GREG: Ladies and gentlemen, welcome to Nordax Q1 report 2017. Today I am pleased to present CEO Morten Falch, and deputy CEO Jacob Lundblad. For the first part of this call all participants will be in listen only-mode, and afterwards there will a question and answer session. Speakers, please begin.

MORTEN: Thank you, Greg. Hi everyone and a warm welcome to all of you listening to this Nordax audio cast. As Greg said, the agenda today is the Q1 report for 2017. I am Morten Falch, I'm Nordax's CEO and as Greg said, Jacob Lundblad, our deputy CEO is joining me here today. The Q1 was a solid quarter for Nordax, and I will start the presentation by giving you the financial headlines before I update you on the things that are on top of our agenda, and mine currently. And then Jacob will add more color to our financial performance. And as usual I will finalize by summing up our current direction, our goals, and strategies. But let's start with the headlines. So please turn to page two, and as a keen follower of Nordax you know that I will start with statutory numbers, before I run the adjusted numbers. And of course the adjusted numbers that explain the underlying performance, because the statutory numbers are of course affected by the FX, but we'll come back to that. If you look at this page then. In the top left circle you can see that we made 88 millions in NET profit, in Q1, and that is slightly lower than Q1 last year. And that is caused by the weaker Swedish krona last year. And it's a little bit stronger now, so the income from Norway, and Germany and Finland comes in a little bit lower. And you can see also that the profit level of 88 millions, that equates to 0.8 kronor per share. Now since Q1 last year we have the grown the loan portfolio by 14%, measured in Swedish kronors. And our capital position remains strong, and we can without difficulty fund this growth rate of 14%. And in the fourth circle you can see that our CET 1 ratio has strengthened further during Q1, now at 14.3% which is 0.3% stronger than the end of 2016. And when you look at the total capital level, which Jacob will elaborate on, the level has increased to 16.3%, which compares to 16% at the beginning of this year. And compares also to 15% at the end of Q1 last year. Again, if we exclude the FX and we look at the underlying performance, we can turn to the next page, to page three. And here you have the adjusted numbers. So we're on page three now. In the first circle you can see the adjusted operating profit for Q1. That landed on 131 million, and that is 32% stronger or better than Q1 in 2016. And in 2016 that landed on 99 million. And in the second circle, you can see that we grew our loan portfolio, by 11% last twelve months, and this is in constant currencies. And as before we grew operating profit more than we grew the loan portfolio. And that is due to the scalability of the business. On this page, the third circle, bottom left, you'll find the twelve months rolling cost income ratio, which has improved from 28.6% a year ago to 26.5% now. And as we continue to grow, we believe this will come down further, and there is no reason why we should not get below 20% adjusted cost income ratio in due time. And when you look at the quarter on it's own, Q1, we landed on 25.7%. So we're happy about this development. And then on the fourth circle, it's our adjusted return on tangible equity. And we're pretty happy that we have this strong development, despite that we have strong capital growth during the quarter or the year. So we deliver more than 25% return on tangible equity, when you look at this 12 months rolling. These are the headlines for the financial numbers, and Jacob will drill down deeper, and give you more perspective on this. But before this, Jacob's part, I would like to highlight some areas, which are on top of our minds and particularly relevant for our business right now. So if you turn to page 4 we will look at some key areas for us.

