ANNUAL REPORT 2015

Ekspres Bank A/S • Oldenburg Allé 3 • DK-2630 Taastrup • CVR No. 16 91 79 31

Content

Company Information

Ekspres Bank A/S
Oldenburg Allé 3
DK- 2630 Taastrup
Phone: +45 70 23 58 00
www.ekspresbank.dk

Ownership
The company is owned by
BNP Paribas Personal Finance S.A.
1 Boulevard Haussmann
75009 Paris
France

BNP Paribas Personal Finance S.A. is a 100% subsidiary of the BNP Paribas Group.

Board of Directors
Benoit Cavelier (*Chairman)*
Veronique Berthout
Pierre de Fontenay
Marianne Huvé-Allard
Michael Ravbjerg Lundgaard *(Independent director)*

Executive Board
John Poulsen
CEO

Auditors
PwC

Statement by the Management

The Board of Directors and the Executive Board have today reviewed and approved the Annual Report of Ekspres Bank A/S for 2015. The Annual Report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the Annual Report gives a true and fair view of the bank's assets, liabilities and financial position at the 31 December 2015 as well as the result of operations for the period 1 January – 31 December 2015.

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, the 16 March 2016

EXECUTIVE BOARD

John Poulsen
CEO

BOARD OF DIRECTORS

Benoit Cavelier
Chairman

Pierre de Fontenay

Veronique Berthout

Marianne Huvé-Allard

Michael Ravbjerg Lundgaard

Independent Auditors' Report

To the Shareholders of Ekspres Bank A/S

Report on financial statements

We have audited the financial statements of Ekspres Bank A/S for the financial year 1 January – 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the bank's financial position at 31 December 2015 and of the results of the bank's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Business Act.

Statement on management's review

We have read management's review in accordance with the Danish Financial Business Act. We have not performed any procedures additional to the audit of the financial statements. On this basis, in our opinion, the information provided in management's review is consistent with the financial statements.

Hellerup, 16 March 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Benny Voss
State Authorised Public Accountant

Claus Herschend
State Authorised Public Accountant

Board of Directors

Board of Directors

Benoit Cavelier (Chairman)
Member of Management in 13 other BNP Paribas Group entities

Pierre de Fontenay
Member of Management in 3 other BNP Paribas Group entities

Veronique Berthout
Member of Management in 1 other BNP Paribas Group entity

Marianne Huvé-Allard
Member of Management in 2 other BNP Paribas Group entities

Michael Ravbjerg Lundgaard (Independent director)
Chief Audit Executive - DSB

Our business

Business introduction

Ekspres Bank was established in 1987 as a result of a cooperation between Handelsbanken and Dansk Supermarked. Today, 28 years later, our company has revolutionised itself into being a modern bank providing financial services directly and indirectly via sales relationships with more than 2.000 partners.

Ekspres Bank offers a range of consumer finance products for private individuals to support them in their projects. The product portfolio includes loans, credit cards, debt consolidation, credit insurance and accident insurance.

Ekspres Bank entered the Norwegian market in 2008. Our shared head office is located in Taastrup, where we:

- Employ 127 FTEs
- Process >450.000 applications annually
- Manage >350.000 accounts in our customer portfolio

Our values

Ekspres Bank runs its business based on three values:

- Customer-centric - we put our customers first
- Commitment - we take ownership
- Credibility - we do what we say

High customer satisfaction

Rating level was 5,27 out of 6,0 in our 2015 customer satisfaction survey

Our CSR policy

Ekspres Bank does not have an explicit CSR policy. However, we follow some fundamental rules and principles to pursue the position as a more responsible and society oriented bank. We practice this by:

- Following a group charter on the protection of customer interest protection ensuring sufficient and transparent information and guidance to our existing and potential customers
- Collaborating with competitors via the sectoral association, "Finance and Leasing" on the tool "KreditStatus" to ensure responsible lending
- Practicing a non-biased employment culture in terms gender, religion, race etc.

International support base

Ekspres Bank has an international support base, which was reinforced in 2014, when BNP Paribas - Personal Finance achieved 100% ownership of Ekspres Bank. BNP Paribas - Personal Finance is a large global player within consumer finance, and the company is represented in more than 30 countries. The Group employees >20.000 people and manage approximately 27 million customers' accounts.

2015 has been a period of transition for our bank, getting fully integrated in the group – a process that continues in 2016.

