

FOLKIA

Report for first quarter 2013

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.

During Q1 Folkia's capital ratio was reduced to 22%. The main reason for this reduction is that the average turnover for the last 3 years has gone up which results in an increased capital requirement. The result for Q1 ended at -1 002 KNOK compared to 3 491 KNOK for the same period in 2012.

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Income statement

Folkia AS				NOTE	Folkia AS Group		
2013 Q1	2012 Q1	2012 YE			2013 Q1	2012 Q1	2012 YE
7	8	110	Interest and similar income from credit institutions		7	8	110
22 723	28 341	114 017	Interest and similiar income from customers		22 723	28 341	112 763
22 730	28 349	114 127	Total interest and similar income		22 730	28 349	112 873
-254	-496	-1 689	Interest and other expenses on debt to credit institutions		-255	-496	-1 689
-254	-496	-1 689	Total interest expenses and similar expenses		-255	-496	-1 689
22 475	27 854	112 438	Net interest and credit comission income		22 474	27 854	111 184
-54	-150	-172	Commission and similar expenses from credit institutions		-54	-150	-172
-54	-150	-172	Total interest expenses and similar expenses		-54	-150	-172
936	-602	-482	Net gain/loss on foreign exchange etc		936	-602	-482
936	-602	-482	Total net change in value and gain/loss on currencies etc		936	-602	-482
-5 876	-4 832	-21 315	Salary etc		-5 876	-4 832	-21 315
-4 335	-3 335	-15 185	-Salary		-4 335	-3 335	-15 185
-284	-259	-1 109	- Pension		-284	-259	-1 109
-1 257	-1 239	-5 021	- Social fees		-1 257	-1 239	-5 021
-6 718	-7 344	-26 103	Administrative expenses		-6 718	-7 344	-26 103
-12 595	-12 176	-47 417	Total salaries and general administrative expenses		-12 595	-12 176	-47 417
-2 482	-3 202	-11 535	Ordinary depreciation		-1 208	-1 928	-6 439
-2 482	-3 202	-11 535	Total depreciation, etc, of tangible fixed assets and intangible assets		-1 208	-1 928	-6 439
0	0	0	Impairment on tangible and intangible assets		0	0	0
0	0	0	Total Impairment on tangible and intangible assets		0	0	0
-3 351	-4 062	-15 078	Other operating expenses		-3 351	-4 062	-15 078
-3 351	-4 062	-15 078	Total other operating expenses		-3 351	-4 062	-15 078
4 930	7 661	37 754	Result before losses on loans		6 203	8 935	41 596
-5 932	-4 170	-31 044	Losses on loans	1	-5 932	-4 170	-31 044
-5 932	-4 170	-31 044	Total losses on loans, guarantees, etc		-5 932	-4 170	-31 044
0	0	-2 029	Write down of intangible assets		0	0	0
0	0	-2 029	Total write down of assets		0	0	0
-1 002	3 491	4 681	Result on ordinary operations before tax		271	4 765	10 552
260	-978	-7 172	Tax on result on ordinary operations		-97	-1 334	-11 910
-742	2 513	-2 490	RESULT FOR THE YEAR		174	3 431	-1 358

Balance sheet

Folkia AS			NOTE	Folkia AS Group		
2013 Q1	2012 Q1	2012 YE		2013 Q1	2012 Q1	2012 YE
			Assets			
24 116	17 999	22 496	Loans to and receivables from credit institutions	24 302	17 999	23 457
24 116	17 999	22 496	institutions	24 302	17 999	23 457
78 084	108 709	75 685	Repayment loans	78 084	108 709	75 685
-18 282	-23 660	-14 704	Specified loss reserves	2	-18 282	-23 660
59 802	85 049	60 981	Total net loans to and receivables from customers	59 802	85 049	60 981
135	2 948	135	Shares in group companies	0	0	0
135	2 948	135	Total ownership interests in group companies	0	0	0
24 159	28 748	25 306	Goodwill	45 890	45 890	45 890
23 501	21 358	22 427	Deferred tax assets	18 017	20 231	16 943
14 822	17 432	14 873	Intangible assets	17 406	19 510	17 331
62 483	67 538	62 607	Total intangible assets	81 313	85 631	80 163
613	864	724	Tangible assets	613	864	724
613	864	724	Total Tangible assets	613	864	724
13 152	7 732	16 277	Other assets	13 152	896	15 493
18 692	9 229	17 698	Prepays and deposits	18 692	9 229	17 698
31 845	16 962	33 976	Total prepaid	31 845	10 125	33 192
178 995	191 360	180 920	TOTAL ASSETS	197 875	199 669	198 517
			EQUITY AND LIABILITIES			
			Liabilities			
11 384	22 380	17 263	Liabilities to credit institutions	11 384	22 380	17 263
17 457	11 146	14 368	Other liabilities	17 859	3 363	14 411
7 971	10 422	7 925	Accrued expenses and deferred income	7 971	10 422	11 377
36 812	43 948	39 556	Total liabilities	37 213	36 166	43 052
			Equity			
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
160 835	160 835	160 835	Total equity contributed	160 220	160 220	160 220
-18 652	-13 422	-19 471	Other equity	442	3 283	-4 754
-18 652	-13 422	-19 471	Total retained earnings	442	3 283	-4 754
142 183	147 412	141 364	Sum equity	160 662	163 503	155 465
178 995	191 360	180 920	TOTAL EQUITY AND LIABILITIES	197 875	199 669	198 517

Folkia AS notes

	2013-03-31	2012-03-31	2012-12-31
1. Credit losses			
Actual specified credit losses	0	346	3 285
Write-back of specified credit losses	0	0	-788
Provisions during the period	5 932	3 823	28 547
Sum (NOK)	5 932	4 170	31 044
2. Credit losses / Defaulted			
Defaulted loans *	12 361	32 195	9 896
Accumulated provision for credit losses	18 282	23 660	14 704
Net (NOK)	-5 920	8 535	-4 808
*) loans are classified as defaulted 90 days past due			
3. Off balance sheet items			
Undisposed credit (SEK facility)	13 583	24 143	7 630
Undisposed credit (EUR facility)	9 867	19 269	9 596
Sum (NOK)	23 450	43 412	17 226
4. Capital adequacy			
Capital requirement	29 441	28 202	24 382
Capital base	79 701	75 012	78 757
Capital ratio*	22%	21%	26%

*) 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.