And on page four, here they are. We can start with sustainable growth. That is of course one of them, and that for us includes product utility, credit quality, net margins and funding. Our product offerings must be attractive to customers and provide real benefits. And to ensure real benefits to customers we must keep credit losses low, through solid credit underwriting. This is one of Nordax key core competences that we have developed the last 25 or 30 years. And that is also through several economic cycles. Another thing we need to focus on and never compromise on is interest margin, and that is because that ensures profitability. Retained profits are very imperative for us, in order to improve customer offerings, and also finance loan portfolio growth. In addition we need a solid funding platform. In large we have a matched asset and liabilities, in terms of duration and currency. And few of the banks have our robust funding position. It's very strong. If you look at the other circle, up to the right there, you can see digital evolution. That is also on the top of our mind and has been for a while. As you know, technological development makes life easier for customers and for our employees as well. And we are in the middle of a rapid evolution, whereby we develop self-service option for customers. And also more seamless customer interaction with us. And that is when they become customers, and also during the time they are customer with us. This also implies that we can eliminate some mundane routine work. We can simultaneously reduce operational errors. So the digital evolution goes hand in hand with a better customer experience, and reduce cost levels, and better work quality. But the digital evolution does not take out craftsmanship from our business. Our lending process, craftsmanship, definitely still applies when it comes to checking quality of data, going into the algorithms or the score cards when we underwrite new loans. But I’m very also happy to say that we keep or personal service touch. When you look at our customers they rarely have to wait more than three minutes in the phone cue. Often they are answered already during one minute. So we are very much available to our customers that way as well. Now, if you look at the bottom left here you can see that we have a new initiative that is divesting some of our low performing loans. And as we informed you earlier about this in the quarter as well. There are some reasons for this, and we started doing this in probably July this year, divesting some of the defaulted loans to Lindorff And that will speed up cash flow for us, instead of waiting five to ten years to get all the money back, we will get it instantly. Or with a slight delay but still. We will also release equity, that is currently locked up in this portfolio. And it provides for some cyclical risk reduction. And we will also slow down the build up of our low performing loan portfolio, which becomes an undervalued asset on the balance sheet versus what the market thinks it is woth . And for customers it's no big change really. We have always outsourced legal collections to professional agencies, and Lindorff has been one of them. And then the last circle here. It's about regulatory framework. That is always important to us. We have a strong belief that banking in general and consumer lending need traffic rules to ensure effectiveness over time. And as some of you may know during the last three years, there have been an unparalleled lending growth by local institutions in Norway. And we now see a reaction on that, a wave of new regulations or traffic rules if you may, being introduced. Some more of the aggressive and uncontrolled marketing activities have been banned. And we are very pleased to see that a central deb register is going to be established. And these are initiatives that will facilitate sound and effective lending, and we are very happy about the debt register which we have supported, and been in contact with the authorities since 2012. That this is very useful. We see the usefulness in other markets, and we believe that this will be made a new law in early June, 7th of June I think it's going to go through. So we look forward to that. When you look at Nordax in this changing regulatory environment in Norway, we think our position actually gets strengthened. This suits us much better, because we do believe in responsible lending, and that customers for instance should reflect when they make decisions. So I think actually all stake holders win by lending industry applying sustainable lending strategies. So these are the things that are on the top of our mind. And of course portfolio growth is also top of our mind. So if you turn to the next page. You can see the development in our lending portfolio. On page five you can see the distribution of our portfolio through the market. Norway is still the largest one, and then you have Sweden, and third ranks Finland. And then Germany is the relatively fastest growing one. And that is the fourth largest market. If you look at growth by market the last twelve months you can see that Sweden has grown by 10%. Finland grew by 13%. Germany grew by 31%. And then Norway grew by 9% the last 12 months. But we have seen a slower momentum in Norway from September last year. And the reason for that was that we made a conscious decision about increasing, or what do you say, demanding more on the application in terms of underwriting. So basically our approval rates went down. And this is in connection some of the performance we can see in the broker channel, but also as a reaction, we can see that through the door population has formed as well. And that is probably driven by the negative media attention that has been giving to our sector lately. So basically we have pulled back, or pulled down, from the broken channel. Therefor in Q1 the Norwegian portfolio contracted by 0.4%, and if you look at annualized it's 1.6%. So despite Norway’s contraction, slight contraction during the quarter, we still have a growth rate in the quarter, of 7%. And we still expect a continued growth in all markets. That includes Norway going forward during 2017. And our ambition is still grow in the region of 10-15%. Looking at the markets, and I think Jacob will elaborate on this. We had a strong momentum in Sweden and Finland. Sweden for instance in Q1 grew by 12%, and we expect Norway to bounce back when application quality improves. But we haven’t seen this shift yet. But we expect it to come. With regards to Germany, we will increase our focus and we expect to broaden our marketing channels to compliment our direct mail channel. So sustainable growth includes focus on private utility, high credit quality and also good net interest margins. And our strategic focus on this results in a strong customer base, and that is something you can see on page six. So turn to page six please. And just to introduce this page, I would like to recreate our strategy really, which is to focus on large personal loans. In essence, what we do is that we provide a financial bridge for people between 30-60 years who have a gap between income and expenses. That is our mission, to help bridge the income and expense gap, when life has most to offer. Now this focused strategy ensures a customer base, which can be characterized as people living predictable and established life. And you can see that on this slide, so if you start on the mid row here you can see that most customers are more than 40 years of age. They generally have more than average income levels, and that is something you can see on the top row. And on the bottom row you can see that many people possesses their own home. Now as we know, the economy in cycle, and our experience is during the last 30 years, is that these people, they suffer less in macro economic downturns. They don’t get unemployed. They get underemployed for a while. Now when you look at these customers as well, they bought their house some time ago. And when you look at the mortgage exposure for instance in Sweden. Only 8% of our customer have more than 2 million Swedish kronors in mortgages, but that means that 92% have less than 2 million kronors in mortgages. In Norway that number is 18%. So basically 82% of our customers in Norway have less than 2 million kronors in house mortgages. And if there are any European or British people listening, or US people. One krona is approximately … or 10 kronors is one Euro. So you can divide that, or take out the zero from these numbers. Now what we’ve seen in the past with this type of customer group, with this type of exposure they faire quite well, in terms of downturns. And that is why we have seen in the past through the macro economic cycle. So that was the introduction of this report, and Jacob will now go into further details and provide some more perspective on the development of this quarter. So Jacob.

