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DF Deutsche Forfait AG

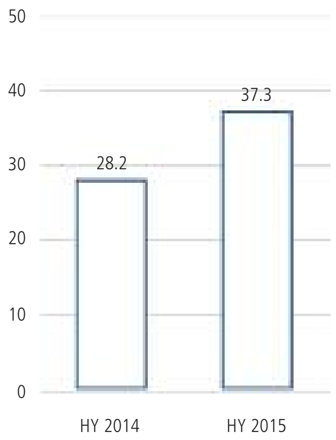
Interim Report

Period: 01-01 to 30-06-2015

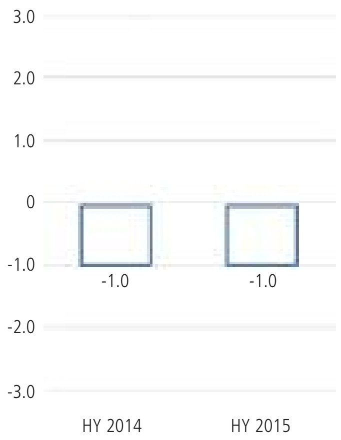
CONSOLIDATED KEY FIGURES

in EUR million (unless otherwise noted)	2015 Q1	2015 Q2	2015 Mid-Year	2014 Mid-Year	Change Mid-Year
Business volume	25.2	12.1	37.3	28.2	+32.3%
Gross result including financial results	-0.5	-0.5	-1.0	-1.0	–
Administrative costs	2.4	3.1	5.5	6.0	-8.3%
Earnings before income taxes	-1.9	-3.5	-5.4	-6.9	–
Consolidated result	-1.9	-3.4	-5.3	-6.9	–
Average earnings per share in EUR	-0.28	-0.50	-0.78	-1.01	–

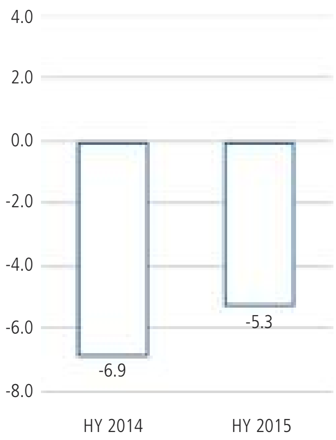
Business volume
(in EUR million)



Gross result incl. financial results
(in EUR million)



Consolidated result
(in EUR million)



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GROUP MANAGEMENT REPORT

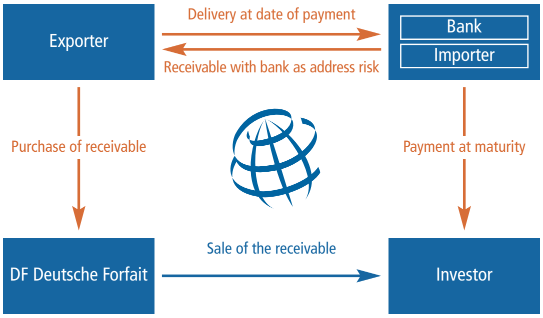
Fundamentals of the DF Group

BUSINESS MODEL OF THE GROUP

DF Group ("DF Group" comprises DF AG as well as all related entities within the meaning of Section 271 (2) of the German Commercial Code (HGB)) specializes in foreign trade financing with a focus on the emerging markets.

Forfaiting is a classical export financing instrument. Forfaiting is defined as the non-recourse purchase of mostly medium-term receivables from trading transactions ("foreign trade receivables" or "receivables") with a residual term of between one and five years where the buyer's recourse to the seller is limited to the legal validity of the receivable. In addition, short-term receivables with a residual term of less than one year and, in individual cases, long-term receivables with a residual term of more than five years are purchased. When selling their products to importers, exporters frequently have to grant extended payment terms. While this practice has increasingly gained in strategic importance against the background of stiffening international competition, it results in the exporter's balance sheet being loaded with receivables. Forfaiting transactions typically involve foreign trade receivables, in particular in the form of receivables from bills of exchange and letters of credit, as well as unsecured claims. Receivables eligible for forfaiting are purchased 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-month 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.

Classic Forfaiting



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.

Forfaiting is an interesting proposition for export-oriented companies in view of the market saturation tendencies in the developed countries and the industrialized countries, in particular, which heightens the strategic and business importance of developing new markets in the world's growth regions. On the one hand, the successful development of new markets facilitates further growth; on the other hand, the margins in new, still growing markets (which are the typical characteristics of developing countries) are usually higher and hence 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 their business model but not financial risks such as exchange rate risks 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.

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 currently comprises five subsidiaries. These are headquartered in Brazil (São Paulo), the Czech Republic (Prague), the USA (Miami), Pakistan (Lahore) and United Arab Emirates (Dubai). The Dubai subsidiary was sold effective 31 May 2015; approval by the local financial regulator is still pending at the time of the preparation of this half-year report. 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 (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 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 processing 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.

Economic report

MACROECONOMIC AND INDUSTRY-RELATED ENVIRONMENT

According to the International Monetary Fund (IMF), the world economy continues to grow moderately. Compared to their April figures, the IMF's July forecast lowered the expectation of global economic growth in 2015 by 0.2 percentage points to 3.3%. The industrialized nations' gross domestic product (GDP) is set to grow at a rate of 2.1%, being stimulated, in particular, by the persistently low price of oil. Geopolitical risks exist in the situation in Ukraine and in the Middle East. The 2015 growth forecast for the US economy was cut from 3.1% to 2.5%. The IMF experts continue to assume that the Eurogroup countries will grow at a rate of 1.5% and their projection for Germany has remained at 1.6%. While growth prospects for the emerging and developing countries have partially clouded over, the IMF says that the emerging nations will account for some 70% of global growth in 2015, meaning that market conditions for DF Group have to be viewed as being positive overall. The emerging and developing countries are attractive to many companies from the consumer and capital goods industries, as these markets are not saturated yet. The IMF economists' expectation of the volume of world trade in 2015 has been upgraded at the half-year stage; the volume is now expected to grow by 4.1% compared to the 3.7% estimate published in April.

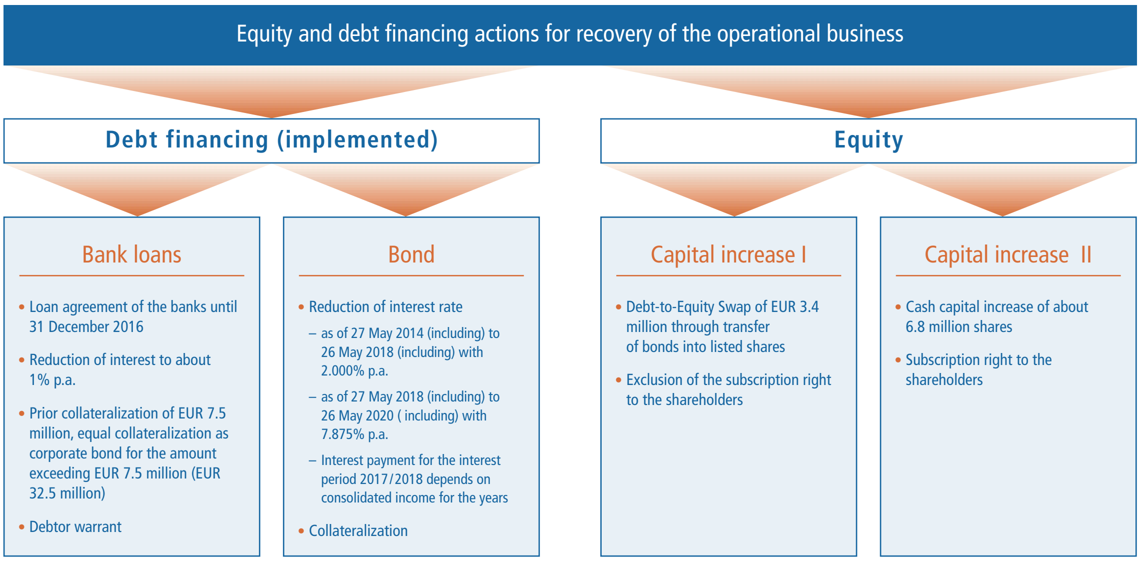
While nearly all international banks in the primary market offer their customers foreign trade financing products, only very few of them have their own major forfaiting departments. Forfaiting is often seen as an additional service and, hence, as a customer retention instrument. The main business volume of international banks continues to come from "classic" transactions with standard documents, which, from DF Group's point of view, offer relatively low margins. They mainly concentrate on short-term risks in their respective home region and operate in very focused niches (e.g. VTB Paris, Ghana International Bank London). 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 and/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.

