 320,08
<b>Deferred tax liabilities</b>		
From discretionary provisions	161 785,39	175 863,36
From accruals	168 383,72	0,00
<b>Deferred tax liabilities, total</b>	<b>330 169,11</b>	<b>175 863,36</b>

### **Contingencies and commitments**

<b>28. Leasing guarantee</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Payable in financial year 2012	60 620,63	66 660,59
Payable in later financial years	20 835,17	50 822,85
Leasing guarantee, total	81 455,79	117 483,44

<b>29. Other rental liabilities</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Current rental liabilities	260 557,27	132 102,04
Rental liabilities maturing in 1-5 years	141 480,07	
Total other rental liabilities	402 037,34	132 102,04

<b>30. Commitments</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Commitments for intra-group companies	22 154 980,86	17 075 035,82

<b>31. Pledges</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Pledged investments	5 000,00	5 000,00

<b>32. Derivatives</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<u>Bought currency option</u>		
Book value	0,00	0,00
Fair value	19 088,00	28 201,00
Value of the object, subject to derivative	2 926 829,00	2 926 829,00

Parent company has concluded derivative agreement to hedge its net receivable portfolio against currency exchange rate risks.

### **33. Related party transactions**

No loans and nor any other commitments have been issued to any related parties during 2012.

**JT Family Holding Oy**  
**Income statement**

<b>EUR</b>		ref <b>1.1.-31.12.2012</b>	<b>1.1.-31.12.2011</b>
Other operating income	2	597 620,54	744 025,74
Personnel expenses	4	-2 607 024,65	-2 497 846,75
Depreciation, amortisation and impairment	6	-202 491,69	-119 966,97
Other operating expenses	7	-2 945 062,67	-2 531 645,86
<b>OPERATING PROFIT</b>		<b>-5 156 958,47</b>	<b>-4 405 433,84</b>
Financial income and expenses	8	4 379 026,19	-769 599,56
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>		<b>-777 932,28</b>	<b>-5 175 033,40</b>
Extraordinary items	9	3 704 186,22	2 663 568,75
<b>PROFIT/LOSS AFTER EXTRAORDINARY ITEMS</b>		<b>2 926 253,94</b>	<b>-2 511 464,65</b>
Income tax		0,00	0,00
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>2 926 253,94</b>	<b>-2 511 464,65</b>

**JT Family Holding Oy**  
**Balance sheet**

<b>EUR</b>	<b>ref</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	10	1 646 894,51	1 133 524,99
Tangible assets	11	210 786,62	237 796,07
Investments	12	12 146 888,58	979 014,45
<b>NON-CURRENT ASSETS TOTAL</b>		<b>14 004 569,71</b>	<b>2 350 335,51</b>
<b>CURRENT ASSETS</b>			
Non-current receivables	13	23 121 029,19	13 207 008,19
Current receivables	14	4 686 850,98	3 850 584,25
Cash and bank		598 924,28	2 720 056,34
<b>CURRENT ASSETS TOTAL</b>		<b>28 406 804,45</b>	<b>19 777 648,78</b>
<b>ASSETS TOTAL</b>		<b>42 411 374,16</b>	<b>22 127 984,29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
	16- 17		
Share capital		10 000,00	10 000,00
Treasury shares		-16 129,80	
Other reserves total		3 067 590,00	67 590,00
Retained earnings		9 981,96	2 731 446,61
Profit/loss for the period		2 926 253,94	-2 511 464,65
<b>EQUITY TOTAL</b>		<b>5 997 696,10</b>	<b>297 571,96</b>
<b>LIABILITIES</b>			
Non-current liabilities, interest-bearing	19	24 818 752,00	17 610 415,82
Current liabilities, interest-bearing	20	9 943 826,10	3 000 000,00
Current liabilities, interest-free	20	1 651 099,96	1 219 996,51
<b>LIABILITIES TOTAL</b>		<b>36 413 678,06</b>	<b>21 830 412,33</b>
<b>EQUITY AND LIABILITIES TOTAL</b>		<b>42 411 374,16</b>	<b>22 127 984,29</b>