57% Female employees

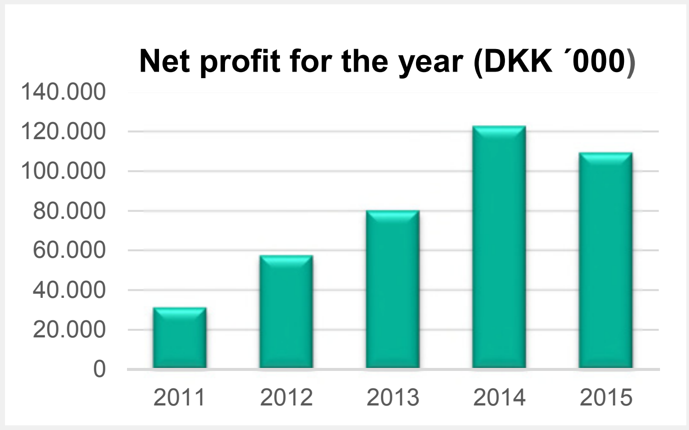
43% Male employees

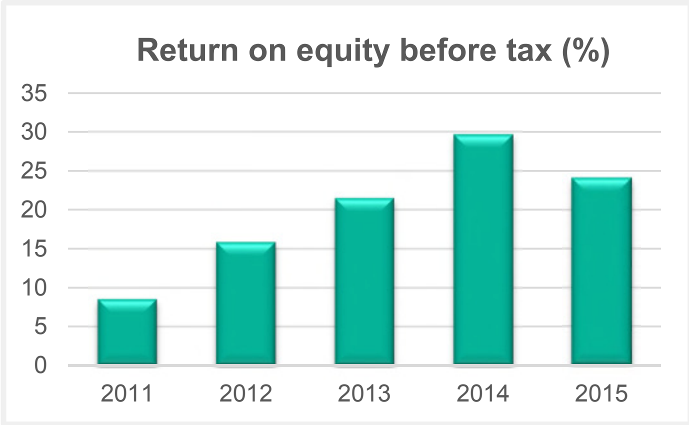
> 40 years 47,5%

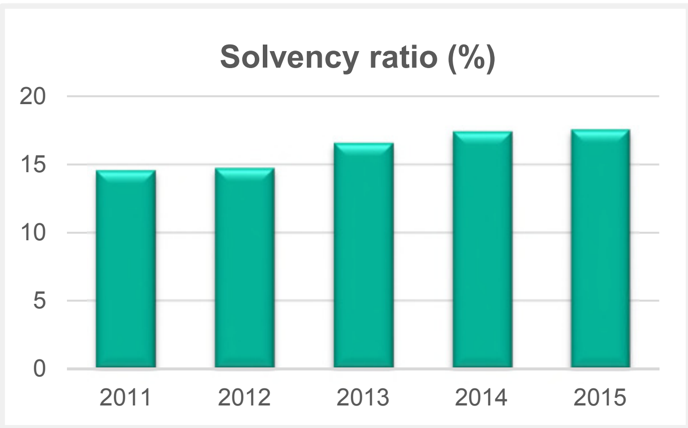
25 - 40 years 44,0%

< 25 years 8,5%

Highlights of 2015







Risk factors

The bank's strategy is to offer a competitive full range of financial products and services, designed to meet the customers' needs, thus improving customer satisfaction and loyalty for a long-term business growth and profitability. The bank's core business consists of providing unsecured loans and credit facilities to customers. In order to support the business model a number of policies have been defined as part of the risk assessment process; policies considered to be in line with industry standards of the Nordic financial market.

Financial risks and policies
The bank's exposure to a wide range of financial risks is managed at different levels in the company. The bank's financial risks include credit risk, market risk and liquidity risk, respectively:

Credit risk
The bank's primary risk is the credit area. The maximum loan amount granted to private individuals is DKK 500.000. In order to mitigate risk resulting from the exposure within the credit area, the bank executes on a defined strategy of operating geographically and demographically diversified loan portfolio in the Nordic countries and furthermore the average loan size per debtor is limited.

The bank has well-documented policies and procedures for handling its segmented loan portfolio. This means that the bank performs a systematic monitoring of the loan portfolio at all stages. Furthermore, the bank performs an automated credit scoring of all new loans based on historical performance and the information received from its customers.

The bank applies an effective internal control system on all delinquent accounts. The bank continuously adjusts its credit scoring setup and approval conditions in order to adapt to the underlying trends of the current economic climate.

If a loan enters into arrears, it will go through a well-defined debt collection process performed by the bank's internal collection department. Impairment losses on loans are applied systemically when there is objective indication of impairment (OEI) i.e. an event or more events which may lead to losses due to customers' inability to pay or unwillingness to do so. Non-performing loans and distressed loans are individually impaired, and the recoverable amounts are calculated based on individual assessments where customers' ability to pay or unwillingness to do so has been evaluated given a collective statistical method.

At any time and in accordance with the existing credit policies, guidelines and procedures, reports on the portfolio segmentation of the bank are regularly prepared for local committees, with the participation of the bank's Management. Moreover, monthly reports are prepared for the Corporate Risk Department and a separate reporting is performed and presented during scheduled Board meetings.

Market risk
The bank's market risk is related to interest-rate risks and currency risks.

Market risk; Interest-rate risk
Initially, the bank's interest-rate risk derives from the difference between interest terms and loan terms on the bank's loan portfolio in relation to funding. The bank's policy is to match the funding interest and loan interest in order to mitigate the interest-rate risk. Ekspres Bank tries, as far as possible, to hedge its portfolio by means of derivative financial instruments.

Market risk; Currency risk
With the aim of reducing exchange-rate risks to the lowest possible level, it is the bank's policy to obtain funding in the same currency as loans. Thus, the bank is exposed to no or very limited exchange-rate risks.

Liquidity risk
Since the bank is exclusively funded by the parent company with whom Ekspres Bank has sufficient credit line agreements - for both the Danish market and the Norwegian market - the liquidity risk is limited.

The bank's liquidity position is continuously monitored to ensure that the bank meets its payment obligations at all times.

If liquidity drops below the established limits of the excess liquidity coverage, the necessary actions will be initiated immediately in order to restore the agreed excess liquidity coverage ratio.

Necessary measures are prioritised as follows:
- Increase in current credit lines
- Establishment of more irrevocable money market lines

At least once a year, the Board of Directors reviews the bank's liquidity policy and performs all necessary adjustments on the recommendation of the Executive Board.