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. At the same time, the markets in which DF Group operated as a buyer and seller have changed over the past months, in some cases quite significantly. In early 2014, for instance, Germany was a particularly attractive market for DF Group; in 2015, this market is much more contested, not least because of the availability of "cheap money" and universal banks' increased interest in trade finance. By contrast, margins in certain Eastern European markets have widened notably because of too low competition. Due to limited resources, e.g. as a result of the capacities tied up in the implementation of the restructuring concept and the fact that DF Group's refinancing base and risk-bearing capacity will be constrained until the restructuring concept is (fully) implemented, the company was unable to convert a sufficient number of business inquiries into the transaction volume required to recover its costs during the first half of 2015.

BUSINESS PERFORMANCE

The second quarter of 2015 was marked by the financial and operational restructuring of the company and saw DF Group successfully implementing essential elements of the restructuring concept.

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



Signing of the credit agreements

The credit documentation for loans totaling EUR 40 million running until 31 December 2016 was signed on 15 May 2015. To help facilitate DF Group's swift return to profitability, the lending banks have reduced the interest on their credit lines to EURIBOR, or LIBOR, respectively, plus 75 basis points. This created an essential prerequisite for the amendment of the terms and conditions of the corporate bond issued by DF Deutsche Forfait AG (ISIN: DE000A1R1CC4, "DF Bond") as endorsed by the second meeting of bondholders of 19 February 2015 and also created an essential prerequisite for the non-cash capital increase and the cash capital increase.

Amendment of the terms and conditions of the bond

On 18 May 2015, the company informed the joint representative of the bondholders that the conditions precedent for the amendment of the terms and conditions of the bond decided at the second bondholders' meeting were fulfilled. On this basis, the joint representative approved the amendment of the terms and conditions of the bond on 18 May 2015, which means, among other things, that interest on the bond payable with retroactive effect from 27 May of each year were 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.

Publication of swap offer (capital increase I "debt-to-equity swap")

On 18 May 2015, the offer for the debt-to-equity swap (non-cash capital increase) was published. Bondholders were invited to submit their bonds on a voluntary basis between 19 May 2015 and 8 June 2015. 580 new registered no-par value shares were issued for each bond with a nominal value of EUR 1,000. Bonds of a nominal value of EUR 5.6 million were submitted for swapping, allowing for 95% placement of the targeted volume of the non-cash capital increase.

Cash capital increase

On 12 June 2015 the Board of Management of DF AG, having previously obtained the consent of the Supervisory Board, decided to implement the cash capital increase with subscription rights for the existing shareholders ("cash capital increase") endorsed by the ordinary AGM on 22 January 2015. A maximum of 6,800,000 new registered shares were to be issued by DF AG. The subscription price was set at EUR 1.30. On 18 June 2015 the securities prospectus was approved by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin).

The current state of implementation of the measures as well the resulting uncertainties and the persisting risks to the company's going concern ability are discussed in the sections "Post-balance sheet events" and in "Opportunity and risk report"/Going concern risks".

Result of operations

DF Group generated a consolidated net loss of EUR 5.3 million in the first half of 2015 (previous year: consolidated net loss of EUR 6.9 million).

The amendment of the terms and conditions of the bond, the negotiation of the loan agreements, the implementation of the non-cash capital increase and the preparation of the securities prospectus for the cash capital increase entailed high legal and consultancy fees while also tying down considerable management resources. At the same time, the funds to be provided through the capital measures were not yet available for running the business. Business volume in the first quarter of 2015 amounted to EUR 37.3 million, up 32% on the prior-year period's EUR 28.2 million. This means business in the first six months of 2015 was slightly higher than planned in the IDW S6 restructuring report of April 2015 (EUR 35 million). Due to the special situation encountered by DF Group, neither the business volume for the first half of 2015 nor for the first half of 2014 allow for meaningful comparison with the figures recorded in prior years.

While the first half of 2014 was marked by the company's inclusion in the OFAC's SDN list, the first half of 2015 was influenced by the ongoing financial and business restructuring of the company.

The gross result before financial results amounted to EUR 0.2 million, down by EUR 0.7 million on the previous year's EUR 0.9 million. The fair value measurement of receivables held for trading had a positive net effect of EUR 0.3 million. This positive effect was reduced by the net effect of releasing and creating provisions for forfaiting and purchase commitments and write-downs of other receivables in the amount of EUR 0.2 million. The difference between exchange gains and losses was negative at EUR -0.3 million, compared to a balanced result in the prior-year period.

Other operating income in the first half of the year amounted to EUR 1.1 million, which includes the release through profit/loss of interest liabilities totaling EUR 1.0 million. This release of interest liabilities became possible as a result of the amended terms and conditions of the bond as endorsed by the second meeting of bondholders of 19 February 2015. The interest liabilities which had accrued on the basis of the originally agreed nominal interest rate of 7.875% p.a. during the period from 27 May 2014 to 31 December 2014, and which were reported as liabilities on the balance sheet, were partially released through profit/loss following the coming into force of the retroactive reduction in the nominal interest rate to 2.000% p.a.

Administrative expenses, which are composed of personnel expenses, depreciation/amortization and other operating expenses, amounted to EUR 5.5 million in the first half of 2015 (H1 previous year: EUR 6.0 million (-9.9%)). While personnel expenses declined from EUR 2.3 million to EUR 1.4 million (-39.0%) due to the lower staffing level, other operating expenses rose by 10% to EUR 4.1 million compared to the first half of 2014. This amount includes EUR 2.2 million in legal and consultancy fees, primarily relating to the implementation of the previously described restructuring measures and the collection of overdue receivables.

Coming in at EUR -1.2 million, financial results improved by EUR 0.7 million (+34.5%) on the prior year period (EUR -1.9 Mio.), reflecting the reduced interest payable on the bond.

Financial position

In the first half of 2015 DF Group generated a positive cash flow from operations of EUR 5.4 million (previous year: EUR -1.2 million). The cash flow mainly resulted from the reduction in trade receivables amounting to EUR 17.2 million. Negative impacts on cash flow from operations included the consolidated loss of EUR 5.2 million as well as the decline in trade accounts payable.

As of 30 June 2015, DF Group posted negative equity capital of EUR 11.3 million. The reduction in the equity capital by a total of around EUR 6.0 million compared to the 31 December 2014 balance sheet date reflects the consolidated EUR 5.2 million loss for the first half of 2015 as well as the charging of EUR 0.9 million in costs of the capital measures against the capital reserves.