**JT Family Holding Oy**  
**Cash flow statement**

**EUR**

**1.1.-31.12.2012 1.1.-31.12.2011**

**Cash flows from operating activities**

Profit/loss for the period	2 926 253,94	-2 511 464,65
<u>Adjustments for:</u>		
Depreciation, amortisation & impairment loss	202 491,69	119 966,97
Financial income and expenses	-4 379 026,19	769 599,56
Other adjustments	-3 704 186,22	-2 663 568,75
Operating profit before working capital changes	-4 954 466,78	-4 285 466,87
<u>Working capital changes:</u>		
Increase (-) /decrease(+) in trade and other receivables	-565 853,77	105 374,90
Increase (+) / decrease (-) in trade payables	63 240,14	-242 029,91
Cash generated from operations	-5 457 080,41	-4 422 121,88
Interest paid	-1 461 341,57	-1 022 425,44
Dividends received	0,00	1 427 212,65
Interest received	276 602,16	276 164,52
Other financing items	-196 139,31	-402 838,86
Income taxes paid		
Cash flow before extraordinary items	-6 837 959,13	-4 144 009,01
Cash flow from extraordinary items	817 890,48	
<b>Net cash from operating activities (A)</b>	<b>-6 020 068,65</b>	<b>-4 144 009,01</b>

EUR

1.1.-31.12.2012 1.1.-31.12.2011

**Cash flows from investing activities**

Purchase of tangible and intangible assets	-688 851,76	-995 765,94
Acquisition of subsidiaries	-11 167 874,13	-616 606,63
Loans granted (-) / Repayments of loans (+)	-5 181 769,37	-6 726 458,23
<b>Net cash used in investing activities (B)</b>	<b>-17 038 495,26</b>	<b>-8 338 830,80</b>

**Cash flows from financing activities**

Purchase of own shares	-16 129,80	-43 012,80
Proceeds from sale of own shares		67 590,00
Proceeds from short-term borrowings (+) / Repayment (-)	9 943 826,10	0,00
Proceeds from long-term borrowings (+) / Repayment (-)	7 208 336,18	13 740 449,31
Dividends paid	-209 433,05	-347 000,00
Group contribution received (+) / paid (-)	4 010 832,42	1 767 364,87
<b>Net cash used in financing activities (C)</b>	<b>20 937 431,85</b>	<b>15 185 391,38</b>

**Net increase/decrease in cash and cash equivalents (A+B+C)**

**-2 121 132,06 2 702 551,57**

Cash and cash equivalents at beginning of the period	2 720 056,34	17 504,77
Net increase/decrease in cash and cash equivalents	-2 121 132,06	2 702 551,57
Cash and cash equivalents at the end of the period	598 924,28	2 720 056,34

## **1. Notes to financial statements of parent company**

### **Parent company information**

JT Family Holding Oy, registered in Helsinki, is the parent company of the JT Family Holding Group. Copies of the consolidated financial statements can be obtained from JT Family Holding Oy, located in Ratamestarinkatu 11 A, 00520 Helsinki.

### **Accounting principles**

#### **Valuation methods**

Tangible assets have been valued at acquisition cost.

#### **Allocation principles and methods**

The acquisition cost of tangible assets is depreciated according to plan. The difference between the acquisition cost and residual value of the asset is booked as depreciation over the economic period of the asset.

#### **Depreciation periods**

Investments for rental premises - 4 years

Immaterial rights - 5 to 10 years

Tangible assets - 25% declining depreciation

The credit limit arrangement under the long-term liabilities is for an indefinite period. The agreement can be terminated in less than a year.

The management foresees the duration of the agreement to be over a year and therefore the credit limit is presented under long-term liabilities.

#### **Comparative data**

The length of the financial year is 12 months (1.1.2012-31.12.2012).

The comparative data from financial year 2011 has been changed to reflect the presentation of income statement and balance sheet items in financial year 2012.

#### **Foreign currency valuation**

Foreign currency receivables and payables have been valued at the purchase and sales exchange rates quoted by the Finnish National Bank at the end of the financial year.