Operational risk

Operational risk is the risk of loss due to inadequate or incomplete internal processes, human errors or actions, system faults and external events, including legal risks. Operational risk and, hence, potential losses can be minimised, but not eliminated, and the bank's operational risk must be minimised and closely monitored.

Ekspres Bank considers the following elements as operational incidents: Losses due to financial risks; risks related to the staff function and management; risks related to outsourcing arrangements with external suppliers and insufficient insurance coverage.

The bank's policy regarding operational risks details the risk profile with the aim of the bank's business model to the benefit of the business.

Operational incidents and losses are registered and reported monthly based on a materiality concept. The Board of Directors reviews this policy, at least once a year, performing the necessary adjustments on the recommendation of the Executive Board.

IT security

Ekspres Bank operates on a high standard of IT security to ensure that the bank is a reliable, trustworthy and respectable. Emergency plans for the IT area are to minimise losses in case of a lack of IT facilities or similar crisis. Therefore, Ekspres Bank has drawn up an emergency plan, making sure that the requirements for service providers comply with the executive order on outsourcing.

In general

Procedures covering all the above risk areas have been specified. Ekspres Bank has estimated that the current number of employees is appropriate, and substantial financial resources are used to ensure that the staff and the bank's cooperative partners are fully trained and updated, on a continuous basis, in order to comply with applicable legislation and the bank's policies.

Management review

Financial review

In 2015, the bank continues to grow in a highly competitive market and delivers a solid result with a return on equity before tax of 24,1%.

The bank reported a pre-tax profit of DKK 149m, which is in line with expectations and considered satisfactory compared with the pre-tax profit of DKK 166m the year before given that the 2014 result is partially achieved by non-recurrent events, and particularly the divestment of a share of the written-off portfolio in Norway.

Macroeconomic development

Relevant macroeconomic ratios have remained stable or improved during 2015. No drastic changes are expected and these ratios will be closely monitored during 2016.

Loans and receivables

The outstanding loans amount to DKK 3.517m, compared with DKK 3.166m at the end of 2014, which corresponds to an increase of 11,1%. This increase of DKK 351m is partly driven by the acquisition of an external healthy portfolio for a total value of DKK 148m. The remaining increase is due to organic growth both in the Danish and the Norwegian market.

New loans

Globally the amount of new loans and credit facilities increased by 28,4% in 2015 compared with 2014. This increase can be assigned to both the Danish and the Norwegian market.

Credit risk

Impairment losses recognised in 2015 amounted to DKK 129m against DKK 91m in 2014. The 2014 impairment losses were positively impacted by the divestment of a share of the written-off portfolio in Norway. A similar transaction has taken place in 2015 but with a less significant impact. The net impairment ratio for 2015 is 3,4 which is at the expected level for the bank.

Results of operations

The increase in outstanding loans of 11,1% and the change in our product portfolio mix have resulted in higher net interest income whereas fee and commission income remains stable as a result of a changed product mix.

The bank’s operating expenses and depreciation charges increased by 1,8% and totaled DKK 188m against DKK 184m in 2014, which is mainly driven by increased staff costs for DKK 6m. Depreciation charges decreased by DKK 4m which is explained by part of the intangible assets fully amortised during the year.

Balance sheet

During 2015, the bank’s balance sheet increased from DKK 3.286m to DKK 3.769m, which corresponds to a rise of 14.7% compared with the end of 2014. The increase is primarily due to the development of the loan portfolio and increased receivables from credit institutions. The bank has increased its amount of highly liquid assets in order to fulfill the LCR (Liquidity Coverage Ratio) requirements applicable from 2015. Equity totaled DKK 649m against DKK 587m at the end of 2014. Dividends distributed in 2015 to the parent company amounted to DKK 40m.

Capital adequacy ratio

The bank´s capital base, less deductions, amounted to DKK 590m and the capital adequacy ratio amounted to 17,5%, at the end of 2015.

The bank´s solvency need was estimated to account for DKK 356m, at the end of 2015, corresponding to 10,6% of the risk-weighted assets. Compared with the actual capital base and the capital adequacy ratio of DKK 590m (17,5%), the excess solvency was of DKK 234m (6,9%). The excess capital adequacy is estimated to be satisfactory, and will ensure the continuous operations of the business as well as the development of the bank.

Gender under-representation

As both genders are equally represented in the board, the Board of Directors has not set a target for the under-represented gender.

At other managerial positions, there are no under-representation of one gender and consequently the bank has not set a policy for increasing the under-represented gender in these positions.

CSR

Please refer to page 7 for description of our CSR policy.

Post balance sheet events

No other events have occurred after the end of the financial year which could affect the assessment of the annual report.

Outlook for 2016

Provided that there are no significant changes in the market, profit for the year is expected to be at the same level as in 2015. The bank expects moderate growth in 2016 in the Danish market and a continued growth in the Norwegian market. In addition, the bank will continue to investigate opportunities for more global Nordic solutions.

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.