Liabilities to banks amounted to EUR 37.3 million on 30 June 2015. These liabilities were almost exclusively denominated in USD and EUR and all have a maturity until 31 December 2016. Compared to the 31 December 2014 balance sheet date this means that liabilities to banks declined by EUR 6.0 million (-13.9%). Apart from cut-off date effects, this decline reflects the balancing of the exchange-rate related overdraft of credit lines with two banks whose lines were redenominated to EUR in May 2015. Besides the liabilities to banks, DF Deutsche Forfait s.r.o., Prague (hereinafter referred to as "DF s.r.o.") had a financial liability of EUR 2.0 million towards a financial investor as of 30 June 2015, which is recognized under "other non-current liabilities" and is exclusively denominated in EUR. The May 2013 placement of the nominal EUR 30 million bond maturing in May 2020 resulted in a non-current financial liability of EUR 29.0 million. Trade liabilities amounted to EUR 3.4 million compared to EUR 9.6 million on 31 December 2014 (-64.6%); these payables are mainly amounts received for transfer to our clients. As at 30 June, other current liabilities amounted to EUR 3.3 million compared to EUR 8.4 million on 31 December 2014 (-60.2%); this includes the above-mentioned EUR 2.0 million liability towards the investor who has taken over the Czech banks' credit receivables against DF s.r.o.

The company's off-balance sheet contingent liabilities from purchase and forfaiting commitments totaled EUR 8.0 million on 30 June 2015.

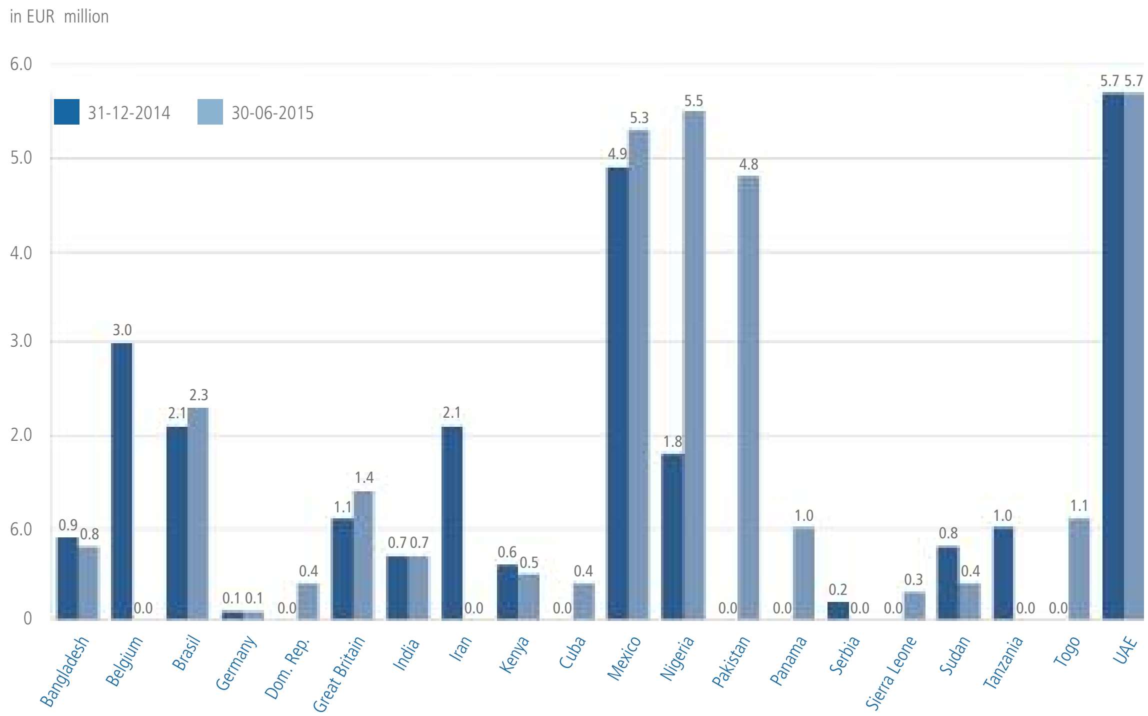
Net assets position

On 30 June 2015, trade receivables amounted to EUR 52.5 million, down from EUR 69.7 million (-24.7%) on 31 December 2014. The decline by EUR 17.2 million reflects the collection of existing receivables as well as the low level of business. Based on their nominal values, 61% of forfaiting transactions, which account for the bulk of trade receivables, are secured (previous year: 67%). The security typically takes the form of a buyer's irrevocable obligation to acquire a given receivable, or credit insurance or bank guarantees. Cash securities are in place in individual cases. The net risk (nominal values / gross risk less applicable securities) including contingent liabilities amounted to EUR 30.7 million on 30 June 2015 and breaks down as shown in the graph on the next page.

Cash and cash equivalents amounted to EUR 8.0 million on 30 June 2015, down EUR 6.7 million (-43.7%) on 31 December 2014. Cash and cash equivalents also include payments received for passing on to third parties (EUR 1.7 million), funds furnished as collateral for financing at matching currencies (EUR 2.6 million) as well as deposits pledged for financing purposes (EUR 1.2 million).

As of 30 June 2015, DF Group's balance sheet is over-indebted. This is due to the high consolidated net loss for 2014 of EUR 15.5 million, which was essentially caused by the parent company being named on the OFAC SDN list. In addition, there is the consolidated first-half 2015 loss which primarily reflects the costs of the financial restructuring and the low volume of business typically handled during such a restructuring phase, with both these factors being consequences of the SDN listing. It did not and currently does not exist an obligation for insolvency application, since the board of management anticipates a positive going concern for DF AG based on an expert statement. The experts' positive verdict is predicated on the assumption that the lending banks will refrain from calling the loans because of the existing and foreseeable covenant breaches during the remaining term of the loans.

Net risk divided by countries



DF SHARE AND BOND

Performance of the DF share in H1 2015

The DF share opened the year 2015 at EUR 1.49 but lost in value during the first half and closed at EUR 1.22 on 30 June 2015. This is equivalent to a performance of -18% in the first six months. The SDAX and the DAXsector Financial Services, the index for financial sector shares, gained 19% and approx. 13%, respectively, during the same period. The DF share reached a quarterly low of EUR 1.10 on 2 February and a high of EUR 1.51 on 26 February. A total of 778,076 shares (XETRA) were traded in the first half of 2015. This represents a 64% decline compared to the daily trading volume in H1 2014. In the prior year period, the share turnover was far above average due to the OFAC listing.

From 22 July onwards the DF Deutsche Forfait AG share came under pressure and has since traded in a range between EUR 0.60 and EUR 1.0. The erosion of the share price was caused by the lower than expected inflow of funds from the cash capital increase.

Performance of the DF bond in H1 2015

Following a strong upward movement in the second quarter of 2015, the DF bond finished the half year at 63%. In light of the decisions taken by the second meeting of bondholders on 19 February 2015, trade in the bond was temporarily suspended by Deutsche Börse and resumed on 16 April 2015 once the prerequisites for the implementation of the bond-holders' decisions were in place. This translates into an 18% performance of the DF bond during the first six months. DF bonds in the total amount of EUR 4.76 million (nominal) were traded at the Frankfurt Stock Exchange in the first half of 2015, which is equivalent to an amount of EUR 52,275 per day. The Entry Corporate Bond Index, in which the DF bond is listed, gained close to 8% in the first half of 2015.

Post-balance sheet events

Changes on the Board of Management

Effective 1 July 2015 Mark West was appointed to the Board of Management in accordance with the respective decision taken by the Supervisory Board. This has temporarily brought the number of members of the Board of Management to three. Marina Attawar will retire from the Board for personal reasons at year-end 2015 but will remain involved in the company as a consultant and as a major shareholder. As from 1 January 2016, the company will be managed by Mark West (Market, Sales) and Frank Hock (Finance), the latter's contract having been renewed. Mark West has long-standing experience and extensive expertise in the trade finance and forfaiting business. He was a main board director of London Forfaiting Company, the first listed, and at the time the biggest, firm in this segment of the market, and he was instrumental in building their business.

