



## Report for second 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 second quarter 2013 Folkia's capital ratio remained at 23%. The result for Q2 ended at -1 925 KNOK compared to 3 382 KNOK for the same period in 2012.

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## Income statement

Folkia AS					NOTE	Folkia AS Group				
2013 Q2	2012 Q2	2013 YTD	2012 Q1-2	2012 YE		2013 Q2	2012 Q2	2013 YTD	2012 Q1-2	2012 YE
5	4	12	12	110	Interest and similar income from credit institutions	5	4	12	12	110
23 012	35 935	45 937	64 327	114 017	Interest and similar income from customers	23 012	35 935	45 937	64 327	112 763
<b>23 017</b>	<b>35 939</b>	<b>45 949</b>	<b>64 340</b>	<b>114 127</b>	<b>Total interest and similar income</b>	<b>23 017</b>	<b>35 939</b>	<b>45 949</b>	<b>64 340</b>	<b>112 873</b>
-311	-559	-568	-1 055	-1 689	Interest and other expenses on debt to credit institutions	-311	-559	-569	-1 055	-1 689
<b>-311</b>	<b>-559</b>	<b>-568</b>	<b>-1 055</b>	<b>-1 689</b>	<b>Total interest expenses and similar expenses</b>	<b>-311</b>	<b>-559</b>	<b>-569</b>	<b>-1 055</b>	<b>-1 689</b>
<b>22 706</b>	<b>35 381</b>	<b>45 381</b>	<b>63 285</b>	<b>112 438</b>	<b>Net interest and credit comission income</b>	<b>22 705</b>	<b>35 381</b>	<b>45 380</b>	<b>63 285</b>	<b>111 184</b>
-49	65	-103	-84	-172	Commission and similar expenses from credit institutions	-49	65	-103	-84	-172
<b>-49</b>	<b>65</b>	<b>-103</b>	<b>-84</b>	<b>-172</b>	<b>Total interest expenses and similar expenses</b>	<b>-49</b>	<b>65</b>	<b>-103</b>	<b>-84</b>	<b>-172</b>
1 005	12	1 947	-587	-482	Net gain/loss on foreign exchange etc	1 005	12	1 947	-587	-482
<b>1 005</b>	<b>12</b>	<b>1 947</b>	<b>-587</b>	<b>-482</b>	<b>Total net change in value and gain/loss on currencies etc</b>	<b>1 005</b>	<b>12</b>	<b>1 947</b>	<b>-587</b>	<b>-482</b>
-6 083	-6 104	-12 004	-10 944	-21 315	Salary etc	-6 083	-6 104	-12 004	-10 944	-21 315
-4 384	-4 445	-8 749	-7 787	-15 185	-Salary	-4 384	-4 445	-8 749	-7 787	-15 185
-274	-304	-560	-563	-1 109	- Pension	-274	-304	-560	-563	-1 109
-1 425	-1 354	-2 694	-2 594	-5 021	- Social fees	-1 425	-1 354	-2 694	-2 594	-5 021
-7 545	-6 466	-14 306	-13 807	-26 103	Administrative expenses	-7 545	-6 466	-14 306	-13 807	-26 103
<b>-13 629</b>	<b>-12 570</b>	<b>-26 309</b>	<b>-24 751</b>	<b>-47 417</b>	<b>Total salaries and general administrative expenses</b>	<b>-13 629</b>	<b>-12 570</b>	<b>-26 309</b>	<b>-24 751</b>	<b>-47 417</b>
-2 281	-2 830	-4 767	-6 032	-11 535	Ordinary depreciation	-1 007	-1 556	-2 219	-3 484	-6 439
<b>-2 281</b>	<b>-2 830</b>	<b>-4 767</b>	<b>-6 032</b>	<b>-11 535</b>	<b>Total depreciation, etc, of tangible fixed assets and intangible assets</b>	<b>-1 007</b>	<b>-1 556</b>	<b>-2 219</b>	<b>-3 484</b>	<b>-6 439</b>
-3 114	-3 592	-6 491	-7 654	-15 078	Other operating expenses	-3 114	-3 592	-6 491	-7 654	-15 078
<b>-3 114</b>	<b>-3 592</b>	<b>-6 491</b>	<b>-7 654</b>	<b>-15 078</b>	<b>Total other operating expenses</b>	<b>-3 114</b>	<b>-3 592</b>	<b>-6 491</b>	<b>-7 654</b>	<b>-15 078</b>
<b>4 637</b>	<b>16 466</b>	<b>9 658</b>	<b>24 177</b>	<b>37 754</b>	<b>Result before losses on loans</b>	<b>5 911</b>	<b>17 739</b>	<b>12 204</b>	<b>26 724</b>	<b>41 596</b>
-7 153	-11 768	-13 135	-15 953	-31 044	Losses on loans	-7 153	-11 768	-13 135	-15 953	-31 044
<b>-7 153</b>	<b>-11 768</b>	<b>-13 135</b>	<b>-15 953</b>	<b>-31 044</b>	<b>Total losses on loans, guarantees, etc</b>	<b>-7 153</b>	<b>-11 768</b>	<b>-13 135</b>	<b>-15 953</b>	<b>-31 044</b>
0	0	0	0	-2 029	Write down of intangible assets	0	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2 029</b>	<b>Total write down of assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-2 516</b>	<b>4 698</b>	<b>-3 478</b>	<b>8 224</b>	<b>4 681</b>	<b>Result on ordinary operations before tax</b>	<b>-1 243</b>	<b>5 972</b>	<b>-931</b>	<b>10 772</b>	<b>10 552</b>
591	-1 316	943	-2 302	-7 172	Tax on result on ordinary operations	234	-1 672	228	-2 302	-11 910
<b>-1 925</b>	<b>3 382</b>	<b>-2 535</b>	<b>5 921</b>	<b>-2 490</b>	<b>RESULT FOR THE YEAR</b>	<b>-1 009</b>	<b>4 300</b>	<b>-703</b>	<b>8 469</b>	<b>-1 358</b>

