

Nordiska Financial Partner Norway AS.

INTERIM REPORT

JANUARY - MARCH 2024

Report for first quarter 2024

Following the acquisition in 2021 by Nordiska Kreditmarknadsaktiebolaget (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's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. As at 31 March 2024, the company consisted of the parent company, Nordiska FPN AS, and its branches in Sweden and Estonia. Both branches are in the process of being closed down.

Total interest income amounted to 3.4 MNOK for Q1 2024 compared to 2.8 in Q1 2023. The first Partner in Norway, launched in Q1 2022, generated income of 3.2 MNOK in Q1 2024 with a lending portfolio amounting to approx. 180 MNOK by the end of the quarter. During Q1 the second partner in Norway targeting their service towards their customer base issuing credit cards to private consumers saw a growth both in the outstanding towards their customers and number of cards. However the income generated in Q1 is still limited. As the final old "Folkefinans" portfolio was transferred to Nordiska in Q4 loans to customers at the end of 2023 consisted only of loans generated by Nordiska FPN's Partners

With no remaining "Folkefinans" loan portfolios in the balance sheet during Q1 the company's losses on loans were slightly positive due to recoveries from profit sharing of previously sold defaulted loans with 0.1 MNOK in Q1 2024 compared to -0.4 MNOK in Q1 2023. For the Partner portfolio the credit risk is risk 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. The loan loss fund amounted to 31 MNOK by the end of Q1. 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 were further reduced in Q1 2024 with 2 employees leaving the company during the quarter amounting to 1.6 MNOK compared to 2.6 MNOK in Q1 2023. Total comprehensive income was positive in Q1 with 0.2 MNOK compared to a loss -1.0 MNOK in Q1 2023. The capital adequacy ratio remained high with 40% in Q1 2024, compared to 41.8 % at the end of 2023.

For further information, please contact:

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Statement of comprehensive income (NOK)

	Note	2024 Q1	2023 Q1	2024 YTD	2023 YTD	2023 YE
Interest income – assets measured at amortised cost		3 421	2 849	3 421	2 849	12 874
Interest expenses		-1 987	-807	-1 987	-807	-5 020
Net interest income		1 434	2 042	1 434	2 042	7 854
Fee and comission expenses		-29	-269	-29	-269	-1 129
Net change in value on securities and currency		389	550	389	550	724
Net income from financial assets		1 794	2 323	1 794	2 323	7 449
Personnel expenses		-768	-916	-768	-916	-3 893
Depreciation, amortisation and impairment		-91	-432	-91	-432	-1 221
Other operating expenses		-836	-1 731	-836	-1 731	-7 070
Net operating income before losses on loans		99	-756	99	-756	-4 735
Losses on loans	1	67	-473	67	-473	1 145
Result before tax		166	-1 229	166	-1 229	-3 590
Tax		1	0	1	0	3
Result after tax		167	-1 229	167	-1 229	-3 587
Items to be recycled to profit and loss						
Exchange differences on translating foreign operations		0	191	0	191	7
Sum other comprehensive income		0	191	0	191	7
Total comprehensive income		167	-1 038	167	-1 038	-3 580

Statement of financial position (NOK)

	Note	2024 Q1	2023 Q1	2023 YE
ASSETS				
Loans and deposits to credit institutions		60 038	47 825	65 298
Loans to customers	2	187 061	138 780	165 933
Investment securities		9 405	14 616	8 514
Derivatives		-	-	-
Tangible assets		278	1 755	353
Other assets		2 486	2 620	3 025
Prepaid and deposits		3 538	4 663	3 440
Total assets		262 806	210 259	246 563
LIABILITIES				
Debt to credit institutions		109 165	62 939	94 344
Derivatives		641	235	447
Other liabilities		39 178	31 541	38 095
Subordinated loan		35 946	35 234	35 880
Total liabilities		184 930	129 949	168 766
EQUITY				
Share capital		96 123	96 123	96 123
Share premium		79 263	79 262	79 262
Other paid in equity		5 151	5 151	5 151
Retained earnings		-102 662	-100 227	-102 740
Total equity		77 875	80 310	77 796
Total liabilities and equity		262 806	210 259	246 563

Notes to the financial statements

	2024 Q1	2023 Q1	2023 YE
1. CREDIT LOSSES			
Actual specified credit losses	0	-2 757	-4 903
Write-back of specified credit losses	67	189	472
Provisions during the period	0	2 095	5 576
Sum (NOK)	67	-473	1 145
2. CREDIT LOSSES / DEFAULTED			
Defaulted loans*	0	1 027	0
Accumulated provision for credit losses	0	3 538	0
Net (NOK)	0	-2 511	0
<small>* loans are classified as defaulted 90 days past due</small>			
3. OFF BALANCE SHEET ITEMS			
Undisposed credit (SEK facility)	0	0	0
Sum (NOK)	0	0	0
4. CAPITAL ADEQUACY			
Capital requirement	15 582	17 885	14 890
Capital base	77 870	80 296	77 776
Capital ratio	40,0 %	35,9 %	41,8%

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