JACOB: Many thanks Morten. Q1 was a good start to the year, and adjusted operating profit was up 32% from 99 to 131 million kronors year on year. Still Q1 as you can see in the quartery summary on the right hand side. It's seasonably lower, due to the seasonality you see in our credit loss level. Looking at the underlying overall performance we see the usual key enablers, in terms of growing portfolio, with stable net interest margins, and with stable credit risk. And on top of that we see continued efficiency gains, as the scalability of our platform materializes. We will of course look deeper into this, so let’s flick page and turn to our portfolio development on page 8. We have a strong year on year portfolio growth of 14% in Swedish krona, or 11% in constant currencies. Looking at new lending we can see that it increased in all markets except Norway resulting is a somewhat slower growth rate in the first quarter of 2017. In relation to Norway we have taken a very mindful decision to pull back from some of the broker applicants since the Autumn, Morten mentioned it. Having said that, we believe that the market will bounce back. We'll talk more about this when we go through the segments later. Let's turn page again, and look at our top line on page 9. Adjusted total operating income is up 15%, reflecting an increasing portfolio, and stable margins. We see that new loans we put on our books are of solid quality, with good credit quality and good margins. This is also evident when we look at the NIM development which you have on the right hand side. In this context I think it's worth repeating our commitment, of not trading margins or credit risk for volume and in extension this means that you can expect our nim to be stable going forward and range between 9 and 9.5 as earlier communicated. Let's turn page and look at our cost/income ratio. The ratio continues in the right direction. We continue or digital evolution, which currently have a very positive effect on efficiency as well as customer experience, which we are very pleased about. Having said that, I think we are far from perfect, which tells you that we will continue or focus and improve in this area. And I'm confident that this will improve efficiency, customer experience, and top line growth in addition to that. Looking at Q1 isolated, or cost/income ratio came in at 25.7 percentage points which we are of course very pleased with. Let's turn page and have a look at our credit risk performance on page 11. Cost of risk is seasonally high, but stable versus Q1 last year. And the level is well below the through the cycle ambition of 2%. As always we see variations between the segments, and we will touch on this later when we go through the segments. Of course also worth mentioning the newly established agreements with Lindorff to start selling parts of our NPL forward flow from Q3. I think this creates initial flexibility, and it's not a firm commitment to sell, but I think it does provide an opportunity to reduce the continued buildup of our NPL portfolio, which really is an undervalued asset on our balance sheet. This will of course have an enhancing effect on our cost of risk numbers going forward. Okay, before I hand back to Morten, let's go through the segments. Page 12, we have Sweden. Another very stable quarter in Sweden, good momentum in new lending. Portfolio increased with 10% year on year. And annualized quarterly growth came in at around 13%. Stable NIM and relatively stable cost of risk. Let's turn to Norway which is probably more interesting at this point in time. Page 13. The lending book grew by 9% year on year, but looking at the new lending we can see a slow down. The predominant reason to the lower volume is our very mindful decision to pull back from some of the broker applications. We continue to see poor application flow. And in effect we have also tightened our underwriting as Morten mentioned. We do believe that the detoriation is partly related to the hefty negative media coverage of the industry in Norway, and there is also reason to believe that this is partly driven by competition. In some of the extreme work cases we have seen and continue to see in the Norwegian market. And I think this type of turmoil generally turns to effect consumer behavior. We've seen it before and we see it now. And of course, in addition to that, it triggers increased regulatory focus. And speaking of that, we obviously thought the implementation of a debt register in Norway. We have been pushing for this for a number of years. And with responsible lending at our core, we are of course in favor of marketing regulation that stop unbalanced marketing of these products. I think, with everything that's going on in mind, we believe that the market will bounce back, and bounce back in our favor when some order have been restored. We don't think that the changes in regulations being imposed in the Norwegian market will be negative to our position, which has always been to stay true to responsible and sustainable lending practices. So finally on Norway, let’s have a look at margins and credit loss levels, which is in the bottom of the page, we conclude a very stable pattern. Let’s move onto Finland, on page 14, we are up 24% on new lending year on year. And the lending portfolio is up 13% year on year. I think the NIM is strong and stable and the credit losses remain very low. And I think we have a very strong momentum in Finland, and I think we will be able to do even more going forward. Finally, let’s turn to Germany on page 15. New lending is up 22% year on year and loan portfolio growth landed on 31%. Net interest margin is strong, and actually 50 bps stronger than Sweden, which gives you some perspective. This is also fairly stable as Q4 last year is not really representative for the underlying levels. Cost of risk levels in Germany are stable year on year, we talked about this before. The German cost of risk levels are penalised by the very conservative provisioning for NPLs. Looking at gross credit losses, we see similar levels as in Norway. However, when it comes to recoveries we still run on a conservative assumption. And in relation to this we continue to gather data and we are pretty encouraged, but it's still too early to draw any further conclusions. So before I hand back to Morten, let’s flip page and have a look at our capital position as well. Page 16. Looking at the two bars on the right hand side, you can see that we have improved or CET1 ratio with 30 basis points up to 14.3 % in Q1, 2017. At this point in time I think we are very happy about our current position which gives us a good buffer of 230 basis points versus our capital target. And a 500 bps buffer versus or requirement of 9.3. So pretty pleased with that. Then I’ll hand back to you Morten.

