

**EKSPRES
BANK**

2014

**INTERIM
REPORT**

INTERIM REPORT 2014

Contents

COMPANY INFORMATION	3
MANAGEMENT' S STATEMENT	4
MANAGEMENT'S REVIEW	5
ACCOUNTING POLICIES	6
FINANCIAL HIGHLIGHTS	7
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME	9
BALANCE SHEET	10
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

COMPANY INFORMATION

Ekspres Bank A/S
Oldenburg Allé 3
2630 Taastrup
Denmark

Homepage: www.ekspresbank.dk

Tel: +45 70 23 58 00

Fax: +45 70 23 58 01

OWNERSHIP

The company is wholly owned by Laser Cofinoga S.A

18 Rue de Londres
75009 Paris
France

BOARD OF DIRECTORS

Stephen Hunt
Chairman

Rebecca Doucet

Solange Traisnel

Jacques Darrigade

Michael R. Lundgaard
Independent director

EXECUTIVE BOARD

John Poulsen
Managing Director

AUDITORS

EY

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today reviewed and approved the interim report of Ekspres Bank A/S for 2014. The interim Report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the interim Report gives a true and fair view of the bank's assets, liabilities and financial position at 30 June 2014 as well as the result of operations for the period 1st January – 30th June 2014.

Moreover, in our opinion, the management's review gives a true and fair view of the development of the bank's activities and financial position and describes the most significant risks and uncertainties that may affect the company.

Copenhagen, 7th August 2014

EXECUTIVE BOARD

John Poulsen
Managing Director

BOARD OF DIRECTORS

Stephen Hunt
Chairman

Jacques Darrigade

Rebecca Doucet

Solange Traisnel

Michael Lundgaard

MANAGEMENT'S REVIEW

Business Review

Ekspres Bank provides unsecured loans and credit facilities to private customers through retail sector lending or direct lending in the Danish and Norwegian markets.

Financial Review

Total loans amounted to DKK 3,097 m, compared with DKK 3,106 m at year-end 2013 (DKK 2,968 m per 30-06-2013), which corresponds to a minor decrease of 0.3%

New Loans

In 2014, the amount of new loans and credit facilities slightly decreased by 1% compared with the first six month of 2013. The decline may be assigned to an increase in the Danish market and a decrease in the Norwegian branch.

Macroeconomic Development

Consumer confidence is improving but with a certain level of uncertainty. The bank was however able to maintain a good level of business and to generate a satisfactory interim result. As a whole, the bank expects the market situation to remain unchanged for the rest of 2014.



CREDIBILITY



CUSTOMER CENTRIC

Continuous Focus on Credit Policy Adjustments and Bad Debt Provisions

Impairment losses recognized in 2014 accounted for DKK 31 m against DKK 64m in 2013. Impairment loss on loans and receivables was significantly lower than 2013 and much better than expected, mainly due to efficient cash collections over the last 12 months. Consequently, the review of the biannual provision rates and the sale of part of the written-off portfolio in Norway contributed to the improvement of the results.

Results of Operations

The bank's operating expenses and depreciation charges increased in 2014 by 4 % compared with the first half of 2013 and accounted for DKK 94m. This increase is considered to be moderate given the general activity in the company.

The bank reported a pre-tax Interim Profit of DKK 96,1m, which is considered satisfactory compared with last year's pre-tax interim profit of DKK 48m.

Balance Sheet

During 2014, Ekspres Bank's total balance decreased from DKK 3,227m to DKK 3,215m, which corresponds to a fall of 0.4% compared with 2013 year-end.

Equity totalled DKK 545m against DKK 533m at the end of 2013. Dividends distributed in 2014 to the parent company amounted to DKK 59,7m

Outlook for the Second Half of 2014

For the rest of the year, the bank expects growth to be moderate and in line with market trends. The profit for the full year is expected to reflect the good performance of the first half of 2014.



COMMITMENT

Supervisory Diamond

The Danish FSA has created a monitoring tool called the "Supervisory Diamond" consisting of five benchmarks on specific risk areas, stating limit values which the bank should basically observe.

Ekspres Bank does not have any current deposit accounts, therefore, the benchmark as to the funding ratio will exceed the limit value fixed by the Danish FSA, if the calculation of the bank's business model is not adjusted. The table below shows the calculation of both funding ratios, in order to get a quick insight into the bank's real value.

The five benchmarks are as follows:

1. Sum of large exposures
2. Lending growth
3. Concentration of commercial property exposures
4. Funding ratio
5. Excess liquidity coverage

As at 30 June 2014, the Bank was complying with the four other benchmarks set up by the Danish FSA.

TILSYNSDIAMANTEN / SUPERVISORY DIAMOND	EKSPRES BANK	REQUIRED
1. benchmark -> Sum of large exposure	0%	< 125%
2. benchmark -> Lending growth	-0,3%	< 20%
3. benchmark -> Concentration on commercial property exposure	0%	< 25%
4. benchmark -> Funding-ratio	5,68	< 1,00
4. benchmark -> Funding-ratio (adjusted business model)	0,73	< 1,00
5. benchmark -> Excess liquidity coverage	3,70	> 0,50

ACCOUNTING POLICIES

Ekspres Bank's Interim Report for the first six months of 2014 has been prepared in accordance with the Danish Financial Business Act and Executive Order no. 17 on Financial Reports for Credit Institutions and Investment Companies, etc. ('the Executive Order').

The accounting policies are consistent with those of 2013 Annual Report, which provides a full description of the Bank's accounting policies.

