



FOLKIA™

Report for third quarter 2013

Folkia is a leading finance group that provides everyday financial services in the Nordic and Baltic regions. Folkia's services primarily consists 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 third quarter 2013 Folkia's capital ratio remained at 23%. The result for Q3 ended at -2 873 KNOK compared to 583 KNOK for the same period in 2012. Folkia product has during the third quarter changed in Sweden and Finland, with extended and more flexible duration. With the introduction of longer loans in Sweden in October the management of Folkia expects a marked improvement of the results for Q4 and 2014.

For further information, please contact:

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

CFO - Jens Schau-Hansen +47 450 023 54, jens.schau-hansen@folkia.no

Income statement

Folkia AS					NOTE	Folkia AS Group				
2013 Q3	2012 Q3	2013 YTD	2012 Q1-3	2012 YE		2013 Q3	2012 Q3	2013 YTD	2012 Q1-3	2012 YE
5	16	16	28	110	Interest and similar income from credit institutions	5	16	16	28	110
21 819	25 835	67 757	90 162	114 017	Interest and similar income from customers	21 819	25 835	67 757	90 162	112 763
21 824	25 851	67 773	90 190	114 127	Total interest and similar income	21 824	25 851	67 773	90 190	112 873
-292	-288	-860	-1 343	-1 689	Interest and other expenses on debt to credit institutions	-291	-288	-860	-1 343	-1 689
-292	-288	-860	-1 343	-1 689	Total interest expenses and similar expenses	-291	-288	-860	-1 343	-1 689
21 532	25 563	66 914	88 847	112 438	Net interest and credit comission income	21 533	25 563	66 913	88 847	111 184
-51	-41	-154	-125	-172	Commission and similar expenses from credit institutions	-51	-41	-154	-125	-172
-51	-41	-154	-125	-172	Total interest expenses and similar expenses	-51	-41	-154	-125	-172
813	325	2 759	-262	-482	Net gain/loss on foreign exchange etc	813	325	2 759	-262	-482
813	325	2 759	-262	-482	Total net change in value and gain/loss on currencies etc	813	325	2 759	-262	-482
-5 681	-5 629	-17 685	-16 573	-21 315	Salary etc	-5 681	-5 629	-17 685	-16 573	-21 315
-3 963	-3 967	-12 712	-11 754	-15 185	-Salary	-3 963	-3 967	-12 712	-11 754	-15 185
-344	-280	-904	-843	-1 109	- Pension	-344	-280	-904	-843	-1 109
-1 374	-1 382	-4 068	-3 976	-5 021	- Social fees	-1 374	-1 382	-4 068	-3 976	-5 021
-9 269	-7 220	-23 575	-21 027	-26 103	Administrative expenses	-9 269	-7 220	-23 575	-21 027	-26 103
-14 950	-12 849	-41 260	-37 600	-47 417	Total salaries and general administrative expenses	-14 950	-12 849	-41 260	-37 600	-47 417
-2 290	-2 865	-7 057	-8 897	-11 535	Ordinary depreciation	-1 016	-1 591	-3 235	-5 075	-6 439
-2 290	-2 865	-7 057	-8 897	-11 535	Total depreciation, etc, of tangible fixed assets and intangible assets	-1 016	-1 591	-3 235	-5 075	-6 439
-3 189	-2 112	-9 680	-9 766	-15 078	Other operating expenses	-3 189	-2 112	-9 680	-9 766	-15 078
-3 189	-2 112	-9 680	-9 766	-15 078	Total other operating expenses	-3 189	-2 112	-9 680	-9 766	-15 078
1 865	8 021	11 522	32 197	37 754	Result before losses on loans	3 140	9 295	15 344	36 019	41 596
-5 385	-7 198	-18 520	-23 151	-31 044	Losses on loans	-5 385	-7 198	-18 520	-23 151	-31 044
-5 385	-7 198	-18 520	-23 151	-31 044	Total losses on loans, guarantees, etc	-5 385	-7 198	-18 520	-23 151	-31 044
0	0	0	0	-2 029	Write down of intangible assets	0	0	0	0	0
0	0	0	0	-2 029	Total write down of assets	0	0	0	0	0
-3 520	823	-6 998	9 046	4 681	Result on ordinary operations before tax	-2 245	2 097	-3 177	12 868	10 552
647	-240	1 590	-2 542	-7 172	Tax on result on ordinary operations	1 362	-1 324	1 590	-3 626	-11 910
-2 873	583	-5 408	6 504	-2 490	RESULT FOR THE YEAR	-883	773	-1 586	9 242	-1 358

Balance sheet

Folkia AS			NOTE	Folkia AS Group		
2013 Q3	2012 Q3	2012 YE		2013 Q3	2012 Q3	2012 YE
			Assets			
18 843	41 210	22 496	Loans to and receivables from credit institutions	18 990	41 210	23 457
18 843	41 210	22 496	Total net loans to and receivables from credit	18 990	41 210	23 457
89 084	87 167	75 685	Repayment loans	89 084	87 167	75 685
-28 559	-19 790	-14 704	Specified loss reserves	2	-28 559	-14 704
60 526	67 377	60 981	Total net loans to and receivables from customers	60 526	67 377	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
21 865	26 454	25 306	Goodwill	45 890	45 890	45 890
25 416	19 793	22 427	Deferred tax assets	19 931	17 939	16 943
14 547	14 551	14 873	Intangible assets	17 384	16 882	17 331
61 827	60 798	62 607	Total intangible assets	83 205	80 711	80 163
475	947	724	Tangible assets	475	947	724
475	947	724	Total Tangible assets	475	947	724
6 284	9 196	16 277	Other assets	6 284	2 299	15 493
22 179	7 931	17 698	Prepays and deposits	22 179	7 931	17 698
28 463	17 127	33 976	Total prepaid	28 463	10 230	33 192
170 268	190 407	180 920	TOTAL ASSETS	191 658	200 475	198 517
			EQUITY AND LIABILITIES			
			Liabilities			
13 825	18 918	17 263	Liabilities to credit institutions	13 825	18 918	17 263
7 332	18 832	14 368	Other liabilities	7 332	10 975	14 411
8 602	1 715	7 925	Accrued expenses and defered income	8 602	1 715	11 377
29 759	39 465	39 556	Total liabilities	29 759	31 608	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
-20 326	-9 893	-19 471	Other equity	1 679	8 647	-4 754
-20 326	-9 893	-19 471	Total retained earnings	1 679	8 647	-4 754
140 509	150 942	141 364	Sum equity	161 899	168 867	155 465
170 268	190 407	180 920	TOTAL EQUITY AND LIABILITIES	191 658	200 475	198 517

Folkia AS notes

	2013-09-30	2012-09-30	2012-12-31
1. Credit losses			
Actual specified credit losses	0	842	3 285
Write-back of specified credit losses	0	0	-788
Provisions during the period	18 520	22 309	28 547
Sum (NOK)	18 520	23 151	31 044
2. Credit losses / Defaulted			
Defaulted loans *	19 757	21 536	9 896
Accumulated provision for credit losses	28 559	19 790	14 704
Net (NOK)	-8 802	1 746	-4 808
*) loans are classified as defaulted 90 days past due			
3. Off balance sheet items			
Undisposed credit (SEK facility)	11 618	17 444	7 630
Undisposed credit (EUR facility)	19	9 580	9 596
Sum (NOK)	11 637	27 024	17 226
4. Capital adequacy			
Capital requirement	27 908	25 607	24 382
Capital base	78 672	76 835	78 757
Capital ratio	23%	24%	26%

All figures presented in NOK 1000