#### **Exceptional items**

Exceptional items consist of group contributions received from Ferratum Finland Oy and group contributions paid to Ferratum Capital Oy.

#### **Share capital**

The share capital of the company is 10,000.00 euros, and the number of the company's shares is 11,112 shares. The shares have no nominal value. All the shares are attached with equal voting rights and equal right when distributing dividend.



## Ownership in group companies

## Ownership

Ferratum Finland Oy, Helsinki	100 %
Ferratum Estonia OÜ, Estonia	100 %
Ferratum Netherlands B.V., Netherlands	100 %
Ferratum Latvia SIA, Latvia	100 %
UAB Ferratum, Lithuania	100 %
Ferratum Sweden AB, Sweden	100 %
Ferratum Czech s.r.o., Czech republic	100 %
Ferratum Poland Sp. Z.o.o., Poland	100 %
Ferratum Finance Sp. Z.o.o., Poland	100 %
Ferratum Spain SL, Spain	100 %
Ferratum Bulgaria EOOD, Bulgaria	100 %
Ferratum Finance d.o.o., Slovenia	100 %
Ferratum Slovakia s.r.o., Slovakia	100 %
Ferratum Denmark ApS, Denmark	100 %
Ferratum Belgium BVBA, Belgium	99,99 %
Ferratum UK Ltd, Great Britain	100 %
Ferratum Capital Oy, Helsinki	100 %
Global Guarantee OÜ, Estonia	100 %
Ferratum d.o.o., Croatia	100 %
Ferratum Capital Poland S.A., Poland	100 %
Ferratum New Zealand Ltd., New Zealand	100 %
Ferratum Finance B.V., Netherlands	100 %
Pelegrat B.V., Netherlands	100 %
Ferratum Australia Pty Ltd, Australia	100 %
Ferratum Singapore Pte. , Singapore	100 %
Numeratum d.o.o., Croatia	100 %
OOO Ferratum Russia, Russia	100 %
Ferratum Bank (Malta) Limited, Malta	0,00001 %
Ferratum (Malta) Holding Limited, Malta	99,99999 %
Ferbuy Singapore Pte. Ltd., Singapore	90 %
Swespar AB, Sweden	100 %
Nereida Spain S.L., Spain	100 %

Ferratum Finland Oy holds 0,01% of the shares of Ferratum Belgium BVBA and 0,00001 % of the shares of Ferratum (Malta) Holding Limited.

Ferratum (Malta) Holding Limited holds 99,99999 % of the shares of Ferratum Bank (Malta) and JT Family Holding Oy holds 0,00001 % of the shares of Ferratum Bank (Malta) Limited.

**Notes to income statement of parent company**

<b>EUR</b>	<b>1.1.-31.12.2012</b>	<b>1.1.-31.12.2011</b>
<b>2. Other operating income</b>		
Other operating income	597 620,54	744 025,74
<b>3. Average personnel</b>		
During financial year	40	46
<b>4. Personnel expenses</b>		
Wages and salaries	-2 158 758,40	-2 018 232,72
Pension expenses	-302 037,46	-284 144,66
Other social expenses	-146 228,79	-195 469,37
<b>Personnel expenses, total</b>	<b>-2 607 024,65</b>	<b>-2 497 846,75</b>
<b>5. Management compensation</b>		
Board of directors and CEO	-245 199,90	-395 221,20
<b>6. Depreciation and amortization by asset class category</b>		
<b>Intangible assets</b>		
Other capitalised expenditure	-135 991,41	-60 049,83
<b>Tangible assets</b>		
Machinery and equipment	-66 500,28	-59 917,14
<b>Total</b>	<b>-202 491,69</b>	<b>-119 966,97</b>
<b>7. Other operating expenses</b>		
Selling, marketing and administration	-2 912 068,19	-2 519 345,86
Audit fees	-32 994,48	-12 300,00