Cash capital increase fell short of expectations

On 12 June DF AG announced a cash capital increase with subscription rights for the existing shareholders ("cash capital increase") and completed the exercise on 22 July 2015. A total of 3,093,955 new registered shares of no par value were placed at a price of EUR 1.30, generating gross proceeds of around EUR 4.0 million. With only about 45% of the available 6,800,000 new registered shares subscribed, the recapitalization turned out to be EUR 6 million below the level envisaged in the IDW S6 report of 29 April 2015. Registration of the cash capital increase in the company's registry, which is required for it to become legally effective, is conditional on the non-cash capital increase being entered in the company's registry. This means that the cash capital increase will only be registered once the lending banks have issued their waivers, i.e. if and when DF AG's restructuring ability has been confirmed and accepted. However, agreement to the non-cash capital increase was conditional on a minimum strengthening of the company's capitalization, which was to be achieved through the cash capital increase. Against the background of only 45% of the available shares having been subscribed, the completion of the company's financial restructuring is seriously jeopardized.

The measures envisaged in response to this situation are discussed in the section "Opportunity and risk report"/Going concern risks".

Opportunities and risk management report

A detailed presentation of the relevant opportunities and risks is provided in the Group management report for the period ended 31 December 2014.

Classification of risk and 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. The 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 in the right column shows DF Group's risk assessment.

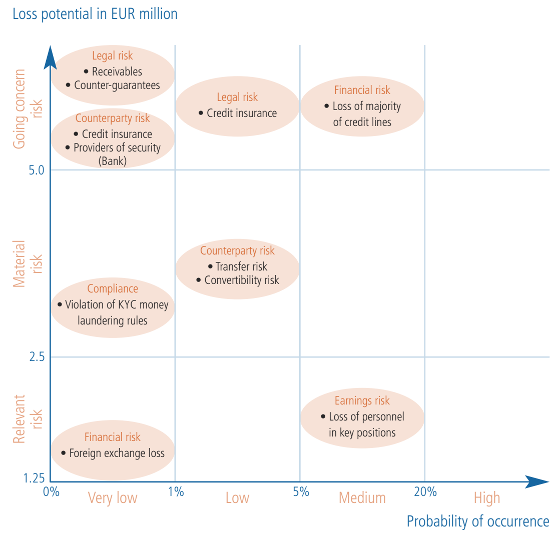
Going concern risks

Based on the general risk classification as shown in the matrix in the right column, in particular the risks associated with the operating activity constitute going concern risks, which are listed in the table below.

In addition to the claims against the companies listed in the table, DF Group has corresponding 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.

Risk map of the DF Group



- DF Group has put forward claims for credit-insured receivables against various private credit insurers in London in the amount of EUR 10.0 million. In several cases, these claims have to be enforced in arbitration proceedings.

Going concern risks for the DF Group

(Primary) Debtor	Book value of the receivable*	DF Group risk assessment
Service provider oil exploration, Mexico	EUR 14.4 million	Except for a small residual amount, the receivables are insured by private credit insurers. In June 2015 the company received an indemnification payment in the amount of USD 9.6 million from a credit insurer. The debtor is currently insolvent but remains in restructuring negotiations with its creditors and new (debt and equity) investors.
Steel trader, Great Britain	EUR 8.7 million	Part of the receivable (EUR 5.2 million) is credit insured. In July 2015 a restructuring agreement was signed for the non-credit-insured part, providing for full reimbursement (in instalments) of the non-credit-insured amount over the next few years.
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 majority of 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.
Machinery manufacturer, Mexico	EUR 2.1 million	Credit insurance has filed an action for a declaratory judgement to define the beneficiary of the compensation payment. There are competing claims of DF AG and a US bank.

*Including other receivables (interest)

- 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, the material negative financial and economic effects of the listing of DF AG and some of its subsidiaries on the OFAC's SDN list have made it necessary to strengthen the equity capital and to restructure the debt capital. The parent company has therefore developed a concept for the comprehensive restructuring of its equity and debt capital and commissioned a restructuring report pursuant to IDW S6 report of 29 April 2015.

In DF Group's present situation material risks exist with regard to the implementation of the restructuring concept proposed in the IDW S6 report of 29 April 2015. The restructuring concept comprised two measures each on the equity side and the debt capital side. All four measures are mutually interdependent and this concept dictates that they must be implemented in their entirety and in the proposed amounts to ensure that the restructuring is successful. The debt capital measures, i.e. signing of the credit agreements with a reduced interest rate and maturity on 31 December 2016, as well as joint representative's approval of the amendment of the terms and conditions of the bond have been completed. On the equity side, the conversion offer for the debt-to-equity swap enjoyed good acceptance, with bonds of a nominal value of EUR 5.6 million being submitted for conversion. This translates into an acceptance ratio of 95%.

As discussed under "Post balance sheet event", the target for the cash capital increase was clearly underachieved, meaning that both the inflow of liquidity and the strengthening of the equity have clearly fallen short of the values stipulated in the IDW S6 report of 29 April 2015.

To fill the gaps created in DF AG's liquidity and equity positions, the company is planning the following additional capital measures (collectively referred to as "additional capital measures"):

- Issue of a convertible bond, without prospectus, with a nominal value of EUR 5 million with subscription right for the incumbent shareholders.

Liquidity gap as a result of the lower than expected subscribed volume of the cash capital increase

Non-cash capital increase just slightly below target volume, cash capital increase clearly below target volume

	Plan		Actual		Deviation	
in EUR million	Liquidity	Equity	Liquidity	Equity	Liquidity	Equity
Non-cash capital increase	0.0	6.2	0.0	5.6	0.0	-0.6
Cash capital increase	10.0	10.0	4.0	4.0	-6.0	-6.0
Total	10.0	16.2	4.0	9.6	-6.0	-6.6

Additional measures to compensate deviation from plan

- Cash capital increase, without prospectus, by a private placement of a net amount of approx. EUR 2.3 million.

The proceeds from the issue of the convertible bond are to be used to repurchase the 2013/2020 bond at below its nominal value. This would result in extraordinary income which would strengthen the company's equity position, thereby at least partially compensating for the lower proceeds from the cash capital increase. The repurchase of the 2013/2020 bond is envisaged to generate total income of approximately EUR 2.0 million. Together with the EUR 2.3 million proceeds of the cash capital increase as well as a subsequent, partial or complete conversion of the convertible bond, this would sufficiently remedy the equity shortfall created by the cash capital increase coming in far below the company's target.

The liquidity gap shown in the above table is to be filled by way of the additional EUR 2.3 million cash capital increase as well as the portion of the convertible bond not used for the repurchase of the outstanding 2013/2020 bond.

These two additional capital measures need to be implemented shortly because of the 30 September 2015 deadline for the entry in the company's registry of the cash capital increase and the non-cash capital increase as stipulated in the IDW S6 report of 29 April 2015; this deadline is due to the expiration of the conversion offer to the bondholders as well as of the subscription certificates made available to shareholders and investors in the cash capital increase. However, the additional capital measures are a condition for entry in the registry. Talks with investors, auditors, and bondholders are being conducted with a view to the implementation of the additional capital measures. Moreover, the IDW S6 report of 29 April 2015 is currently being updated by a firm of accountants and auditors. The objective of the updating of the IDW S6 report of 29 April 2015 is to gain confirmation of the restructuring ability of DF AG and its subsidiaries in light of the implementation of the additional capital measures and based on the business performance in the first half of 2015. The result of the above-mentioned talks and the updating of the IDW S6 report cannot be predicted at this time. Management currently assumes that the measures can be implemented to the extent outlined above.

Both the parent company, DF AG, and DF Group are currently overindebted. But based on daily updated liquidity plans an imminent risk of insolvency is currently not given. Against this background the management board believes in a positive going concern. Nevertheless DF AG's and DF Group's current financial situation mean that insolvency cannot be ruled out in case of a failure of the envisaged measures. This also applies if the debt capital measures have been implemented in the mean-time, as all four restructuring measures provided for in the IDW S6 report of 29 April 2015 are mutually conditional. Among other things, the failure or non-implementation of one or both of the upcoming equity measures will give the lending banks a cancellation right. The banks have declared that they will not exercise their rights of cancellation due to the underachievement of the non-cash capital increase and the cash capital increase to the extent that the additional capital measures are implemented successfully and DF Group's restructuring ability is certified by the accountants.