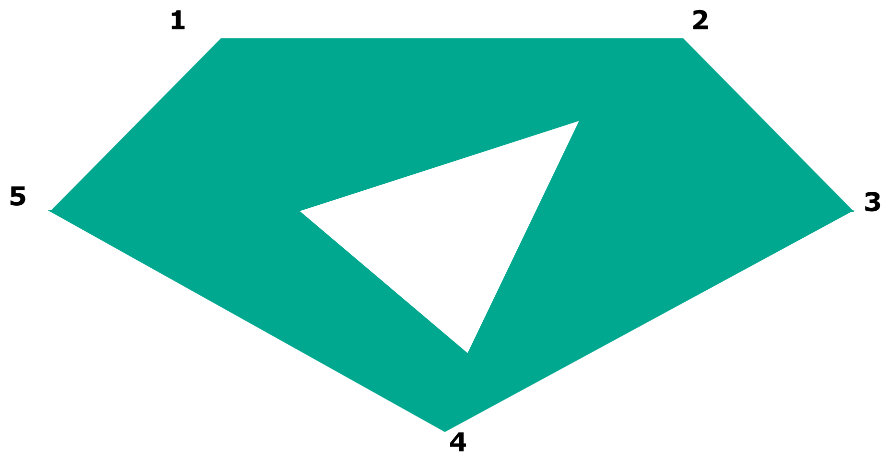
The five benchmarks are as follows:

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

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.

As of 31 December 2015, the bank was complying with the four other benchmarks set up by the Danish FSA.

SUPERVISORY DIAMOND	EKSPRES BANK	REQUIRED
1. benchmark -> Sum of large exposures < 125%	0%	< 125%
2. benchmark -> Lending growth < 20%	11,1%	< 20%
3. benchmark -> Concentration on commercial property exposures < 25%	0%	< 25%
4. benchmark -> Funding ratio < 1	5,42	< 1,00
*4. benchmark -> Funding ratio < 1 **	*0,66*	*< 1,00*
5. benchmark ->Excess liquidity coverage > 50 pct.	1,84	> 0,50



White lines = Ekspres Bank *

Green area = Limit values

** The funding ratio uses the internal model for the diamond*

Financial highlights

Key figures (DKK'000)	2015	2014	2013	2012	2011
Net interest and fee income	467.781	441.780	419.347	388.671	349.509
Market value adjustments	-2.171	155	-1.150	803	-2.819
Staff costs and administrative expenses	183.588	175.816	159.450	165.922	173.444
Write-down of loans and receivables, etc.	128.900	91.477	140.494	132.899	119.506
Net profit for the year	109.257	122.602	80.142	57.523	31.245
Loans	3.517.291	3.165.708	3.106.336	2.939.844	2.499.827
Equity	648.845	587.054	533.391	463.595	499.315
Total assets	3.768.924	3.285.535	3.227.084	3.086.304	2.621.988

*Ratios (DKK'000) **	2015	2014	2013	2012	2011
*Capital base ***	589.863	529.752	488.078	410.594	353.484
*Solvency ratio ***	17,5	17,4	16,5	14,7	14,5
*Core capital ratio ***	17,5	17,4	16,5	14,7	14,5
Return on equity before tax	24,1	29,7	21,5	15,9	8,6
Return on equity after tax	17,7	21,9	16,1	11,9	6,5
Income/cost ratio, DKK	1,5	1,6	1,3	1,2	1,1
Interest-rate risk	-4,8	-1,4	-1,6	-1,8	-2,4
Currency position	0,0	0,0	0,0	0,0	0,0
Currency risk	0,0	0,0	0,0	0,0	0,0
Loans relative to deposits	-	-	-	-	-
Gearing of loans, end of year	5,4	5,4	5,8	6,3	5,0
Annual growth in loans	11,1	1,9	5,7	17,6	22,9
Excess cover relative to statutory liquidity requirements	183,7	211,3	185,0	137,2	286,0
Total amount of large exposures	0,0	0,0	0,0	0,0	0,0
Net impairment ratio	3,4	2,6	4,0	4,0	4,1
Return on assets	2,9	3,7	2,5	1,9	1,2
Leverage ratio	16,3	16,7	15,7	13,9	14,1

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

*** Capital base in 2014 is corrected to the new guidelines from the Danish FSA.*

Income statement and comprehensive income

Note	(DKK'000)	2015	2014
1	*Interest income*	494.232	439.033
2	*Interest expenses*	120.845	101.006
	Net interest income	373.387	338.027
3	*Fees and commission income*	160.877	160.277
	Fees and commission paid	66.483	56.524
	Net interest and fee income	467.781	441.780
4	*Market value adjustments*	-2.171	155
	Other operating income	55	95
5/6	*Staff costs and administrative expenses*	183.588	175.816
7/8	*Amortisation, depreciation and impairment of intangible assets and property, plant and equipment*	4.116	8.603
9	*Impairment losses, loans and receivables, etc.*	128.900	91.477
	Profit before tax	149.061	166.133
10	*Tax*	39.804	43.531
	Profit for the year	109.257	122.602
	Other comprehensive income after tax	-7.466	-9.228
	Total comprehensive income	101.791	113.374
	RECOMMENDED APPROPRIATION OF PROFIT		
	Profit for the year	109.257	122.602
	Profit retained from previous years	437.054	423.391
	Exchange-rate adjustment	-7.466	-9.228
	Total amount to be appropriated	538.845	536.765
	Proposed dividends	40.000	40.000
	Ekstraordinary dividend distributed	0	59.711
	Transferred to equity	498.845	437.054
	Total amount appropriated	538.845	536.765