MORTEN: Many thanks, Jacob. This is the last slide, this page 17, and as you see here Norway’s development is pretty stable and predictable. This slide of KPI trends, they display just that. But predictability is not really boring in our industry, indeed the trends are great indicators of where we are heading as well. So what we want to do going forward is that we want to grow the loan portfolio, and we want to keep the net interest margin stable where they are. And we, as you know, treasure stable credit risk quality levels. And on this page you can see that 12 months rolling was 1.4%. And we want to improve efficiency further and lower our adjusted cost/income ratio. This quarter was 25.7 and with due time we will get this down to 20%. And these factors will drive profitability going forward in a way which will be faster than the portfolio growth. And as you know our adjusted operating profit, they are up 32% Q1 year on year. And we will of course continue focus on large personal loans to financially stable individuals. It has proven very successful in the past, and we believe that our current product and market strategy, that will deliver double digit organic loan portfolio growth between 10 and 15%. And we believe as we said that profit will grow faster than that. But again, more important than growing the loan portfolio is responsible lending. That is essential to customers, and all other stakeholders including investors. We believe that the Norwegian market will grow slower than in the past, but that Nordax's growth rate will pick up from the level we are at now, as some current regulatory proposed initiatives have been agreed and implemented. And when the negative media attention consequently fades. During 2017 we will continue our focus on developing customer value through digitalization of the processes and improving the customer experience and benefits. That will also help the top line in terms of driving more volume. Germany has started well in 2017, and we will add more resources to the German business. And broaden our marketing channels to compliment direct mails, and our diversified funding strategy will be maintained. And it has the structure to support a much larger loan portfolio than what we have today. These graphs sums up our past trends, and they are good indication of the direction, we are aiming for. And the collateral we have for this continued strong development is all our innovative and hard-working employees. Thank you so much. That ends our presentation of the Q1 report and we're happy to take questions. I pass it over to Greg.

