



Q1

Interim report  
January – March 2019

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## KEY FIGURES

PURCHASED AMOUNT<sup>1)</sup>

81

MNOK

NET NEW CUSTOMERS

94

AVERAGE MARGIN<sup>2)</sup>

2.56%

AVERAGE GRANTED DAYS<sup>3)</sup>

23.7

TOTAL INCOME

1.6

MNOK

PROFIT AFTER TAX

-10.1

MNOK

<sup>1)</sup> Nominal value of invoices purchased in the period.

<sup>2)</sup> Gross interest and fee income in % of purchased volume, not accounting for accruals.

<sup>3)</sup> Volume weighted average number of due days granted to end customers on invoices purchased in the reporting period.

## INTERIM REPORT

### About Aprila Bank ASA

Aprila Bank offers automated financing solutions to small and medium-sized businesses through partner channels. The bank commenced operations in April 2018; providing financing through the cloud-based ERP solution Tripletex.

With the launch of the bank's first product, Aprila Invoice Sales, we have set a new standard in liquidity financing for Norwegian businesses. Aprila Invoice Sales represents the first fully digital solution for spot sale of invoices in the Norwegian market. Customer onboarding is done digitally, directly in partner channels, and only takes a few minutes to complete. Aprila Invoice Sales is seamlessly incorporated into customers' existing work flows and funds are paid the following business day at the latest.

Aprila Bank has made early strides towards improving the availability of financing, and working capital in particular, for small and medium-sized businesses. The team continues to work to fulfil this ambition, with an emphasis on new product development and broadening distribution.

The bank is owned by private and institutional investors in Norway and abroad. No individual shareholder has an ownership stake exceeding 10% in Aprila.

### Our fourth operating quarter

Q1 2019 is the fourth operating quarter for Aprila Bank, and the third quarter the bank is fully operational, following the launch in Tripletex on 26 June 2018.

Highlights from the quarter are outlined below.

### Highlights

- Accumulated purchased amount reached NOK ~220 million.
- 560 net onboarded customers of which 243 have sold invoices during Q1.
- 20% decline in purchased amount QoQ due to new policy on factoring pledge and general tightening of credit rules; policy to be reviewed in Q2.

### Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q4 2018 are presented in brackets.

Purchased volume in Q1 amounted to NOK 80.6 million (NOK 100.3 million). Average margin was 2.56% (2.60%), and net interest income was NOK 2.1 million (NOK 2.6 million). Interest income from invoice purchase (adjusted for accruals) amounted to NOK 2.0 million (NOK 2.5 million).

Total operating expenses amounted to NOK 10.8 million (NOK 8.1 million) of which NOK 6.3 million (58%) in salary and personnel expenses, NOK 4.1 million (38%) in general administrative expenses and NOK 0.5 million (4%) in ordinary depreciation. Total write-downs on loans amounted to NOK 0.9 million (NOK 1.0 million).

Total assets at the end of the quarter amounted to NOK 127 million (NOK 133 million) of which NOK 31 million were net loans to customers. Total equity amounted to NOK 118 million (NOK 128 million) and CET1-ratio was 183.2% (179.5%). Total liquid assets amounted to NOK 86 million (NOK 85 million) of which NOK 56 million in bank deposits and NOK 30 million in the LCR-fund DNB Global Treasury.

### Outlook

In the first quarter of 2019, the bank finalised its implementation of a new policy on factoring pledge. The policy change has slowed down customer acquisition and blocked a number of existing customers from selling their invoices. As a result, purchased volume came in 20% lower than in Q4-18. During Q1, however, the bank has made considerable progress on introducing measures to ease the onboarding process for customers affected by the policy, as well as modifying existing credit rules. We expect these measures to positively impact growth already in Q2. The policy is under review.

The bank is currently working on pilot projects with Xledger and Uni Micro and expects to go live with both partners during the second quarter. Our

<sup>4)</sup> Amount purchased in % of estimated available invoice amount (NOK).

consumer deposit product will also be launched in Q2 as planned.

Going forward we will continue to focus on three key priorities; improving customer acquisition, strengthening distribution and building competitive advantage.

When it comes to customer acquisition, the bank focuses on three areas in which several initiatives are being implemented; activation of customers, collaboration with accounting firms and boosting our product's visibility in partner channels.

In terms of distribution, the bank is in dialogue with several potential new distribution partners, both in Norway and abroad.