FINANCIAL HIGHLIGHTS



EMPLOYEES
121



PROFIT BEFORE TAX
DKK 96.1m

Key figures	HY 2014	HY 2013	2013
Net interest and fee income	219.099	201.995	419.347
Market value adjustments	1.902	-69	-1.150
Staff costs and administrative expenses	89.450	84.957	159.450
Write-down of loans and receivables, etc.	31.075	63.660	140.494
Net profit for the year	71.144	35.825	80.142
Loans	3.096.548	2.967.544	3.106.336
Equity	545.236	494.807	533.391
Total assets	3.215.376	3.116.312	3.227.084

FINANCIAL HIGHLIGHTS

*) Ratios	HY 2014	HY 2013	2013
Capital base	439.246	410.821	488.078
Solvency ratio	14,9	14,6	16,5
Core capital ratio	14,9	14,6	16,5
Return on equity before tax	17,8	10,0	21,5
Return on equity after tax	13,2	7,5	16,1
Income/cost ratio	1,8	1,3	1,3
Interest-rate risk	-1,7	-2,8	-1,6
Gearing of loans, end of period	5,7	6,0	5,8
Semiannual growth in loans	-0,3	0,9	5,7
Excess cover relative to statutory liquidity requirements	369,6	194,6	185,0
Total amount of large exposures	0,0	0,0	0,0
Semiannual impairment ratio	0,9	1,9	4,0

*) Calculated in accordance with the Danish FSA's definition of ratios.

INCOME STATEMENT AND COMPREHENSIVE INCOME

Note	(DKK'000)	HY 2014	HY 2013
1	Interest income	215.660	205.685
2	Interest expenses	47.988	45.582
	Net interest income	167.672	160.103
3	Fees and commission income	79.976	67.836
	Fees and commission paid	28.549	25.944
	Net interest and fee income	219.099	201.995
4	Market value adjustments	1.902	-69
	Other operating income	56	0
	Staff costs and administrative expenses	89.450	84.957
	Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	4.433	5.422
5	Impairment losses, loans and receivables, etc.	31.075	63.660
	Profit before tax	96.098	47.887
	Tax	24.954	12.062
	Profit for the year	71.144	35.825
Statement of comprehensive income			
	(DKK '000)	HY 2014	HY 2013
	Other comprehensive income after tax	0	0
	Total comprehensive income	71.144	35.825

BALANCE SHEET

Note	(DKK'000)	HY 2014	31/12 2013
ASSETS			
	Cash in hand and demand deposits with central banks	20	14
	Receivables from credit institutions and central banks	11.875	125
	Loans and other receivables at amortised cost	3.096.548	3.106.336
	Intangible assets	9.776	13.262
	Property, plant and equipment	88	135
	Current tax assets	0	2.345
	Deferred tax assets	25.069	29.706
	Other assets	21.008	25.594
	Prepayments	50.992	49.567
	Total assets	3.215.376	3.227.084

BALANCE SHEET

Note	(DKK'000)	HY 2014	31/12 2013
LIABILITIES AND EQUITY			
LIABILITIES OTHER THAN PROVISIONS			
	Payables to credit institutions and central banks	2.513.452	2.552.046
	Current tax liabilities	13.460	0
	Other liabilities	54.971	56.063
	Deferred income	88.257	85.584
	Total liabilities other than provisions	2.670.140	2.693.693
PROVISIONS			
	Provisions for deferred tax	0	0
	Other provisions	0	0
	Total provisions	0	0
EQUITY			
	Share capital	110.000	110.000
	Other reserves		
	Retained earnings or loss brought forward	435.236	423.391
	Proposed dividend	0	0
	Total equity	545.236	533.391
	Total liabilities and equity	3.215.376	3.227.084

STATEMENT OF CHANGES IN EQUITY

(DKK'000)	Share capital	Retained earnings	Proposed dividend	Total
Equity, beginning of 2014	110.000	423.391	0	533.391
Profit for the year	0	71.144	0	71.144
Foreign-exchange difference, Norwegian branch	0	412	0	412
Dividend distributed	0	0	-59.711	-59.711
Proposed dividend	0	0	0	0
Equity per 30/6 2014	110.000	494.947	-59.711	545.236

The share capital amounts to DKK 110,000,000 distributed on shares of DKK 1,000 each or multiples thereof.

The share capital has remained unchanged DKK 110,000,000 in the past 5 years.

NOTES TO THE FINANCIAL STATEMENTS – EKSPRES BANK

NOTE

	(DKK'000)	HY 2014	HY 2013
1	Other interest income		
	Receivables from credit institutions and central banks	0	585
	Loans and other receivables	215.660	205.100
	Total other interest income	215.660	205.685
	<i>Ekspres Bank A/S does not provide segment disclosures, as the bank exclusively operates in the Nordic within a uniform customer group with a range of different products in the same category.</i>		
2	Interest expenses		
	Credit institutions and central banks		
	Other interest expenses	45.737	42.229
	Total credit institutions and central banks	45.737	42.229
	Derivatives		
	Interest-rate agreements	2.251	3.353
	Total derivatives	2.251	3.353
	Total	47.988	45.582
3	Fees and commission income		
	Other fees and commission income	79.976	67.836
	Total	79.976	67.836
4	Market value adjustments		
	Derivatives		
	Interest-rate agreements	1.865	-23
	Total derivatives	1.865	-23
	Other	37	-46
	Total	1.902	-69

NOTES TO THE FINANCIAL STATEMENTS – EKSPRES BANK

NOTE

	(DKK'000)	HY 2014	HY 2013
5	Write-downs on loans and receivables		
	Individual impairment losses during the year	61.091	76.876
	Reversal of individual impairment losses recognised in previous years	-32.513	-59.235
	Final loss on debt previously written down	17.656	48.449
	Loss on debt not previously written down *	2.717	-103
	Amounts received, previously written-off debt	-17.295	-2.327
	Total	31.075	63.660
6	Contingent liabilities		
	Other liabilities	220.020	133.265
	Total	220.020	133.265