



**FOLKIA**

**FOLKIA™**

## Report for first quarter 2012

Folkia is a leading finance group that provides everyday financial services in the Nordic and Baltic regions. Folkia's services primarily consisted of the provision of Microloans – small unsecured loans with a short term to maturity for temporary needs. In addition, the company provides small consumer loans with a term to maturity of up to three years.

The company's financial statements are prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP) and the regulations concerning annual financial statements, etc., for banks and financing institutions of 16 December 1998. The directors' report also covers the group's operations, see section 3-3a of the Accounting Act. Folkia also prepares its consolidated financial statements in accordance with IFRS, see section 3-9 of the Norwegian Accounting Act.

Folkia AS consists of the Norwegian legal entity and its branches in Sweden, Finland and Estonia. Denmark is operated via the Swedish branch.

The group's operations consisted of the parent company, Folkia AS, its branches in Sweden, Finland, Estonia. Denmark is operated via the Swedish branch. Non-operating subsidiary Folkia AB in Sweden has filed for voluntary liquidation, until liquidation is completed the subsidiary will be consolidated in the group accounts.

Tax on ordinary group result is calculated annually. No other material changes has been made to the accounting principles during the current period.

Folkias AS result before tax for first quarter of 2012 increased to 3.491 KNOK compared to -8.992 KNOK for the same period of 2011.

For further information, please contact:

CEO - Hördur Bender +46 8 588 581 00, hordur.bender@folkia.se

CFO - Anders Linder +46 8 588 581 00, anders.linder@folkia.se

## Income statement

Folkia AS			NOTE	Folkia AS Group		
2012 Q1	2011 Q1	2011 YE		2012 Q1	2011 Q1	2011 YE
28 375	24 688	102 830	Interest and similar income	28 375	24 688	104 998
-496	-322	-2 095	Interest expenses and similar expenses	-496	-322	-2 184
<b>27 879</b>	<b>24 367</b>	<b>100 736</b>	<b>Net interest and credit comission income</b>	<b>27 879</b>	<b>24 367</b>	<b>102 814</b>
-623	255	213	Net change in value and gain/loss on shares and	-623	255	172
<b>-623</b>	<b>255</b>	<b>213</b>	<b>Total net change in value and gain/loss on shares</b>	<b>-623</b>	<b>255</b>	<b>172</b>
3	0	0	Other operating income	3	0	143
<b>3</b>	<b>0</b>	<b>0</b>	<b>Total other operating income</b>	<b>3</b>	<b>0</b>	<b>143</b>
<b>27 259</b>	<b>24 622</b>	<b>100 949</b>	<b>Net income</b>	<b>27 259</b>	<b>24 622</b>	<b>103 129</b>
-4 898	-13 195	-29 120	Salaries, etc	-4 898	-13 195	-29 120
<b>-4 898</b>	<b>-13 195</b>	<b>-29 120</b>	<b>Total salaries and staff related expenses</b>	<b>-4 898</b>	<b>-13 195</b>	<b>-29 120</b>
-3 202	-3 170	-12 745	Ordinary depreciation	-1 928	-1 896	-7 649
0	0	0	Write down of assets	0	0	-2 512
<b>-3 202</b>	<b>-3 170</b>	<b>-12 745</b>	<b>Total depreciation and write down of assets</b>	<b>-1 928</b>	<b>-1 896</b>	<b>-10 161</b>
-11 499	-13 042	-40 150	Other operating expenses	-11 499	-13 483	-40 157
<b>-11 499</b>	<b>-13 042</b>	<b>-40 150</b>	<b>Total other operating expenses</b>	<b>-11 499</b>	<b>-13 483</b>	<b>-40 157</b>
<b>-19 598</b>	<b>-29 407</b>	<b>-82 014</b>	<b>Total depreciation and other operating expenses</b>	<b>-18 324</b>	<b>-28 575</b>	<b>-79 438</b>
-4 170	-4 207	-17 834	Losses on loans	-4 170	-4 207	-17 834
<b>-4 170</b>	<b>-4 207</b>	<b>-17 834</b>	<b>Total losses on loans, guarantees, etc</b>	<b>-4 170</b>	<b>-4 207</b>	<b>-17 834</b>
0	0	-2 676	Group contribution	0	0	0
<b>0</b>	<b>0</b>	<b>-2 676</b>	<b>Total shareholder contribution</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3 491</b>	<b>-8 992</b>	<b>-1 576</b>	<b>Result on ordinary operations before tax</b>	<b>4 765</b>	<b>-8 159</b>	<b>5 857</b>
0	0	-5 148	Tax on result on ordinary operations	0	0	-622
<b>3 491</b>	<b>-8 992</b>	<b>-6 724</b>	<b>RESULT FOR THE PERIOD</b>	<b>4 765</b>	<b>-8 159</b>	<b>5 235</b>