Balance sheet

Note	(DKK'000)	2015	2014
	Assets		
	Cash in hand and demand deposits with central banks	18	16
11	*Receivables from credit institutions and central banks*	110.278	14.128
12	*Loans and other receivables at amortised cost*	3.517.291	3.165.708
7	*Intangible assets*	3.118	5.494
8	*Property, plant and equipment*	176	40
	Current tax assets	10.582	2.363
13	*Deferred tax assets*	25.445	22.045
14	*Other assets*	26.151	22.814
	Prepayments	75.865	52.927
	Total assets	3.768.924	3.285.535

Balance sheet

Note	(DKK'000)	2015	2014
	Liablities and equity		
	Amounts due		
15	*Due to credit institutions and central banks*	2.940.473	2.519.897
16	*Other liabilities*	80.704	86.591
	Deferred income	98.902	90.493
	Total amounts due	3.120.079	2.696.981
	Provisions for liabilities		
	Other provisions	0	1.500
	Total provisions for liabilities	0	1.500
17	***Equity***		
	Share capital	110.000	110.000
	Retained earnings or loss brought forward	498.845	437.054
	Proposed dividends	40.000	40.000
	Total equity	648.845	587.054
	Total liabilities and equity	3.768.924	3.285.535

Other notes

18	*Credit risk*	23	*Related parties*
19	*Interest-rate risk*	24	*Audit committee*
20	*Cash flow risk*	25	*Principles for intra-group trading*
21	*Foreign exchange risk*	26	*Associated companies*
22	*Contingent liabilities*		

Statement of changes in equity

(DKK '000)

	Share capital	***Retained earnings***	***Proposed dividends***	***Total***
Equity, beginning of 2014	110.000	423.391	0	533.391
Profit for the year	0	122.602	0	122.602
Other comprehensive income				
Translation of units outside Denmark	0	-9.228	0	-9.228
Total other comprehensive income	0	-9.228	0	-9.228
Total comprehensive income for the year	0	113.374	0	113.374
Transactions with the owners				
Dividends distributed	0	-59.711	0	-59.711
Proposed dividends	0	-40.000	40.000	0
Equity, end of 2014	110.000	437.054	40.000	587.054
Profit for the year	0	109.257	0	109.257
Other comprehensive income				
Translation of units outside Denmark	0	-7.466	0	-7.466
Total other comprehensive income	0	-7.466	0	-7.466
Total comprehensive income for the year	0	101.791	0	101.791
Transactions with the owners				
Dividends distributed	0	0	-40.000	-40.000
Proposed dividends	0	-40.000	40.000	0
Equity, end of 2015	110.000	498.845	40.000	648.845

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 at DKK 110.000.000 in the past 5 years.

Notes to the financial statements

NOTE

Basis of preparation

The annual report has been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. (‘the Executive Order’).

The accounting policies are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the bank and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the bank and the value of the liability can be measured reliably.

Significant accounting estimates

The measurement of certain assets and liabilities requires the management to estimate the influence of future events on the value of these assets and liabilities. The estimate most critical to the financial reporting is the impairment charges for loans.

The estimates are based on assumptions which, according to management, are reasonable, but inherently uncertain.

Foreign currencies

Foreign currency transactions are translated using the exchange rate at the transaction date. Receivables, liabilities and other monetary items are translated using the rate of exchange at the balance sheet date. Exchange rate differences between the transaction date and the settlement date or the balance sheet date, respectively, are recognised in the income statement as value adjustments.

Exchange rate differences arising at the balance sheet date in the Norwegian branch are taken directly to equity.

Interest income and expenses

Income and expenses are accrued over the lifetime of the transactions and recognised in the income statement at the amounts relevant to the financial reporting period.

Fees

Fees are normally recognised as income when received.

Establishment fees received and commissions paid for loans arranged are accrued over the term of the related loans based on the effective interest method.

Collection fees are taken to the income statement when entered in the customers’ accounts, since debt collection procedures are performed internally in Ekspres Bank.

Staff costs and administrative expenses

Wages, salaries and other types of remuneration are expensed in the income statement as earned. Compensated absence commitments are expensed as the actual number of holidays are earned and spent.

Derivatives

Derivatives are measured at fair value at the settlement date. Fair value adjustments of unsettled financial instruments are recognised from the trading date to the settlement date. The gross value is stated in ”Other assets” and ”Other liabilities” considering any netting agreements.

Fair value adjustments of derivatives which do not qualify for being treated as hedging instruments are recognised in the income statement.

Interest in connection with interest-rate swaps is recognised as ”Interest income”. Calculated fair value adjustments are recognised as value adjustments in the income statement.

Loans and advances

After initial recognition, amounts due to the bank are measured at amortised cost less impairment losses.

Impairment losses on loans are recognised regularly when there is objective evidence of impairment (OEI) i.e. an event or more events which may lead to losses due to customers’ inability to pay or unwillingness to do so. It is primarily non-performing loans and distressed loans that are individually impaired, and the recoverable amounts are calculated based on

Notes to the financial statements

NOTE

Significant accounting estimates (continued)

individual assessments where customers' ability to pay or unwillingness to do so has been evaluated given a collective statistical method. The resulting impairment losses are recognised in the income statement under "Impairment losses on loans and receivables, etc."

Impairments of loans not in arrears are estimated collectively on the basis of a model developed by The Association of Local Banks. The model is adjusted to Ekspres Bank's loan portfolio.

Intangible assets
Licenses and software are recognised in the balance sheet at cost less straight-line amortisation. Amortisation is based on the estimated useful lives of the assets, however maximum three years.

