

Nordiska Financial Partner Norway AS.



INTERIM REPORT

JANUARY - MARCH 2025

Report for first quarter 2025

Following the acquisition in 2021 by Bankaktiebolaget Nordiska (Nordiska), Nordiska FPN changed its operations from issuing small unsecured loans and revolving credits to the private consumer segment in Norway and Sweden to implementing Nordiska's business strategy and Partner Banking model with a focus on the Norwegian market. Nordiska's Partner Banking model focuses on partnerships with other financial companies who act as financial agents where Nordiska provides loans to customers mediated by Nordiska's Partners who function as distribution channel towards the customers.

Nordiska FPN prepares its financial statements in accordance with IFRS; see section 3-9 of the Norwegian Accounting Act. As of 31 March 2025, the company consisted only of the Norwegian company Nordiska FPN AS and the non-operating Swedish branch as the Estonian branch was terminated in Q3 2024. During the second half of 2024 Nordiska established and registered a new branch in Norway, Nordiska Kreditmarknadsaktiebolaget (PUBL) NUF, and plans to continue the future operation in Norway through the branch. The branch has during Q1 changed its name to Bankaktiebolaget Nordiska (PUBL) NUF. Consequently, the operation in Norway through Nordiska FPN AS will be terminated and the Norwegian license returned to Finanstilsynet during 2025.

Total interest income amounted to 0.90 MNOK in Q1 2025 compared to 3.42 MNOK in Q1 2024 as the agreement with the first and largest Partner in Norway was terminated and the portfolio was taken over by the Partner in October 2024. Also, the agreement with the second Partner in Norway targeting their service towards their customer base issuing credit cards to private consumers, was terminated in 2024 and will expire mid-2025. The discussions with the Partner in Norway referred to in the Q3 report was concluded and a soft launch was restarted in Q1 with an outstanding amounting to 5.2 MNOK at the end of Q1. Agreement with a new Partner was entered into in January 2025, and it is foreseen that further new partners will be launched in the Norwegian market during 2025. The value of the Visa share portfolio improved with 0.6 MNOK in Q1.

Losses on loans were positive due to recoveries from profit sharing of previously sold defaulted loans. For the Partner portfolios the credit risk is mitigated so that if a loan is defaulted beyond 90 days the Partner is obliged to buy back the loan or alternatively cover the costs from selling the loan to a third party so that Nordiska FPN does not have any credit losses as long as the Partner stays solvent. Further the Partners are required to hold additional cash reserves in a loan loss fund in the statement of financial position. Hence, the company is exposed to limited credit risk and the Partner Banking segment does not incur actual losses or loan loss provisions in the statement of comprehensive income.

Personnel- and other operating expenses amounted to 1.13 MNOK compared to 1.70 MNOK in Q1 2024 as number of employees have been reduced and costs connected to the old "Folkefinans" portfolio which was transferred to Nordiska in Q4 2023, have been faced out. Consequently, by the end of 2024 Nordiska FPN consisted only of the General Manager based in Oslo. Other company functions like Legal, Compliance, Operations, IT and Accounting among others are carried out by Nordiska as the main business activities are conducted in the parent company. The costs for these functions are included in other operating expenses regulated through inter-company agreements. Other operating expenses was further reduced in Q1 as fees from Visa are terminated as the Visa membership has been cancelled.

The result before tax was negative with -0.36 MNOK in Q1 compared 0.17 MNOK in Q1 2024. Total comprehensive income amounted to -0.17 in Q1. The capital adequacy ratio improved due to the reduction in the loan portfolio and amounted to 114.5% in Q1 2025, compared to 40% in Q1 2024 and 76.9% at the end of 2024.

For further information, please contact:

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Statement of comprehensive income (NOK)

	Note	2025 Q1	2024 Q1	2025 YTD	2024 YTD	2024 YE
Interest income – assets measured at amortised cost		899	3 421	899	3 421	11 621
Interest expenses		-684	-1 987	-684	-1 987	-6 706
Net interest income		215	1 434	215	1 434	4 915
Fee and comission expenses		-63	-29	-63	-29	-78
Net change in value on securities and currency		578	389	578	389	2 491
Other income		-	-	-	-	1 863
Net income from financial assets		730	1 794	730	1 794	9 191
Personnel expenses		-328	-768	-328	-768	-2 143
Depreciation, amortisation and impairment		-71	-91	-71	-91	-295
Other operating expenses		-729	-836	-729	-836	-4 164
Net operating income before losses on loans		-398	99	-398	99	2 589
Losses on loans	1	42	67	42	67	210
Result before tax		-356	166	-356	166	2 799
Tax		1	1	1	1	-2
Result after tax		-355	167	-355	167	2 797
Items to be recycled to profit and loss						
Exchange differences on translating foreign operations		188	-78	188	-78	-43
Sum other comprehensive income		188	-78	188	-78	-43
Total comprehensive income		-167	89	-167	89	2 754

Statement of financial position (NOK)

	Note	2025 Q1	2024 Q1	2024 YE
ASSETS				
Loans and deposits to credit institutions		78 611	60 038	83 516
Loans to customers	2	27 344	187 061	23 818
Investment securities		12 535	9 405	12 154
Derivatives		219	-	195
Tangible assets		215	278	280
Other assets		2 533	2 486	2 844
Prepaid and deposits		3 548	3 538	3 769
Total assets		125 006	262 806	126 576
LIABILITIES				
Debt to credit institutions		3 285	109 165	5 562
Derivatives		-	641	-
Other liabilities		4 176	39 178	3 939
Subordinated loan		37 161	35 946	36 524
Total liabilities		44 622	184 930	46 025
EQUITY				
Share capital		96 123	96 123	96 123
Share premium		79 263	79 263	79 262
Other paid in equity		5 151	5 151	5 151
Retained earnings		-100 154	-102 662	-99 986
Total equity		80 383	77 875	80 550
Total liabilities and equity		125 006	262 806	126 576

Notes to the financial statements

	2025 Q1	2024 Q1	2024 YE
1. CREDIT LOSSES			
Actual specified credit losses	0	0	0
Write-back of specified credit losses	42	67	210
Provisions during the period	0	0	0
Sum (NOK)	42	67	210
2. CREDIT LOSSES / DEFAULTED			
Defaulted loans*	0	0	0
Accumulated provision for credit losses	0	0	0
Net (NOK)	0	0	0
* loans are classified as defaulted 90 days past due			
3. OFF BALANCE SHEET ITEMS			
Undisposed credit (SEK facility)	0	0	0
Sum (NOK)	0	0	0
4. CAPITAL ADEQUACY			
Capital requirement	5 617	15 582	8 379
Capital base	80 379	77 870	80 546
Capital ratio	114,5 %	40,0 %	76,9%

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