Lastly, the bank is continuously working on further enhancing its competitive advantage. Aprila Bank is now in a position to capitalise on accumulated insight, knowhow and operational learning by streamlining and automating business processes, reaping efficiency gains and creating a truly scalable model. Version two of the technology platform is

expected to be launched in the second quarter, simultaneously with the release in Xledger. This will further improve internal processes and increase the development pace going forward. Moreover, a new version of the bank's data warehouse is currently being finalised and put into production. This is expected to substantially improve the data structure and enable advanced utilisation of available data, e.g. through the implementation of a new and advanced pricing model.

Finally, and perhaps most exciting, new products are under development and will be introduced later this year.

#### **Other information**

Since Aprila Bank commenced its banking operations in Q2 2018, historical accounting figures prior to Q2 2018 are not comparable and have not been prepared.

The accounting deficit for Q1 has in its entirety been booked against retained earnings. This interim report has not been audited by the company's external auditor.

Oslo, 2 May 2019

**Board of Directors**  
Aprila Bank ASA

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	Q1 2019	2018
Interest income	2	2,129	3,668
Interest expense		18	158
<b>Net interest income</b>		<b>2,111</b>	<b>3,510</b>
Income commissions and fees		81	133
Expenses commissions and fees		636	982
<b>Net commissions and fees</b>		<b>-555</b>	<b>-848</b>
Net gains / losses (-) on certificates, bonds and currency		26	112
Other income		0	6
<b>Total income</b>		<b>1,582</b>	<b>2,779</b>
Salary and other personnel expenses		6,292	17,604
General administrative expenses	7	4,066	9,338
<b>Total salary and administrative expenses</b>		<b>10,357</b>	<b>26,942</b>
Ordinary depreciation		469	1,085
<b>Total operating expenses excl. losses on loans</b>		<b>10,827</b>	<b>28,027</b>
Losses on loans	2	889	1,052
<b>Pre-tax operating profit</b>		<b>-10,134</b>	<b>-26,299</b>
Tax expenses		0	0
<b>Profit after tax</b>		<b>-10,134</b>	<b>-26,299</b>
Earnings per share (NOK)		-0.28	-0.73
Diluted earnings per share (NOK)		-0.24	-0.61

### COMPREHENSIVE INCOME

Amounts in NOK thousand	Q1 2019	2018
<b>Comprehensive income for the period</b>	<b>-10,134</b>	<b>-26,299</b>

## CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31.03.2019	31.12.2018
Loans and deposits with credit institutions	4, 5	55,807	54,639
Net loans to customers	2	30,848	39,619
Certificates and bonds	5	30,137	30,112
Other intangible assets		5,491	5,838
Deferred tax assets		0	0
Fixed assets		2,933	1,064
Other receivables	6	2,238	2,226
<b>Total assets</b>		<b>127,454</b>	<b>133,500</b>
Deposits from and debt to customers		0	0
Other debt	6	9,781	5,999
<b>Total liabilities</b>		<b>9,781</b>	<b>5,999</b>
Share capital	3	36,220	36,220
Share premium	3	127,036	127,036
Other paid-in equity	3	752	446
Retained earnings	3	-46,334	-36,201
<b>Total equity</b>		<b>117,673</b>	<b>127,501</b>
<b>Total equity and liabilities</b>		<b>127,454</b>	<b>133,500</b>

## CONDENSED STATEMENT OF THE CASH FLOW POSITION

Amounts in NOK thousand	Note	Q1 2019	2018
Pre-tax operating profit		-10,134	-26,299
Taxes		0	0
Ordinary depreciation		469	1,085
Change in loans	2	8,771	-39,619
Change in deposits from customers		0	0
Change in securities	5	-25	-30,112
Change in accruals		3,770	3,342
<b>Net cash flow from operating activities</b>		<b>2,852</b>	<b>-91,603</b>
Net investments in fixed assets		-1,961	-1,225
Net investments in intangible assets		-30	-3,844
<b>Net cash flow from investing activities</b>		<b>-1,991</b>	<b>-5,069</b>
Paid-in equity	3	306	145,057
Other new financing		0	0
<b>Net cash flow from financing activities</b>		<b>306</b>	<b>145,057</b>
Net cash flow for the period		1,167	48,384
Cash and cash equivalents at the start of the period	4	54,639	6,255
<b>Cash and cash equivalents at the end of the period</b>	4	<b>55,807</b>	<b>54,639</b>



## CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2018</b>	<b>36,220</b>	<b>127,036</b>	<b>446</b>	<b>-36,201</b>	<b>127,501</b>
Share capital increase	0	0			0
Changes in equity due to stock options program			306		306
Net profit for the period				-10,134	-10,134
<b>Equity as of 31 March 2019</b>	<b>36,220</b>	<b>127,036</b>	<b>752</b>	<b>-46,334</b>	<b>117,673</b>

## NOTES

### Note 1 General accounting principles

#### Reporting entity

Aprila Bank is a bank domiciled in Norway. The bank's registered office is at Kirkegata 5, 0153 Oslo.

#### Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and with the same accounting principles as used in the annual statement for 2018.

The bank was granted a commercial banking license from the Financial Supervisory Authority of Norway (NO: Finanstilsynet) in March 2018.

Following the implementation of IFRS 16, Aprila has recognised a "right to use" asset and a lease obligation of NOK 2 million as of 1 January 2019.

The interim report was authorised for issue by the bank's board of directors on 2 May 2019.

#### Functional and presentation Currency

These consolidated financial statements are presented in NOK, which is the bank's functional currency. All amounts have been rounded to the nearest thousand, except where otherwise indicated.

## Note 2 Loans to customers

### LOANS TO CUSTOMERS

Amounts in NOK thousand	31.03.2019	31.12.2018
Non-recourse factoring	32,779	40,671
<b>Gross lending</b>	<b>32,779</b>	<b>40,671</b>
Impairment of loans	1,932	1,052
<b>Net loans to customers</b>	<b>30,848</b>	<b>39,619</b>

### DEFAULTS AND LOSSES

Amounts in NOK thousand	31.03.2019	31.12.2018
<b>Gross defaulted loans</b>	<b>2,484</b>	<b>858</b>
Write-downs stage 1	51	122
Write-downs stage 2	20	162
Write-downs stage 3	1,861	768
<b>Net defaulted loans</b>	<b>552</b>	<b>-194</b>

### LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand	Q1 2019	Q4 2018
Write-downs stage 1	-71	70
Write-downs stage 2	-142	158
Write-downs stage 3	1,093	768
<b>Total write-downs on loans in the period</b>	<b>880</b>	<b>997</b>

### AGEING OF LOANS

Amounts in NOK thousand	31.03.2019	31.12.2018
Loans not past due	21,880	23,317
Past due 1 - 30 days	6,856	11,845
Past due 31 - 60 days	1,521	4,701
Past due 61 - 90 days	318	643
Past due 91+ days	2,205	166
<b>Total</b>	<b>32,779</b>	<b>40,671</b>

### AGEING OF LOANS

Per cent	31.03.2019	31.12.2018
Loans not past due	67%	57%
Past due 1 - 30 days	21%	29%
Past due 31 - 60 days	5%	12%
Past due 61 - 90 days	1%	2%
Past due 91+ days	7%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## GROSS LOANS TO CUSTOMERS

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans to customers as of 31 December 2018</b>	<b>35,134</b>	<b>4,679</b>	<b>858</b>	<b>40,671</b>
Transfers from Stage 1 to Stage 2	-381	371	-	-10
Transfers from Stage 1 to Stage 3	-538	-	361	-177
Transfers from Stage 2 to Stage 3	-	-1,481	1,165	-316
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	28,458	1,447	172	30,077
Financial assets derecognised in the period	-34,215	-3,198	-51	-37,464
<b>Gross loans to customers as of 31 March 2019</b>	<b>28,458</b>	<b>1,818</b>	<b>2,504</b>	<b>32,779</b>

## LOAN LOSS ALLOWANCES

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Loss allowance as of 31 December 2018</b>	<b>122</b>	<b>162</b>	<b>768</b>	<b>1,052</b>
Transfers from Stage 1 to Stage 2	0	2	-	2
Transfers from Stage 1 to Stage 3	-2	-	147	145
Transfers from Stage 2 to Stage 3	-	-100	792	692
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	51	18	166	235
Financial assets derecognised in the period	-120	-61	-13	-194
<b>Loan loss allowance as of 31 March 2019</b>	<b>51</b>	<b>20</b>	<b>1,861</b>	<b>1,932</b>