## Balance sheet

Folkia AS			NOTE	Folkia AS Group		
2013 Q2	2012 Q2	2012 YE		2013 Q2	2012 Q2	2012 YE
			<b>Assets</b>			
23 455	22 281	22 496	Loans to and receivables from credit institutions	23 596	22 281	23 457
<b>23 455</b>	<b>22 281</b>	<b>22 496</b>	<b>Total net loans to and receivables from credit</b>	<b>23 596</b>	<b>22 281</b>	<b>23 457</b>
75 748	82 674	75 685	Repayment loans	75 748	82 674	75 685
-23 808	-16 750	-14 704	Specified loss reserves	2	-23 808	-14 704
<b>51 940</b>	<b>65 924</b>	<b>60 981</b>	<b>Total net loans to and receivables from customers</b>	<b>51 940</b>	<b>65 924</b>	<b>60 981</b>
135	2 948	135	Shares in group companies	0	0	0
<b>135</b>	<b>2 948</b>	<b>135</b>	<b>Total ownership interests in group companies</b>	<b>0</b>	<b>0</b>	<b>0</b>
23 012	27 601	25 306	Goodwill	45 890	45 890	45 890
24 302	20 043	22 427	Deferred tax assets	18 103	18 559	16 943
14 760	16 050	14 873	Intangible assets	17 471	18 255	17 331
<b>62 074</b>	<b>63 694</b>	<b>62 607</b>	<b>Total intangible assets</b>	<b>81 464</b>	<b>82 704</b>	<b>80 163</b>
532	1 004	724	Tangible assets	532	1 004	724
<b>532</b>	<b>1 004</b>	<b>724</b>	<b>Total Tangible assets</b>	<b>532</b>	<b>1 004</b>	<b>724</b>
5 916	12 229	16 277	Other assets	5 916	5 397	15 493
19 606	4 857	17 698	Prepays and deposits	19 606	4 857	17 698
<b>25 522</b>	<b>17 087</b>	<b>33 976</b>	<b>Total prepaid</b>	<b>25 522</b>	<b>10 255</b>	<b>33 192</b>
<b>163 658</b>	<b>172 937</b>	<b>180 920</b>	<b>TOTAL ASSETS</b>	<b>183 053</b>	<b>182 167</b>	<b>198 517</b>
			<b>EQUITY AND LIABILITIES</b>			
			<b>Liabilities</b>			
10 504	2 299	17 263	Liabilities to credit institutions	10 504	2 299	17 263
3 584	9 677	14 368	Other liabilities	3 584	1 901	14 411
7 962	10 274	7 925	Accrued expenses and deferred income	7 962	10 274	11 377
<b>22 050</b>	<b>22 251</b>	<b>39 556</b>	<b>Total liabilities</b>	<b>22 050</b>	<b>14 474</b>	<b>43 052</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>
-19 227	-10 148	-19 471	Other equity	783	7 473	-4 754
<b>-19 227</b>	<b>-10 148</b>	<b>-19 471</b>	<b>Total retained earnings</b>	<b>783</b>	<b>7 473</b>	<b>-4 754</b>
<b>141 608</b>	<b>150 687</b>	<b>141 364</b>	<b>Sum equity</b>	<b>161 003</b>	<b>167 693</b>	<b>155 465</b>
<b>163 658</b>	<b>172 937</b>	<b>180 920</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>183 053</b>	<b>182 167</b>	<b>198 517</b>

Folkia AS notes

	2013-06-30	2012-06-30	2012-12-31
<b>1. Credit losses</b>			
Actual specified credit losses	0	842	3 285
Write-back of specified credit losses	0	0	-788
Provisions during the period	13 135	15 111	28 547
<b>Sum (NOK)</b>	<b>13 135</b>	<b>15 953</b>	<b>31 044</b>
<b>2. Credit losses / Defaulted</b>			
Defaulted loans *	15 764	19 357	9 896
Accumulated provision for credit losses	23 808	20 107	14 704
<b>Net (NOK)</b>	<b>-8 044</b>	<b>-751</b>	<b>-4 808</b>
*) loans are classified as defaulted 90 days past due			
<b>3. Off balance sheet items</b>			
Undisposed credit (SEK facility)	13 794	34 348	7 630
Undisposed credit (EUR facility)	6 309	9 001	9 596
<b>Sum (NOK)</b>	<b>20 103</b>	<b>43 349</b>	<b>17 226</b>
<b>4. Capital adequacy</b>			
Capital requirement	28 155	26 755	24 382
Capital base	79 533	75 837	78 757
<b>Capital ratio*</b>	<b>23%</b>	<b>23%</b>	<b>26%</b>

All figures presented in NOK 1000