In addition, the banks have a cancellation right for breaches of the financial covenants defined in the credit agreements. Based on their present knowledge and subject to further reviews being carried out, the banks have issued a declaration of goodwill according to which they will (a) give favorable consideration to the possibility of waiving their cancellation right for the already occurred and foreseeable covenant breaches and (b) refrain from exercising their cancellation right until the review has been completed. The company's updated plans envisage that the financial covenants will be redefined following the implementation of the additional capital measures.

The Board of Management of DF AG is currently of the opinion that the company will continue as a going concern. In case the additional capital measures to balance the shortfall in the cash capital increase as described in the Management Report cannot be implemented completely until 30 September 2015, the accountants would not be able to certify the company's restructuring ability. This would mean that DF AG and DF Group could no longer function as a going concern, given that the waivers already issued by the banks as well as their future waivers are conditional on the company's restructuring ability being certified.

Forecast Report

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. With the emerging and developing countries targeted by DF AG accounting for some 70% of global growth in 2015, market conditions for the DF Group are positive overall. The emerging and developing countries are particularly attractive to many companies in the consumer and capital goods industries, given that these markets are not yet saturated. For DF Group to realize this market potential, the restructuring concept must be implemented swiftly and successfully. This also includes the additional measures discussed in the risk report. Should this fail, DF Group can no longer function as a going concern. The first half of 2015 saw DF Group make good progress in implementing these measures but due to the underachieved cash capital increase the company has to implement further capital measures. The time and resources expended on these efforts, as well as the funds from the not yet officially registered and planned capital measures, are not available for accelerating the creation of business volume. From management's point of view, this is a very regrettable fact, given that DF Group's substantial and attractive deal pipeline cannot be converted into actual business under the present conditions.

Due to these delays and 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.

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. The liquidity planning is based on the assumption that the banks will refrain from exercising their cancellation rights detailed in the risk report.

Cologne, 31 August 2015
Board of Management

Responsibility Statement by the Board of Management

To the best of our knowledge and in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Group. The interim 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.

Cologne, 31 August 2015
Board of Management

FINANCIAL FIGURES

Assets (in EUR)		30-06-2015	31-12-2014
A. Long-term assets			
I. Intangible assets		13,272.56	26,751.68
II. Tangible assets		327,424.69	296,021.50
III. Long-term financial assets		41,315.37	59,389.84
IV. Deferred taxes		0.00	0.00
		382,012.62	382,163.02
B. Short-term assets			
I. Trade accounts and other receivables	(11)	52,456,910.90	69,666,272.01
II. Tax receivables		175,571.13	147,709.40
III. Other short-term assets		549,448.25	299,209.94
IV. Cash and cash equivalents funds	(12)	8,039,565.48	14,748,219.60
		61,221,495.76	84,861,410.95
C. Financial assets held for sale	(4)	463,552.64	0.00
Total assets		**62,067,061.02**	**85,243,573.97**

(#) Reference to corporate notes

Equity and Liabilities (in EUR)		30-06-2015	31-12-2014
A. Equity			
I. Subscribed capital		6,800,000.00	6,800,000.00
II. Capital reserve		6,496,838.62	7,359,044.50
III. Revenue reserves		-24,298,312.60	-19,027,805.43
IV. Reserves from currency conversion		-286,191.12	-412,828.58
		-11,287,665.10	-5,281,589.51
B. Long-term liabilities			
1. Bond	(14)	29,006,781.60	28,884,370.90
2. Liabilities to banks		0.00	0.00
		29,006,781.60	28,884,370.90
C. Short-term liabilities			
1. Liabilities to banks	(15)	37,284,176.07	43,326,782.36
2. Short-term provisions		240,300.00	345,360.00
3. Tax liabilities		0.00	0.00
4. Trade accounts and other payables		3,399,525.06	9,596,687.88
5. Other short-term liabilities		3,332,634.42	8,371,962.34
		44,256,635.55	61,640,792.58
C. Liabilities in conjunction with financial assets held for sale	(4)	91,308.97	0.00
Total equity and liabilities		**62,067,061.02**	**85,243,573.97**

(#) Reference to corporate notes

Consolidated Income Statement (in EUR)		01-01 - 30-06-2015	01-01 - 30-06-2014*
1. Typical forfaiting income	(6)		
a) Forfaiting income		2,036,257.08	1,242,317.90
b) Commission income		211,171.62	483,897.96
c) Income from additional interest charged		49,155.51	1,534.24
d) Exchange profits		7,488,027.98	643,143.82
e) Income from the writing back of provisions for forfaiting and purchase commitments		389,723.84	0.00
		10,174,336.03	**2,370,893.92**
2. Typical forfaiting expenditure	(7)		
a) Expenditure from forfaiting		1,438,884.80	150,000.00
b) Commissions paid		178,571.59	324,221.29
c) Expenditure from decursive interest		0.00	2,971.44
d) Exchange losses		7,750,059.13	640,687.13
e) Credit insurance premiums		0.00	10,456.53
f) Depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments		581,617.62	342,454.20
		9,949,133.14	**1,470,790.59**
3. Gross result	(8)	**225,202.89**	**900,103.33**
4. Other operating income	(14)	1,096,318.33	156,381.38
5. Personnel expenses			
a) Wages and salaries		1,236,724.61	2,030,431.60
b) Social security contributions and expenditure for pensions and social welfare		137,780.26	225,711.00
6. Depreciation on tangible and intangible assets		52,411.91	67,034.96
7. Other operating expenditure	(9)	4,056,615.80	3,689,995.42
8. Interest income	(10)	1,405.69	19,368.68
9. Interest paid	(10)	1,248,812.29	1,924,317.93
10. Result before income taxes		**-5,409,417.96**	**-6,861,637.52**
11. Income taxes			
a) Income and earnings tax		-138,910.79	21,077.40
b) Deferred taxes		0,00	0.00
12. Consolidated loss		**-5,270,507.17**	**-6,882,714.92**
Average number of shares		6,800,000	6,800,000
Earnings per share (not diluted, diluted)		-0.78	-1.01

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

Consolidated Income Statement (in EUR)		01-04 - 30-06-2015	01-04 - 30-06-2014*
1. Typical forfaiting income	(6)		
a) Forfaiting income		876,931.92	68,249.36
b) Commission income		139,947.30	257,906.71
c) Income from additional interest charged		25,877.58	0.33
d) Exchange profits		338,570.90	499,909.72
e) Income from the writing back of provisions for forfaiting and purchase commitments		499,455.10	0.00
		1,880,782.80	**826,066.12**
2. Typical forfaiting expenditure	(7)		
a) Expenditure from forfaiting		1,094,873.27	75,000.00
b) Commissions paid		9,907.79	133,783.47
c) Expenditure from decursive interest		0.00	0.00
d) Exchange losses		720,342.62	409,651.20
e) Credit insurance premiums		0.00	0.00
f) Depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments		0.00	342,454.20
		1,825,123.68	**960,888.87**
3. Gross result	(8)	**55,659.12**	**-134,822.75**
4. Other operating income	(14)	5,963.27	19,141.10
5. Personnel expenses			
a) Wages and salaries		638,670.91	776,687.29
b) Social security contributions and expenditure for pensions and social welfare		66,435.59	108,801.36
6. Depreciation on tangible and intangible assets		26,717.59	34,844.70
7. Other operating expenditure	(9)	2,327,723.55	2,150,672.78
8. Interest income	(10)	1,385.98	8,345.68
9. Interest paid	(10)	521,635.31	981,515.00
10. Result before income taxes		**-3,518,174.58**	**-4,159,857.10**
11. Income taxes			
a) Income and earnings tax		-138,910.79	21,077.40
b) Deferred taxes		0.00	0.00
12. Consolidated loss		**-3,379,263.79**	**-4,180,934.50**
Average number of shares		6,800,000	6,800,000
Earnings per share (not diluted, diluted)		-0.50	-0.61