GREG: Thank you. Ladies and gentlemen, we are now ready to take your questions. If you wish to ask a question, please press zero one on your telephone keypad. That's zero one on your telephone keypad to ask a question. Please stand by for the first question. And the first question comes from the line of Monica Hörnfeldt with SEB. Please, go ahead, your line is open.

MONICA: Hi, thank you and good morning. So my first question relates to Germany and the growth there. It was impressive, although from a low base. But I was just wondering what the next steps there are and what the road map looks like and what time horizons do apply to this?

MORTEN: Hi Monica, this is Morten. I'll start and then Jacob can fill in all the blanks that I leave out. We have several things going on in Germany. We're actually pretty pleased to say that the effectiveness of the direct mail program is better than the one that we have in Finland. So things are certainly going in the right direction there. We have a new recruit coming in who has experience from the industry, from two of the main niche banks there. So that will be very helpful as well. We have been able to work closer with Schufa which is like Upplysningscentralen here in Sweden. A very good credit bureau, and we got access to new data. So we are actually able to sharpen our underwriting hrough a better, so that's also very encouraging. And with a new recruit we will start developing new sourcing channel alongside the direct mail channel. So we're pretty encouraged by the volume development. I think we have much more to go on in Germany of course, and we are heading in the right direction. But with most things in Nordax things doesn't happen overnight. It is a big ship, it takes time. So you shouldn't expect too much very early on, but I'm very encouraged about the latter part of this year.

JACOB: Just to add to that. I think we have a lot to do on our on boarding process which is clearly essential here. It's nothing wrong with our response rates, but if we can increase our conversion rate just a bit, that would help very much, and that would also facilitate the opportunity to expand the target base, so lot to gain on working on processes here.

MONICA: Just a follow up, Morten, when you say "things don't happen over night", can you translate that as in within the year or is it more medium term?

MORTEN: I would say that it's medium term. I think we're pretty happy about the Q1. I think the trend that you see there will continue into Q2. But I'm even more optimistic about the future beyond that. But again, as Jacob said, there is a lot to do on the on-boarding side as well. Certainly in Germany we have the longest time to cash, we offer a lot of information from customer, which means that some of the good customers actually drops out. Because they think the process is to burden some. So we're doing well, but we can become much better.

MONICA: Perfect, and then a question on loan losses, I can see in Sweden there were some 30 bits higher quarter over quarter, and it was 1.5 I believe, which was pretty high from a historical perspective. Although I mean small loan loss ratio, was there anything particular in the quarter in Sweden?