IT development costs are recognised in the balance sheet at cost with the addition of production overheads less straight-line amortisation. Amortisation is based on the estimated useful lives of the assets, however maximum eight years. Assets in progress are recognised in the balance sheet at cost.

An impairment test is performed for intangible assets if there is evidence of impairment. The impairment test is made for the activity or business area to which the intangible assets relate. Intangible assets are written down to the higher of the value in use and the net selling price for the activity or the business area to which the intangible assets relate (recoverable amount) if it is lower than the carrying amount.

Property, plant and equipment
Operating equipment is recognised in the balance sheet at cost less straight-line depreciation. Depreciation is based on the estimated useful lives of the assets, however maximum three years.

Other assets
In addition to the positive market value of derivatives, this item comprises accrued interest income on loans.

Prepayments / Deferred income
Prepayments recognised under assets comprise accumulated expenses settled and distributed over the expected terms of the loans. This item also includes prepaid expenses.

Deferred income comprises income received in advance; establishment fees and trade commission.

Debt to credit institutions and central banks
Financial liabilities are recognised on inception and measured at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost using the effective interest-rate method. Other payables is subsequently measured at nominal unpaid dept.

Other liabilities
Other liabilities include trade payables, other accrued expenses and interest payable.

Income taxes
Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Deferred tax
Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortisable goodwill.

Deferred tax assets are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or as a set-off against deferred tax liabilities.

Dividends
Proposed dividends are recognised as a liability once approved by the annual general meeting of shareholders (date of declaration). Until the proposal is approved, dividends payable for the year are shown in equity.

Notes to the financial statements

NOTE

NOTE	(DKK'000)	2015	2014
	Financial highlights		
	Financial highlights are shown on page 13		
1	***Interest income***		
	Credit institutions and central banks	0	26
	Loans and other receivables	494.232	439.007
	Total	494.232	439.033
	Ekspres Bank 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.		
2	***Interest expenses***		
	Credit institutions and central banks	115.444	98.096
	Reverse repo transactions with credit institutions and central banks	103	0
	Derivatives, total	5.298	2.910
	Thereof concerning:		
	Interest-rate agreements	5.298	2.910
	Total	120.845	101.006
3	***Fees and commission income***		
	Other fees and commission income	160.877	160.277
	Total	160.877	160.277
4	***Market value adjustments***		
	Derivatives	-2.127	218
	Other assets	0	0
	Other liabilities	-44	-63
	Total	-2.171	155

Notes to the financial statements

NOTE

	(DKK'000)	2015	2014
5	***Staff costs and administrative expenses***		
	Wages and salaries	75.184	71.434
	Pensions	7.601	7.269
	Social security costs	14.462	12.097
	Total	97.247	90.800
	Other administrative expenses	86.341	85.016
	Total staff costs and administrative expenses	183.588	175.816
	Number of employees		
	Average number of full-time employees during the financial year	127	123
	Executive Board	1	1
	Employees whose activities have a significant impact on the bank's risk profile	0	0
	Board of Directors	1	1
	Salary and remuneration paid to Executives Board and Board of Directors		
	Executive Board	3.487	3.123
	Thereof variable salary	336	376
	Employees whose activities have a significant impact on the bank's risk profile	0	0
	Board of Directors	70	69
	Total	3.557	3.192

Ekspres Bank has a limited risk profile, since the Executive Board is the only one with significant impact on the company's risk profile.
Moreover, Ekspres Bank has no pension liabilities vis-à-vis current or former Board members.

Loans to management		
Loans and loan commitments and charges, guarantees or warranties to members of the:		
Executive Board	0	0
Board of Directors	0	0
Security for loans, etc.	0	0
Total	0	0

Notes to the financial statements

NOTE

	(DKK'000)	2015	2014
6	***Audit fees***		
	Total fee to the auditors appointed by the general assembly who perform statutory audit	983	1.156
	Thereof concerning statutory audit	933	1.003
	Thereof concerning fees for other assurance assistance	0	0
	Thereof concerning tax advice	0	75
	Thereof concerning other services	50	78
7	***Intangible assets***		
	Cost, beginning of year	68.897	68.947
	Foreign exchange adjustment	-670	-865
	Additions in the year	1.742	887
	Disposals in the year	0	-72
	Cost, end of year	69.969	68.897
	Amortisation and impairment losses, beginning of year	63.403	55.685
	Foreign exchange adjustment	-600	-718
	Amortisation for the year	4.048	8.466
	Reversal of amortisation charges and impairment losses	0	-30
	Amortisation and impairment losses, end of year	66.851	63.403
	Carrying amount, end of year	3.118	5.494
	Total immediate write-offs in the year	0	42

Notes to the financial statements

NOTE

Note	(DKK'000)	2015	2014
8	***Property, plant and equipment***		
	Cost, beginning of year	3.948	3.950
	Foreign exchange adjustment	-2	-2
	Additions in the year	205	0
	Disposals in the year	0	0
	Cost, end of year	4.151	3.948
	Depreciation and impairment losses, beginning of year	3.908	3.815
	Foreign exchange adjustment	-1	-2
	Depreciation for the year	68	95
	Depreciation and impairment losses, end of year	3.975	3.908
	Carrying amount, end of year	176	40
9	***Write-downs on loans and receivables***		
	Group impairment losses during the year	5.275	1.000
	Individual impairment losses during the year	122.554	106.124
	Reversal of individual impairment losses recognised in previous years	-42.013	-45.871
	Final loss on debt previously written down	51.331	41.059
	Loss on debt not previously written down	5.627	5.700
	Amounts received, previously written-off debt	-15.827	-19.193
	Other movements	1.953	2.659
	Total	128.900	91.477