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

Consolidated Statement of Recognized Result (in EUR)	01-01 - 30-06-2015	01-01 - 30-06-2014	01-04 - 30-06-2015	01-04 - 30-06-2014
I. Consolidated loss	**-5,270,507.17**	**-6,882,714.92**	**-3,379,263.79**	**-4,180,934.50**
II. Other income				
Components, which will be reclassified to the income statement for the future				
Currency translation differences from the inclusion of foreign subsidiaries	*126,637.46*	*23,982.51*	*29,737.46*	*2,373.71*
	126,637.46	**23,982.51**	**29,737.46**	**2,373.71**
III. Recognized result	**-5,143,869.71**	**-6,858,732.41**	**-3,349,526.33**	**-4,178,560.79**

	Consolidated Cash Flow Statement (in kEUR)	01-01 - 30-06-2015	01-01 - 30-06-2014
	Cash flow		
	Consolidated loss	-5,271	-6,883
+	Depreciation on tangible and intangible assets	52	67
+	Income tax	-139	21
+	Interest paid	1,249	1,924
-	Interest income	-1	-19
+/-	Result from disposal of long-term assets	0	113
+/-	Other transactions not affecting payments	-230	-129
+/-	Changes to trade accounts receivable	17,209	11,094
+/-	Changes to other assets	-348	172
+/-	Change to provisions	-105	0
+/-	Changes to trade accounts payable	-6,197	-3,875
+/-	Change to other liabilities	-746	-3,632
-	Paid taxes on profits	-28	-91
=	**Operative Cash flow**	**5,445**	**-1,238**
-	Paid interest	-852	-1,651
+	Retained interest	1	19
=	**Cash flow from current business**	**4,594**	**-2,870**
-	Payments for investments in long-term assets	-93	-22
+	Income from investments in long-term assets	0	23
+/-	Change in consolidated companies	0	0
	Cash flow from investment activity	-93	1
+/-	Change to financial liabilities	**-10,213**	**-2,115**
-	Payment of dividends	0	0
+/-	Incoming payments and payments from capital market transactions	-862	0
=	**Cash flow from finance activity**	**-11,075**	**-2,115**
	Changes in financial resources affecting payments	-6,574	-4,984
+	Liquid funds at the start of the period	14,748	20,603
+/-	Effects from the currency conversion	124	0
=	**Liquid funds at the end of the period**	**8,298**	**15,619**
-	Balances pledged	-1,158	-1,158
=	**Free liquid funds at the end of the period**	**7,140**	**14,461**

Consolidated Statement of Equity Changes **01-01-2015 - 30-06-2015** **(in EUR)**		**Subscribed capital**	**Capital reserves**	**Revenue reserves**	**Reserves from currency conversion***	**Total**
Balance 01-01-2015		**6,800,000.00**	**7,359,044.50**	**(19,027,805.43)**	**(412,828.58)**	**(5,281,589.51)**
Consolidated result				(5,270,507.17)		(5,270,507.17)
Other result					126,637.46	126,637.46
Recognized result				(5,270.507.17)	126,637.46	(5,143,869.71)
Capital market transactions			(862,205.88)			(862,205.88)
Balance 30-06-2015	**(13)**	**6,800,000.00**	**6,496,838.62**	**(24,298,312.60)**	**(286,191.12)**	**(11,287,665.10)**

*Other Comprehensive Income
(#) Reference to corporate notes

Consolidated Statement of Equity Changes 01-01-2014 - 30-06-2014 (in EUR)	Subscribed capital	Capital reserves	Revenue reserves	Reserves from currency conversion*	Total
Balance 01-01-2014	**6,800,000.00**	**7,359,044.50**	**(3,556,792.68)**	**(432,335.63)**	**10,169,916.19**
Consolidated result			(6,882,714.92)		(6,882,714.92)
Other result				23,982.51	23,982.51
Recognized result			(6,882,714.92)	23,982.51	(6,858,732.41)
Balance 30-06-2014	**6,800,000.00**	**7,359,044.50**	**(10,439,507.60)**	**(408,353.12)**	**3,311,183.78**

*Other Comprehensive Income

CORPORATE NOTES

(1) General information

The condensed interim consolidated financial statements were prepared in accordance with the regulations of IAS 34 ("Interim Financial Reporting"); they are not as detailed as the consolidated financial statements published on 31 December 2014. The consolidated interim financial statements dated 30 June 2015 follow the same accounting and valuation methods as the consolidated financial statements for the financial year 2014. They are consistent with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union. They have been reviewed and, in the opinion of the Board of Management, fairly represent the company's assets, financial and income situation. The functional currency of the Group is the euro. All figures are presented in thousands of euros (kEUR) unless otherwise stated.

The legal form of DF Deutsche Forfait AG is that of an "Aktiengesellschaft" and it is registered at Cologne Local Court (Amtsgericht) under HRB 32949. The registered office of the company is Cologne, Germany. The company's address is Kattenbug 18-24, 50667 Cologne. DF Deutsche Forfait AG is a financial enterprise within the definition of Section 1 (3) No. 2 KWG (German Banking Act).

The consolidated income statement is prepared according to the total expenditure method. 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.

At the time of preparation of the interim consolidated financial statements for the period ended 30 June 2015, the Group is in financial difficulties. For details, please refer to the "Opportunity and risk report (going concern risks)" in the Group management report, which explains that, besides operational risks, material risks exist in the present situation in conjunction with the implementation of the planned restructuring concept. The equity and debt capital measures are mutually conditional and must be implemented in their entirety for the company to be restructured successfully. In case that, contrary to the present expectations of the Board of Management of DF Deutsche Forfait AG, these as well as the additional measures are not implemented entirely or only with a considerable delay or that the operational objectives outlined in the restructuring report ("Sanierungsgutachten") are not achieved in the period covered (financial years 2015 to 2017), DF Deutsche Forfait AG and the Group will no longer be able to continue as a going concern.

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 this reason, no deferred tax assets are recognized for the loss incurred in the reporting period (IAS 12.34 et seq.).

(2) Adjustment of the accounting methods applied

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 interim 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) New or amended standards

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have adopted amendments to existing International Financial Reporting Standards (IFRS) as well as new IFRS which are mandatory for DF Group as of the 2015 financial year:

- Annual Improvements to IFRS Cycle 2011 to 2013 (2013)
- IFRIC Interpretation 21 "Levies" (2013)

To the extent that these new or amended standards are relevant at all, they have no material implications on the reporting for the interim consolidated financial statements as of 30 June 2015.

(4) Basis of consolidation

The consolidated financial statements cover the subsidiaries DF Deutsche Forfait s.r.o., Prague/Czech Republic, and Deutsche Kapital Ltd. ("DKL"), Dubai/United Arab Emirates. 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 subsidiary in Dubai is sold with effect from 31 May 2015. At the time of the preparation of the present interim report, the approval of the sale by the local supervisory authorities in Dubai is still pending. As this means that the controlling relationship continues to exist, the assets of DKL are recognised as held-for-sale assets in the balance sheet for the period ended 30 June 2015. The item essentially comprises receivables against Group companies as well as cash and cash equivalents. The liabilities related to these assets are shown under liabilities.

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%, respectively 99%, 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.

The non-consolidated subsidiaries are of secondary importance for the interim consolidated financial statements as of 30 June 2015, 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) Currency translation

The interim financial statements of the consolidated companies presented in a foreign currency are translated on the basis of functional currency (IAS 21 "The Effects of Changes in Foreign Exchange Rates") using the modified closing rate procedure.

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.