EUR

1.1.-31.12.2012 1.1.-31.12.2011

## 8. Financial income and expences

### Financial income

Intra-group dividend income	4 176 309,09	0,00
Intra-group dividend income, total	4 176 309,09	0,00
Other intra-group interest and financial income	2 332 357,43	703 510,16
Other interest and financial income from others	1 271 553,11	1 487 605,67
Other financial income	3 603 910,54	2 191 115,83
Financial income, total	7 780 219,63	2 191 115,83

### Financial expenses

Other intra-group interest and financial expenses	-1 227 698,78	-616 645,18
Other interest and financial expenses from others	-2 173 494,66	-2 344 070,21
Other financial expenses	-3 401 193,44	-2 960 715,39
Financial income and expenses, total	4 379 026,19	-769 599,56
Foreign exchange gains and losses, total	-127 218,45	-95 630,48

## 9. Extraordinary items

Other extraordinary income	817 890,48	
Group contributions received	2 888 295,74	2 663 568,75
Group contributions paid	-2 000,00	
Extraordinary items, total	3 704 186,22	2 663 568,75

As an extraordinary item there has been booked in JT Family Holding Oy a one-time VAT refund of 818 k€ from previous years as the VAT status of the Company was reconsidered by Finnish authorities

## Notes to balance sheet of parent company

<b>10. Intangible assets</b>	<b>Other capitalised expenditures</b>
Acquisition cost 1.1.	1 249 987,90
Additions	625 041,46
Reclassification between items	24 319,47
Acquisition cost 31.12.	1 899 348,83
Accumulated depreciation 1.1.	-116 462,91
Amortisation for the period	-135 991,41
Accumulated depreciation 31.12.	-252 454,32
<b>Book value 31.12.2012</b>	<b>1 646 894,51</b>
<b>Book value 31.12.2011</b>	<b>1 133 524,99</b>

<b>11. Tangible assets</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost 1.1.	372 276,21	25 269,47	397 545,68
Additions	0,00	63 810,30	63 810,30
Reclassification between items	0,00	-24 319,47	-24 319,47
Acquisition cost 31.12.	372 276,21	64 760,30	437 036,51
Accumulated depreciation 1.1.	-159 749,61	0,00	-159 749,61
Amortisation for the period	-66 500,28	0,00	-66 500,28
Accumulated depreciation 31.12.	-226 249,89	0,00	-226 249,89
<b>Book value 31.12.2012</b>	<b>146 026,32</b>	<b>64 760,30</b>	<b>210 786,62</b>
<b>Book value 31.12.2011</b>	<b>212 526,60</b>	<b>25 269,47</b>	<b>237 796,07</b>

<b>12. Investments 2012</b>	<b>Other shares and equity interests</b>
Acquisition cost 1.1.	979 014,45
Additions	11 167 874,13
Acquisition cost 31.12.2012	12 146 888,58
<b>Book value 31.12.2012</b>	<b>12 146 888,58</b>
<b>Book value 31.12.2011</b>	<b>979 014,45</b>

<b>13. Non-current receivables</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Receivables from intra-group companies	23 117 829,19	13 207 008,19
Permanent receivables from employees	3 200,00	

<b>14. Current receivables</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Trade and loan receivables	0,00	13 702,70
Other receivables	637 415,59	602 964,33
Receivables from intra-group companies	3 994 502,11	3 168 146,61
Accruals	54 933,28	65 770,61
<b>Current receivables, total</b>	<b>4 686 850,98</b>	<b>3 850 584,25</b>

**15. Accruals**

Accrual personnel expenses	0,00	0,00
Other accruals	58 133,28	65 770,61
<b>Total</b>	<b>58 133,28</b>	<b>65 770,61</b>

	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>16. Change in equity 2011</b>				
<b>Equity, opening balance</b>	10 000,00		3 165 634,03	3 175 634,03
Additions		67 590,00	0,00	67 590,00
Dividend distribution			-347 000,00	-347 000,00
Adjustment to retained earnings			-87 187,42	-87 187,42
Profit/loss for the period			-2 511 464,65	-2 511 464,65
<b>Equity total, end of 2011</b>	<b>10 000,00</b>	<b>67 590,00</b>	<b>219 981,96</b>	<b>297 571,96</b>