Notes to the financial statements

NOTE

	(DKK'000)	2015	2014
10	***Tax***		
	Estimated tax for the year	34.192	35.645
	Deferred tax	4.018	7.886
	Adjustment of estimated tax in prior years	1.594	0
	Total	39.804	43.531
	Current tax rate	23,5%	24,5%
	Tax for the year comprises:		
	Profit before tax	149.061	166.133
	Statutory income tax rate of 23,5%	35.029	40.703
	Adjustment of prior years' income tax	9.727	0
	Adjustment of prior years' deferred tax	-8.133	0
	Effect of lower tax rates	2.994	654
	Effect of different tax rates in other countries	0	855
	Non-taxable income	-13	-9
	Non-deductible expenses	199	1.329
	Total	39.804	43.531
	Effective tax rate	26,7%	26,2%

Notes to the financial statements

NOTE

NOTE	(DKK'000)	2015	2014
11	***Receivables from credit institutions and central banks***		
	Receivables from credit institutions	110.278	14.128
	Total	110.278	14.128
	Distribution of terms by maturity		
	Receivables from credit institutions and central banks		
	Up to three months	110.278	14.128
	Total	110.278	14.128
	Thereof reverse repo transactions	107.776	0
	Distribution of terms by maturity		
12	***Loans and other receivables at amortised cost***		
	Up to three months	32.980	56.599
	From three months to one year	369.240	100.518
	From one year to five years	2.080.642	1.987.532
	More than five years	1.034.429	1.021.059
	Total	3.517.291	3.165.708
	Loans, other receivables and guarantees broken down by sector (%)		
	Private	100	100
	Total	100	100

Notes to the financial statements

NOTE

	(DKK'000)	2015	2014
13	***Deferred tax assets***		
	Tangible assets	-225	-551
	Tax loss carry forward	15.864	11.808
	Provisions for obligations	0	353
	Other	9.806	10.435
	Total	25.445	22.045
14	***Other assets***		
	Positive market value of derivative financial instruments	716	44
	Interest and commission receivables	24.746	22.134
	Other assets	690	636
	Total	26.151	22.814
	Distribution of terms by maturity		
15	***Due to credit institutions and central banks***		
	Up to three months	489.743	503.080
	From three months to one year	749.883	756.045
	From one year to five years	1.605.627	1.163.432
	More than five years	95.221	97.340
	Total	2.940.473	2.519.897

Notes to the financial statements

NOTE

	(DKK'000)	2015	2014
16	***Other liabilities***		
	Negative market value of derivatives	4.121	1.347
	Accrued interest and commissions	20.814	17.916
	Other liabilities	55.769	67.328
	Total	80.704	86.591
17	***Solvency statement***		
	Equity	648.845	587.054
	Proposed dividends	-40.000	-40.000
	Capitalised tax assets	-15.864	-11.808
	Intangible assets	-3.118	-5.494
	Total core capital after deductions	589.863	529.752
	Subordinated loan capital after deductions	0	0
	Investments, etc. > 10%	0	0
	Total capital base after deductions	589.863	529.752
	Total weighted items	3.366.722	3.046.393
	Solvency ratio	17,5	17,4

Notes to the financial statements

NOTE

	(DKK '000)	2015	2014
18	***Credit risk***		
	Loans and other receivables at fair value and amortised cost distributed on sectors		
	Private	3.517.291	3.165.708
	Total	3.517.291	3.165.708
	Impairment of objectively impaired loans and receivables, individual		
	Accumulated impairment losses, beginning of year	302.603	355.933
	Changes in the year:		
	Individual impairment losses in the year	122.554	106.124
	Reversal of individual impairment losses recognised in prior years	-42.013	-45.871
	Final loss on debt previously written down	-84.356	-113.582
	Accumulated impairment losses, end of year	298.788	302.603
	Loans with OEI recognised in the balance sheet recognised after impairment in the balance sheet at a carrying amount exceeding nil		
	Value before impairment	498.574	499.781
	Accumulated impairment losses, end of year	-298.788	-302.603
	Value after impairment	199.785	197.179
	Collective impairment losses loans and receivables		
	Accumulated impairment losses, beginning of year	19.646	18.771
	Changes in the year:		
	Group impairment losses during the year	5.275	1.000
	Reversal of collective impairment losses recognised in prior years	0	0
	Other movements	-96	-124
	Accumulated impairment losses, end of year	24.825	19.646

Notes to the financial statements

NOTE

NOTE	(DKK '000)	2015	2014
18	***Credit risk (continued)***		
	Loans without OEI recognised after impairment in the balance sheet at a carrying amount exceeding nil		
	Value before impairment	3.342.331	2.988.176
	Accumulated impairment losses, end of year	-24.825	-19.646
	Value after impairment	3.317.506	2.968.529

Credit risk

The bank's primary risk is the credit area. The maximum loan granted to private individuals is DKK 500.000. Consequently, the bank has a geographically diversified loan portfolio in order to spread its risk exposure.