MORTEN: Well, yeah, I think if you look at the historical numbers on loan losses in Sweden as well, you would see the seasonality there. In 2014 we had 1.5, in 2015 1.9. ’16, 1.3 compared to lower levels though, and in Q1 1.5, so the seasonality is there. There is nothing special going on.

MONICA: Perfect, thank you.

MORTEN: Thank you.

GREG: Thank you very much. And moving on to the line of Peter Kessiakoff with SEB. Please, go ahead, your line is open.

PETER: Ah, okay, thank you very much. Just a question on the cost/income ratio, looking at the last couple of years, then declining roughly 1% annually. Now in this report you once again beat the expectations on cost, and we can see that the cost income ratio, the adjusted one is down to two percentage points year on year. You’re mentioning that you should be able to reach a level of 20% at some point. But is it fair to assume that going forward the decline in cost/income ratio should be two percentage points year on year or is there anything that speaks against this in terms of investmens and so on?

MORTEN: It’s Morten here Peter. I think the interesting thing is then when we start investing in digitalization for instance, the cost reduction we see from having smoother processes actually out … or it's the same as the investment we do in the IT-program itself. So there’s nothing ahead of us in terms of investment that will stop this trend. I wouldn’t promise you 2% per year. I think I have indicated to you before between 1 to 2%. I think that is probably the best guess I can make, so if you want to put it into your model, somewhere between 1 and 2%. There will be volatility on this as well.

JACOB: But to your point, we don’t foresee any huge investments that we need to do that we need to tell you about.

PETER: Okay, sounds good. Then just in terms of Norway, the new lending volumes that you are seeing there, or the level of new sales or new lending, does that fully reflect kind of the change in mix that you've seen from the application quality during the last two quarters, or if this persists, will that one continue declining?

MORTEN: I don't think it will decline further. I think it will stabilize and then it will bounce back. And the reason for that is that as soon as we get more order in class if you can put it that way, in Norway. I think our position will be stronger, Peter. There are restrictions coming from several areas now. You have the Department of Justice, you also have the Norwegian FSA that has imposed on restriction. I think some of these restrictions are very very good and it's very much in line in our approach to the market, that means that everybody is a winner if we have sustainable lending at heart all the time, and don't get carried away by growth. I think this will bounce back, because some of the things that has happened with this turmoil on the regulatory side is also a lot of media attention. Many sad stories have been presented, which are very one-sided of course. I think when that drops you will see normal customers coming back again, which means better quality, and you can start approving them again. But that doesn't mean that we are going to change our underwriting standards for broker, because broker has again proven to be much more negative than what we see on the direct mail for instance.

PETER: Okay, and then just one last question in terms of growth just on a group level. With the trends that you are seeing in Norway, and I hear that you are saying that you believe it will bounce back. But let's assume that it does not perhaps fully bounce back. Should we expect growth to be closer to the 10% level that you guide for or is it reasonable to assume that other countries will be able to compensate when Norway is lower. So perhaps you should be in the middle of kind of your target range of 10-15%.

JACOB: I think what we see now is good momentum in Sweden which we take with us. I think we see good momentum in Finland, which we take with us. I think we see a really good momentum in Germany as well. In short-term I think we will have the biggest gain in Finland, where we have a lot of new initiatives going, which will have short-term effects on. Whether that will cover entirely for Norway or not, I don't think I will say and I honestly don't exactly know.

MORTEN: But there are many initiatives on it's way, especially on the on-boarding side that will help Germany for instance. It will also help in all markets. So I'm really optimistic. But you know, I think also, Norway will bounce back. So I'm pretty optimistic that if Norway, and when they do bounce back, we will be back completely on track. Otherwise maybe it's closer to 10 than 15.

JACOB: And one of the things that makes me very confident about Finland is actually the debt register that has been implemented. The interesting thing now is that we see the same development in Norway, which will work in our favor as well.

PETER: Okay, and just perhaps one last question. In terms of management time, which markets are you spending the most focus on currently, is it Norway or is it any of the other markets?