	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>17. Change in equity 2012</b>				
<b>Equity, opening balance</b>	10 000,00	67 590,00	219 981,96	297 571,96
Reclassification between items		3 000 000,00		3 000 000,00
Dividend distribution			-210 000,00	-210 000,00
Treasury shares			-16 129,80	-16 129,80
Profit/loss for the period			2 926 253,94	2 926 253,94
<b>Equity total, end of 2012</b>	<b>10 000,00</b>	<b>3 067 590,00</b>	<b>2 920 106,10</b>	<b>5 997 696,10</b>

<b>18. Distributable equity</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
SVOP reserve	3 067 590,00	67 590,00
Treasury shares	-16 129,80	
Retained earnings	9 981,96	2 731 446,61
Profit/loss for the period	2 926 253,94	-2 511 464,65
<b>Distributable equity, total</b>	<b>5 987 696,10</b>	<b>287 571,96</b>

## 19. Non-current liabilities

	31.12.2012	31.12.2011
Loans from financial institutions	0,00	114 284,53
Other liabilities	8 346 848,00	8 291 948,23
Non-current intra-group debts	16 471 904,00	9 204 183,06
<b>Non-current liabilities, total</b>	<b>24 818 752,00</b>	<b>17 610 415,82</b>

## 20. Current liabilities

	31.12.2012	31.12.2011
Convertible bonds	0,00	3 000 000,00
Trade payables	416 431,53	135 599,80
Other liabilities	56 458,53	128 984,00
Accruals	645 015,76	767 057,86
Intra-group liabilities	10 477 020,24	188 354,85
<b>Current liabilities, total</b>	<b>11 594 926,06</b>	<b>4 219 996,51</b>

## 21. Accruals (non-current and current)

	31.12.2012	31.12.2011
Accruals of personnel expenses	382 505,16	501 997,66
Other accruals	262 510,60	265 060,20
<b>Total</b>	<b>645 015,76</b>	<b>767 057,86</b>

<b>22. Leasing guarantees</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Payable in financial year 2012	0,00	2 463,54
<b>Leasing guarantees, total</b>	<b>0,00</b>	<b>2 463,54</b>

<b>23. Other rental liabilities</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Current rental liabilities	21 300,00	19 818,00
<b>Total other rental liabilities</b>	<b>21 300,00</b>	<b>19 818,00</b>

<b>24. Commitments</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Commitments for intra-group companies	22 154 980,86	17 075 035,82

All companies in Ferratum Group incl. Ferratum Bank participates in the group treasury program. Subsequently Ferratum Bank has issued an intercompany loan agreement of up to 10 M € to JT Family Holding Oy. As a part of this agreement JT Family Holding Oy has issued a comfort letter for Ferratum Bank for payment of all sums of money which may become due and payable to Ferratum Bank by JT Family Holding Oy.

<b>25. Derivatives</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<u>Bought currency option</u>		
Book value	0,00	0,00
Fair value	19 088,00	28 201,00
Value of the object, subject to derivative	2 926 829,00	2 926 829,00

Parent company has concluded derivative agreement to hedge its net receivable portfolio against currency exchange rate risks.

## **26. Related party transactions**

No loans and nor any other commitments have been issued to any related parties during 2012.

## List of accounting ledgers

Income statement	electronic format
Balance sheet	electronic format
General ledger	electronic format
Daily journal	electronic format
Accounting documents	electronic format
Chart of account	electronic format
Annual report	paperback



## **Signing of annual report**

Malta \_\_.\_\_.2013

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Erik Ferm, Chairman of the Board

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Lea Liigus, Member of the Board

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Jorma Jokela, CEO, Member of the Board

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Kai Becker, Member of the Board

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Juhani Vanhala, Member of the Board

## **We today issued a report on the audit performed**

Helsinki \_\_.\_\_.2013

PricewaterhouseCoopers Oy  
Authorised Public Accountants

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Mikko Nieminen, Authorised Public Accountant