## Balance sheet

Folkia AS			ASSETS	NOTE	Folkia AS Group		
2012 Q1	2011 Q1	2011 YE			2012 Q1	2011 Q1	2011 YE
17 999	26 315	24 466	Loans to and receivables from credit institutions		17 999	26 414	24 466
<b>17 999</b>	<b>26 315</b>	<b>24 466</b>	<b>Total net loans to and receivables from credit institutions</b>		<b>17 999</b>	<b>26 414</b>	<b>24 466</b>
108 709	84 691	100 657	Repayment loans		108 709	84 691	100 657
-23 660	-16 433	-20 107	Specified loss reserves	2	-23 660	-16 433	-20 107
<b>85 049</b>	<b>68 258</b>	<b>80 549</b>	<b>Total net loans to and receivables from customers</b>		<b>85 049</b>	<b>68 258</b>	<b>80 549</b>
7 688	8 835	9 096	Receivables		852	7 271	1 732
<b>7 688</b>	<b>8 835</b>	<b>9 096</b>	<b>Total other assets</b>		<b>852</b>	<b>7 271</b>	<b>1 732</b>
2 948	2 948	2 948	Shares in group companies		0	0	0
<b>2 948</b>	<b>2 948</b>	<b>2 948</b>	<b>Total ownership interests in group companies</b>		<b>0</b>	<b>0</b>	<b>0</b>
28 748	33 337	29 895	Goodwill		45 890	45 890	45 890
22 336	22 927	22 336	Deferred tax assets		21 566	22 157	21 566
17 432	23 510	19 363	Intangible assets		19 510	25 081	21 314
<b>68 516</b>	<b>79 774</b>	<b>71 594</b>	<b>Total intangible assets</b>		<b>86 965</b>	<b>93 128</b>	<b>88 769</b>
864	1 760	1 070	Tangible assets		864	1 760	1 070
<b>864</b>	<b>1 760</b>	<b>1 070</b>	<b>Total Tangible assets</b>		<b>864</b>	<b>1 760</b>	<b>1 070</b>
9 274	5 436	9 314	Prepays and deposits		9 274	5 436	9 791
<b>9 274</b>	<b>5 436</b>	<b>9 314</b>	<b>Total prepaid</b>		<b>9 274</b>	<b>5 436</b>	<b>9 791</b>
<b>192 338</b>	<b>193 327</b>	<b>199 038</b>	<b>TOTAL ASSETS</b>		<b>201 003</b>	<b>202 268</b>	<b>206 378</b>
			<b>EQUITY AND LIABILITIES</b>				
			<b>Liabilities</b>				
22 380	21 810	29 540	Liabilities to credit institutions		22 380	21 810	29 540
<b>22 380</b>	<b>21 810</b>	<b>29 540</b>	<b>Total liabilities to credit institutions</b>		<b>22 380</b>	<b>21 810</b>	<b>29 540</b>
20 094	21 992	18 783	Other liabilities		12 312	19 917	12 941
<b>20 094</b>	<b>21 992</b>	<b>18 783</b>	<b>Total other liabilities</b>		<b>12 312</b>	<b>19 917</b>	<b>12 941</b>
1 474	6 127	5 257	Provisions for accrued expenses and liabilities		1 474	6 127	5 035
<b>1 474</b>	<b>6 127</b>	<b>5 257</b>	<b>Total provisions for accrued expenses and liabilities</b>		<b>1 474</b>	<b>6 127</b>	<b>5 035</b>
<b>43 948</b>	<b>49 929</b>	<b>53 579</b>	<b>Sum liabilities</b>		<b>36 166</b>	<b>47 854</b>	<b>47 516</b>
			<b>Equity</b>				
87 035	87 035	87 035	Share capital		87 035	87 035	87 035
-815	-815	-815	Own shares		-815	-815	-815
74 615	74 615	74 615	Share premium account		74 000	74 000	74 000
<b>160 835</b>	<b>160 835</b>	<b>160 835</b>	<b>Total equity contributed</b>		<b>160 220</b>	<b>160 220</b>	<b>160 220</b>
-12 444	-17 437	-15 376	Other equity		4 617	-5 807	-1 358
<b>-12 444</b>	<b>-17 437</b>	<b>-15 376</b>	<b>Total retained earnings</b>		<b>4 617</b>	<b>-5 807</b>	<b>-1 358</b>
<b>148 390</b>	<b>143 398</b>	<b>145 459</b>	<b>Sum equity</b>		<b>164 837</b>	<b>154 413</b>	<b>158 862</b>
<b>192 338</b>	<b>193 327</b>	<b>199 038</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>201 003</b>	<b>202 268</b>	<b>206 378</b>

## Folkia AS notes

	2012-03-31	2011-03-31	2011-12-31
<b>1. Credit losses</b>			
Actual specified credit losses	346	751	3 999
Write-back of specified credit losses	0	0	20
Provisions during the period	3 823	3 456	13 815
<b>Sum (NOK)</b>	<b>4 170</b>	<b>4 207</b>	<b>17 834</b>
<b>2. Credit losses / Defaulted</b>			
Defaulted loans *	32 195	23 797	26 866
Accumulated provision for credit losses	23 660	16 433	20 107
<b>Net (NOK)</b>	<b>8 535</b>	<b>7 364</b>	<b>6 758</b>
*) loans are classified as defaulted 90 days past due			
<b>3. Off balance sheet items</b>			
Undisposed credit (SEK facility)	24 142 768	22 034 899	17 010 355
Undisposed credit (EUR facility)	19 268 753	15 666 000	20 302 995
<b>Sum (NOK)</b>	<b>43 411 521</b>	<b>37 700 899</b>	<b>37 313 351</b>
<b>4. Capital adequacy</b>			
Capital requirement	28 202	20 690	22 334
Capital base	75 012	73 648	73 866
<b>Capital ratio*</b>	<b>21,28%</b>	<b>28,48%</b>	<b>26,46%</b>

\*) Current years result has been excluded in the calculation of capital ratio since it has not been audited. This is in line with the guidelines from Norwegian Finanstilsynet.