### Note 3 Regulatory capital

Amounts in NOK thousand	31.03.2019	31.12.2018
Share capital	36,220	36,220
Share premium	127,036	127,036
Other equity	-45,582	-35,755
<b>Total equity</b>	<b>117,673</b>	<b>127,501</b>
Other intangible assets	-5,491	-5,838
Deferred tax assets	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>112,183</b>	<b>121,663</b>
<b>Tier 1 capital</b>	<b>112,183</b>	<b>121,663</b>
<b>Total capital</b>	<b>112,183</b>	<b>121,663</b>
<b>RISK-WEIGHTED ASSETS (CALCULATION BASIS)</b>		
Loans and deposits with credit institutions	11,161	10,928
Loans to customers	28,835	37,500
Certificates and bonds	0	0
Other assets	5,172	3,291
<b>Credit risk</b>	<b>45,168</b>	<b>51,719</b>
Operational risk	16,067	16,067
<b>Risk-weighted assets</b>	<b>61,235</b>	<b>67,785</b>
<b>Capital ratios</b>		
Common equity tier 1 ratio (%)	183.2%	179.5%
Tier 1 ratio (%)	183.2%	179.5%
Total capital ratio (%)	183.2%	179.5%
<b>LIQUIDITY COVERAGE RATIO (%)</b>		
Per cent	<b>31.12.2018</b>	30.09.2018
LCR	223%	217%

## Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	31.03.2019	31.12.2018
Loans and deposits with credit institutions	55,807	54,639
<b>Total</b>	<b>55,807</b>	<b>54,639</b>

## Note 5 Financial instruments

### Financial instruments at fair value

Financial instruments at fair value are measured at different levels:

#### Level 1

Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

#### Level 2

Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

#### Level 3

When valuation cannot be determined in level 1 or 2, valuation methods based on non-observable market data are used.

#### Certificates and bonds – level 1

##### FINANCIAL INSTRUMENTS AT FAIR VALUE

Amounts in NOK thousand	31.03.2019	31.12.2018
Initial recognition	30,000	30,000
Change in fair value	137	112
<b>Total financial assets at fair value</b>	<b>30,137</b>	<b>30,112</b>

### Financial instruments at amortised cost

Amounts in NOK thousand	31.03.2019	31.12.2018
Loans and deposits with credit institutions	55,807	54,639
Net loans to customers	30,848	39,619
<b>Total financial assets at amortised cost</b>	<b>86,654</b>	<b>94,258</b>

## Note 6 Receivables and other liabilities

### RECEIVABLES

Amounts in NOK thousand	31.03.2019	31.12.2018
Skattefunn tax deduction claim	2,007	2,007
Other receivables	232	220
<b>Total receivables</b>	<b>2,238</b>	<b>2,226</b>

### OTHER LIABILITIES

Amounts in NOK thousand	31.03.2019	31.12.2018
Payables to suppliers	1,431	1,346
Payables to factoring customers and partners	2,260	531
Social security tax	663	859
Other liabilities	5,427	3,263
<b>Total other liabilities</b>	<b>9,781</b>	<b>5,999</b>

## Note 7 General administrative expenses

Amounts in NOK thousand	Q1 2019	2018
External services	2,073	3,632
IT operations	1,026	2,635
Rental of premises	245	961
Sales and marketing	88	769
Credit information	67	333
External audit and related services	188	28
Credit insurance	39	111
Other operating expenses	339	869
<b>Total general administrative expenses</b>	<b>4,066</b>	<b>9,338</b>

## Note 8 Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

## Note 9 Shareholders

### 20 LARGEST SHAREHOLDERS AS REGISTERED IN VPS 25 APRIL 2019

Shareholder	Shares	Per cent
1 AMESTO GROUP AS	3,618,182	10.0%
2 ALLIANCE VENTURE SPRING AS	2,824,406	7.8%
3 PRIMERA AS	1,600,000	4.4%
4 MP PENSJON PK	1,596,996	4.4%
5 STRØMSTANGEN AS	1,595,400	4.4%
6 NORUS AS	1,010,000	2.8%
7 REDIVIVUS AS	950,000	2.6%
8 SIX SIS AG	877,470	2.4%
9 TOLUMA INVEST AS	877,470	2.4%
10 COSIMO AS	801,000	2.2%
11 SIRKELBUE AS	800,000	2.2%
12 ØSD FINANS AS	800,000	2.2%
13 UNIVERSAL PRESENTKORT AS	797,699	2.2%
14 SES AS	797,699	2.2%
15 DISRUPTOR AS	700,000	1.9%
16 SANDSOLO HOLDING AS	688,565	1.9%
17 AREPO AS	658,102	1.8%
18 SVINDAL AKSEL LUND	650,000	1.8%
19 SPORTSMAGASINET AS	634,709	1.8%
20 INCHOATE AS	610,000	1.7%
Others	13,332,386	36.8%
<b>Total</b>	<b>36,220,084</b>	<b>100%</b>



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