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:

	Closing rate		Average rate	
	30-06-2015	31-12-2014	HY 2015	HY 2014
Czech Koruna	27.2530	27.7350	27.5040	27.4440
US Dollar	1.1189	1.2141	1.1158	1.3705

(6) 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) where necessary.

Typical forfaiting income is as follows:

Typical forfaiting income in kEUR	01-01 - 30-06-2015	01-01 - 30-06-2014
Forfaiting income	2,036	1,242
Commission income	211	484
Income from additional interest charged	49	2
Exchange rate gains	7,488	643
Income from the writing back of value adjustments on provisions for forfaiting and purchase commitments	390	–
Total	**10,174**	**2,371**

The euro's weakness against the US dollar in the first quarter of 2015 led to a notable increase in exchange rate gains and exchange rate losses.

(7) 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	01-01 - 30-06-2015	01-01 - 30-06-2014
Forfaiting expenses	1,439	150
Commission expenses	178	324
Expenses from additional interest charged	–	3
Exchange losses	7,750	641
Credit insurance premiums	–	11
Depreciation and value adjustments on receivables as well as additions to provisions for forfaiting and purchase commitments	582	342
Total	**9,949**	**1,471**

The increase in exchange losses is attributable to the exchange rate trend mentioned above.

(8) Gross result

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

Gross result in kEUR	01-01 - 30-06-2015	01-01 - 30-06-2014
Net forfaiting	597	1,092
Net commission	33	160
Result from additional interest charges	49	(1)
Result from exchange rate gains and losses	(262)	2
Net valuation in forfaiting business	(192)	(342)
	225	**911**
Less credit insurance premiums	–	(11)
Total	**225**	**900**

Since they are almost exclusively based on refinancing for forfaiting transactions, the financial results have to be considered in order to evaluate the success of a forfaiting company (see note 10).

(9) Other operating expenses

Other operating expenses break down as follows:

Other operating expenses in kEUR	01-01 - 30-06-2015	01-01 - 30-06-2014
Legal and consultation fees, accounting expenses	2,206	2,008
Administrative expenses/cooperation partners	557	700
Cost of premises (rental and cleaning costs)	171	213
Insurance, fees, contributions	113	85
Travel expenses	97	80
Payment transaction fees	35	47
Telephone, postage and web connection charges	33	42
Vehicle costs	15	17
Miscellaneous other expenses	830	498
Total	**4,057**	**3,690**

The rise in legal and consulting expenses mainly reflects the additional expenses incurred in connection with the restructuring measures. Administrative expenses for cooperation partners also include expenses for the office in London and for the subsidiaries in São Paulo and Lahore. Miscellaneous other expenses include compensation of kEUR 156 which had been agreed in the context of an insurance settlement payment to DF Group. In addition, this item also includes expenses for the Annual General Meeting and the bondholders' meetings (kEUR 122).

(10) Financial results

The financial results break down as follows:

Financial results in kEUR	01-01 - 30-06-2015	01-01 - 30-06-2014
Other interest	1	–
Interest income from loans and receivables	–	19
Total interest income	**1**	**19**
Interest expense payable to banks	738	659
Miscellaneous interest expenses	511	1,265
Total interest expense	**1,249**	**1,924**
Net interest = financial results	**(1,248)**	**(1,905)**

Other interest expenses include interest in the amount of kEUR 397 (previous year: kEUR 1,247) accrued until 30 June 2015 for the bond issued in May 2013. The decline in bond interest is due to the amendment of the terms and conditions of the bond, which includes, among other things, a reduction in the nominal interest rate from 7.875% to 2.000% p.a.

(11) Trade receivables

Trade receivables comprise the receivables purchased in the context of the forfaiting business as well as other receivables. The total amount also includes excesses of receivables covered by credit insurance which cannot be sold under the terms of insurance. Receivables decreased from kEUR 69,666 on 31 December 2014 to kEUR 52,457 on 30 June 2015.

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	30-06-2015	31-12-2014
Trading portfolio	9,285	16,698
Restructuring portfolio	38,668	47,692
Other receivables	4,504	5,276
Total	**52,457**	**69,666**

As of 30 June 2015, the restructuring portfolio is as follows:

in kEUR	Gross risk	Fair value adjustments	Book value	Security	Net risk
Total	**47,512**	**8,844**	**38,668**	**32,859**	**14,653**

The default risk on the purchased trade receivables at the respective reporting dates was as follows:

in kEUR	30-06-2015	31-12-2014
Nominal value of trade receivables	58,885	74,878
– Discount deduction	(607)	(359)
+ Other receivables	6,976	7,397
= Gross carrying amount before adjustments	**65,254**	**81,916**
– Fair value adjustments	(12,797)	(12,250)
= Carrying amount = maximum default risk	**52,457**	**69,666**
– Sold receivables	–	(839)
– Bank securities (e.g. guarantees)	(2,797)	(2,578)
– Cash securities	(130)	(5,555)
– Credit insurance	(24,047)	(35,458)
– Guarantor is a company (e.g. counter liabilities by forfaiting companies)	(7,400)	(8,227)
– Underlying receivables were paid or their purchase settled	(1,788)	(2,368)
+ Twin securities	105	196
= Securities	**(36,057)**	**(54,829)**
= Unsecured default risk	**16,400**	**14,837**

(12) Cash and cash equivalents

The item exclusively concerns bank deposits with a maturity of up to three months. Cash and cash equivalents declined from kEUR 14,748 on 31 December 2014 by kEUR 6,709 to kEUR 8,040 on 30 June 2015. Part of the cash and cash equivalents is denominated in euros and cannot be used to pay off short-term liabilities to banks in foreign currencies, as these liabilities are mainly used to refinance USD receivables in the same currency.

The liquid funds at the end of the period shown in the consolidated cash flow statement for the period from 1 January to 30 June 2015 include the cash and cash equivalents attributable to DKL in the amount of kEUR 259, which are, however, contained in held-for-sales assets in the interim consolidated balance sheet for the period ended 30 June 2015.

(13) Equity

Changes in equity are reported in the consolidated statement of changes in equity. Compared to 31 December 2014, equity declined by kEUR 6,006 to a negative kEUR 11,288 on 30 June 2015. In accordance with IAS 32, the expenses of kEUR 862 for the planned capital increase incurred in the first half of 2015 were offset against the capital reserve, which declined to kEUR 6,497 as a result.

(14) 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 originally 7.875% p.a. The bond was initially recognized at the time of addition and net of transaction expenses (IAS 39.9, 39.A13) at the fair value (IAS 39.43).

The amendment of the terms and conditions of the bond was approved at the second bondholders' meeting on 19 February 2015. The amendment primarily relates to the reduction of the nominal interest rate of the bond from 7.875% p.a. to 2.000% p.a. 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% p.a.; 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% p.a. again.

As of 30 June 2015, the financial liability was measured at amortized cost in the amount of kEUR 29,007 using the effective interest rate method (IAS 39.47). The income from the amendment of the terms and conditions of the bond, which was considered in the reporting period and became effective retroactively as of 27 May 2014, in the amount of kEUR 1,030 results from the reduced interest expenses of the previous year (27 May to 31 December 2014) and is recognized under other operating income. Total interest expenses in the reporting period amounted to kEUR 397 and are recognized in the income statement under interest expenses.

(15) Liabilities to banks

Liabilities to banks decreased from kEUR 43,327 as of 31 December 2014 to kEUR 37,284 as of 30 June 2015.

(16) Notes on risk grouping

DF Group controls its business by using risk groups based on forfaiting volume. They are assigned according to 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 for countries with the lowest credit rating.