The bank has well-documented policies and processes for handling its segmented loan portfolio. This means that the bank performs a systematic monitoring of the loan portfolio at all stages. Furthermore, the bank performs a credit scoring of all new loans based on experience and information received from its customers. Documentation in form of salary slips is requested on applications exceeding DKK 30.000 in Denmark and exceeding NOK 20.000 in Norway. The delivery of the yearly tax statement is a prerequisite on Danish credit applications exceeding DKK 75.000 and on Norwegian credit applications exceeding NOK 50.000.

If a loan falls into arrears, it will go through a welldefined debt collection process performed by the bank's collection department. The bank applies an effective internal control system on loans falling into arrears. The bank continuously adjusts its credit scoring and planning of outstanding amounts to match the market conditions.

Impairment losses on loans are recognised regularly when there is objective indication of impairment (OEI) i.e. an event or more events which may lead to losses due to customers' inability to pay or unwillingness to do so. It is primarily non-performing loans and distressed loans that are individually impaired, and the recoverable amounts are calculated based on individual assessments where customers' ability to pay or unwillingness to do so has been evaluated given a collective statistical method.

At any time and in accordance with the existing credit policies, guidelines and procedures, reports on the portfolio segmentation of the bank are regularly prepared for local committees, with the participation of the bank's Management. Moreover monthly reports are prepared for the Corporate Risk Department in France and a separate reporting is prepared for scheduled Board of Directors meetings.

Notes to the financial statements

NOTE

(DKK '000)

19 ***Interest-rate risk***

Derivative financial instruments

SWAPS	2015				2014	
	Nominal value	*Net market value*	*Positive market value*	*Negative market value*	*Nominal value*	*Net market value*
Interest-rate agreement	2.304.001	-3.405	716	-4.121	2.136.257	-1.303

CAPS	2015				2014	
	Nominal value	*Net market value*	*Positive market value*	*Negative market value*	*Nominal value*	*Net market value*
Interest-rate agreement	0	0	0	0	0	0

According to the definition by the Danish Financial Supervisory Authority (DFSA) the bank's interest-rate risk amounts to -4,5% (2014: -1,4%) of the core capital less all deductions, cf. overview of financial highlights.

The bank's interest-rate risk derives from the difference between interest terms and loan terms on the bank's loan portfolio in relation to funding. The bank's policy is to match the funding interest and loan interest in order to mitigate the interest-rate risk. Ekspres Bank tries, as far as possible, to hedge its portfolio by means of derivative financial instruments.

Notes to the financial statements

NOTE

(DKK '000)

20 ***Cash flow risk***

Since the bank is exclusively funded by the parent company BNP Paribas with whom Ekspres Bank has sufficient contractually committed credit line agreements - for both the Danish market and the Norwegian market - the liquidity risk is minimised.

The bank's liquidity position is continuously monitored to ensure that the bank meets its payment obligations at all times.

If liquidity drops below the established limits of the excess liquidity coverage, the necessary actions must be initiated immediately in order to restore the agreed excess liquidity coverage ratio.

Necessary measures are prioritised as follows:
- Increase in current credit lines
- Establishment of more irrevocable money market lines

At least once a year, the Board of Directors reviews the bank's liquidity policy and performs all necessary adjustments on the recommendation of the Executive Board.

21 ***Foreign exchange risk***

With the aim of reducing exchange rate risk to the widest possible extent, it is the bank´s policy to obtain funding in the same currency as loans. Thus, the bank has no or a very limited exchange rate risk.

22 ***Contingent liabilities***

	2015	2014
Unused credit and loan commitments	377.777	269.525
Other contingent liabilities	13.819	1.125
Total	391.596	270.650

Contingent liabilities are related to unused credit and loan commitments to customers who have not yet signed the loan agreement.

Other contingent liabilities include obligations such as rent of premises and other significant contracts.

Related parties

NOTE

23 ***Controlling interest***

Ultimate parent company
BNP Paribas
16, Boulevard des Italiens
75009 Paris
France

Parent company
BNP Paribas Personal Finance S.A.
1 Boulevard Haussmann
75009 Paris
France
The consolidated financial statements are available from BNP Paribas' website: www.bnpparibas.com

24 ***Audit committee***

Independent and qualified member of the Audit Committee:
Michael Ravbjerg Lundgaard

	(DKK '000)	**2015**	**2014**
25	***Principles for intra-group trading***		
	Intra-group transactions and services are settled on an arm's length basis or on a cost-reimbursement basis.		
	Transactions with related parties		
	Loans from related parties	2.904.766	2.497.354
	Loans to related parties	107.776	0
	Interest costs	115.547	98.096
	Reinvoiced external costs	1.730	3.612

No transactions have been conducted between Ekspres Bank and its parent, BNP Paribas Personal Finance S.A. or other subsidiaries of the parent in 2015, except for loans from (2015: MDKK 2.905, 2014: MDKK 2.497), loans to (2015: 108 MDKK, 2014: MDKK 0), interest (2015: MDKK 116, 2014: MDKK 98) and reinvoiced external costs (2015: MDKK 2, 2014: MDKK 4).

Associated companies

NOTE

	(DKK '000)	2015
26	***Name and location***	
	Ekspress Bank NUF *Oslo, Norway*	
	Share in %	100
	Number of employees	0
	*Revenue **	87.881
	Profit before tax	14.599
	Tax	6.755
	Government grants received	0

** For companies reporting under the Financial Business Act, revenue is defined as interest, fee and commission and other operating income.*

Ekspress Bank NUF is 100% a branch of Ekspres Bank and consolidated within Ekspres Bank.