Forfaiting volume in EUR million	01-01 - 30-06-2015	01-01 - 30-06-2014
Risk group I	2.8	8.2
Risk group II	–	–
Risk group III	–	7.8
Risk group IV	2.6	–
Risk group V	31.9	12.2
Total	**37.3**	**28.2**

In addition, the forfaiting volume is divided by region:

Forfaiting volume in EUR million	01-01 - 30-06-2015	01-01 - 30-06-2014
Africa	10.0	13.4
Asia	24.5	2.6
Australia	–	–
Europe	2.8	10.5
North America	–	–
South and Central America	–	1.7
Total	**37.3**	**28.2**

(17) Other financial obligations

In addition to liabilities, provisions and contingent liabilities, there are other financial obligations, particularly from forfaiting and purchase commitments. Other financial obligations are as follows:

Other financial obligations in kEUR	30-06-2015	31-12-2014
From forfaiting commitments	3,242	3,950
From purchase commitments	4,768	1,440
Total	**8,010**	**5,390**

Recovering from the previous year's virtual standstill in business activity, purchasing and forfaiting commitments picked up sharply. The other financial obligations resulting from these commitments as of 30 June 2015 are partly secured by provisions in the amount of kEUR 240 (31 December 2014: kEUR 345) established as a precautionary measure.

Securities in kEUR	30-06-2015	31-12-2014
Other financial obligations at nominal value	*8,010*	*5,390*
– Underlying receivable paid or sale invoiced	–	301
= Securities	*–*	*301*
Other financial obligations after deduction of securities	**8,010**	**5,089**

(18) Relationships with related parties

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 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 30 June 2015:

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 2.0 million (31 December 2014: EUR 6.2 million) with a term until 30 June 2015, which has been extended until 31 December 2015. Interest expenses in the amount of kEUR 99 (previous year: kEUR 0) were incurred on this loan in the financial year.

Business relationships with the non-consolidated subsidiaries were negligible.

(19) Significant events after the end of the reporting period

On 18 May 2015, the Board of Management of DF Deutsche Forfait AG decided, with the approval of the Supervisory Board, to increase the company's share capital from EUR 6,800,000.00 by up to EUR 3,400,000.00 to up to EUR 10,200,000.00 against the contribution of bonds held by the company's bondholders (ISIN: DE000A1R1CC4, WKN A1R1CC). The capital will be increased through the issue of up to 3,400,000 new registered shares representing EUR 1.00 of the share capital each. The issue price per share is EUR 1.00. The new shares will indirectly be offered to the bondholders for subscription. 580 new registered shares will be issued per EUR 1,000.00 bond. The number of shares results from the valuation of the bonds at 72.5% of their nominal value on the one hand and from the issue price of the new shares of EUR 1.25 on the other hand. The issue price was set on the basis of the average price of the share of DF Deutsche Forfait AG on the last five trading days preceding the publication of the swap offer.

DF AG's capital increase against cash contributions with subscription rights for the existing shareholders ("cash capital increase"), which was announced on 12 June, was completed on 22 July 2015. A total of 3,093,955 new registered bearer shares were issued at a price of EUR 1.30, resulting in gross proceeds of approx. EUR 4.0 million. As only 45% of the 6,800,000 new registered shares offered were subscribed, the equity capital could not be strengthened to the extent envisaged in the IDW S6 report dated 29 April 2015, with the shortfall amounting to EUR 6.0 million. The cash capital increase will be entered in the company's Commercial Register file, and thus become valid, only after the non-cash capital increase has been entered in the Commercial Register. However, this prior non-cash capital increase is predicated on a certain minimum strengthening of the company's equity position which was to be achieved through the cash capital increase. Considering that only 45% of the shares offered have been subscribed, the completion of the company's financial restructuring is substantially jeopardised.

According to a resolution adopted by the Supervisory Board, Mark West was appointed to the Board of Management of DF AG with effect from 1 July 2015. The Board of Directors thus temporarily consists of three members. Marina Attawar will resign from the Board of Management for personal reasons as of the end of 2015. She will remain available to the company as a consultant and a major shareholder. As of 1 January 2016, the company will be led by Mark West (Market, Distribution) and Frank Hock (Finance), whose contract has been renewed.

Cologne, 31 August 2015
The Board of Management

Auditors' review report

We have been commissioned to review the condensed interim consolidated financial statements – comprising the condensed balance sheet, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selected explanatory notes – and the interim Group management report of DF Deutsche Forfait AG, Cologne, for the period from 1 January 2015 to 30 June 2015 which are part of the quarterly financial reporting in accordance with section 37w German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim Group management report in accordance with the requirements of the German Securities Trading Act applicable to interim Group management reports, is the responsibility of the Company's management.

Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim Group management report based on our review. While we have exploited all appropriate possibilities, the facts discussed in the following paragraph prevented us from obtaining suitable and sufficient evidence as a basis for issuing reasonably reliable verdict on the condensed interim consolidated financial statements and the interim Group management report.

In section "Going concern risks" of the interim Group management report, the Board of Management declares that based on its liquidity planning, which is updated daily, there is no imminent risk of insolvency at this time. On this basis, the Board of Management expresses a positive view of the company's future going concern ability. However, the interim Group management report contains other declarations by the Board of Management to the effect that, in light of their current economic situation, an (imminent) insolvency of DF AG and DF Group cannot be ruled out in case the envisaged measures fail. This also applies if the measures on the debt capital side have been implemented in the meantime, given that all four restructuring measures provided for in the IDW S6 report of 29 April 2015 are mutually interdependent. Among other things, the failure or non-implementation of one or both of the outstanding capitalisation measures would entitle the lending banks to call their loans. The banks have declared that they will not exercise their cancellation rights despite the underachievement of the non-cash capital increase and they have also agreed to waive their cancellation right triggered by the shortfall in the cash capital increase, provided that the additional capital measures described in the management report are implemented successfully and DF Group's restructuring ability is certified.

Moreover, the same section of the interim Group management report explains that the banks have a right of cancellation in case the financial covenants defined in the credit agreements are breached. Based on their present knowledge and subject to further reviews being carried out, the banks have issued a declaration of goodwill according to which they will (a) give favourable consideration to the possibility of waiving their cancellation right and (b) refrain from exercising their cancellation right until the review has been completed. The company's updated plans envisage that the financial covenants will be redefined following the implementation of the additional capital measures.

In the same section of the interim Group management report, the Board of Management says that talks are being conducted with investors and bondholders and that the IDW S6 report of 29 April 2015 is currently being updated by a firm of accountants and auditors. According to the Board of Management's statement in the interim Group management report, the outcome of these talks as well as the updating of the IDW S6 report cannot be predicted at this time. The Board of Management of DF AG currently assumes that the measures can be implemented to the extent outlined above.

As also set out in section "Going concern risks" of the interim Group management report, the Board of Management currently assumes that the company will remain a going concern. In case the additional capital measures designed to balance the shortfall in the cash capital increase are not completed by 30 September 2015 as is currently assumed by the Board of Management of DF AG, which would prevent certification of the company's restructuring ability, the same section says that DF AG and DF Group would no longer function as going concerns, given that the waivers already issued and still to be issued by the banks are conditional on the company's restructuring ability being certified.

In view of the existing uncertainties disclosed in the interim group management report in relation to the achievability of the additional capital measures and the certification of DF Group's restructuring ability, we have not been able to obtain appropriate and sufficient evidence on which to base our verdict on whether or to what extent the banks will exercise their cancellation rights or issue the required waivers. Consequently we have been unable to obtain appropriate and sufficient evidence on which to base a verdict on whether the Board of Management was justified in assuming that the company will continue to function as a going concern in the condensed interim consolidated financial statements.

Due to the importance and implications of the fact discussed in the previous paragraph, we have not been able to obtain appropriate and sufficient evidence to base a sufficiently reliable verdict on the condensed interim consolidated financial statements and the interim group management report. We therefore refrain from issuing a verdict on the condensed interim consolidated financial statements and the interim Group management report.

Due to the existing scope limitation, we cannot make any statement on whether there are any facts which lead us to believe that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports.

Munich, 31 August 2015

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

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