MORTEN: It has been Norway. Because it's been a lot of firefighting and a lot of lobbyism, about what is sensible to introduce of restrictions, and what is not sensible to introduce. I think we have won all arguments there, so that has taken some attention. But then of course we’ve done a lot in Finland, by connecting to the debt register. We’re doing a lot in Germany as well. Sweden is the one that is sort of less time consuming right now, but our mail program will be updated as we speak. So in a month or so we will probably have better volumes there as well. So it's not like we’re neglecting anything. But Norway has taken some attention lately, yes.

PETER: Okay, thank you very much.

GREG: Thank you very much. And moving onto the line of Adedapo Oguntade with Morgan Stanley. Please, go ahead, your line is open.

ADEDAPO: Good morning, Thank you for taking my question. My first question is relating to Germany. Sounds good in Q1 ’17, just if you could give us an idea of how you see this trending out for the full year. I mean, the growth you have achieved in Q1, can this be maintained for the full year? Also, just coming back to Norway in itself. I know you said that you believe things will improve. But, I mean, if things don’t improve. Where do you actually see growth for this year? So that was my first question.

MORTEN: Yes, I can start and then Jacob can fill in. About Germany, yes, we see a good trend in Q1, and we expect that to continue. Indeed, we think it will accelerate later this year when we come to Q3, Q4. We’re going to give this area even more attention than what we have done in the past. When it comes to Norway, what we’ve seen previously when we have had market slums like we have now. It typically do come back. If for any reason it will not come back, I think, as I said to Peter, maybe we …… then we’re probably in the lower tens rather than close to 15. But we certainly believe in double digit growth in the Nordics. And as I said, I believe certainly that Norway will come back. Especially for Nordax where we are true to responsible lending. There might be that someone local players need to rethink what they do, but that’s sort of up to them. Then the regulator will of course affect as well. Does that answer your question?

ADEDAPO: Yes. So the second question I have is relating to pretty much your cost to income ratio to keep on going down for the target of 20% over time. Just trying to understand when you think you can achieve this, going by your 1-2% that means it should take you like maybe 10-12 years to get 20%. Is that what you think is achievable or do you think you can achieve much earlier than that?

MORTEN: Well, I think if you do the excel excersise, you would see that if we’re on 25.7 or 26, then if we have 1% improvement every year, it will take six years. If we have 2% improvement every year, it will take three years. But that is just excel. I’m not going to promise anything. We’re on track to get down to 20%. It's nothing unreasonable that we will reach that in due time. That’s underlined, due time. The important thing here is of course that we keep more or less the nominal cost constant. And as we grow the receivable base, we have more loans to spread the cost on. So that’s sort of the excel exercise you have to do yourself. I’m not going to promise anything.

ADEDAPO: Yeah, so the final question I have, is on cost of risk. So pretty much this was higher in Q1 at 1.7%. How do you see this evolving for the rest of the year. And also just in terms of your credit management agreement with Lindorff. What’s going to be implication or the impact on cost of risk. And also your profits for the year?

MORTEN: Yeah, it's too early to say actually. When it comes to cost of risk we promise you 2 % over the cycle. We’re happy for cost of risk to dance from 1.3% off to 1.7, 1.8%. Where we will land, it's a little bit early to say, and as you said, what we do with selling low performing loans, 90 days due or 100 days due, that will impact the result. But it won't be for Q3 and Q4. Q4, it may have some more impact, but it all depends on how much we sell. So I don't want to be too specific, but it wouldn't be unreasonable to see that cost of risk ought to come down in Q3, Q4, given that we actually go through with selling the low performing loans.

ADEDAPO: Okay, any impact on profit?

MORTEN: Yeah, I mean, let's say that you in theory have 20 bp lower cost of risk, then that will have impact on profit, and you can just do the equation itself.

ADEDAPO: Okay, thank you.

GREG: Thank you very much, and moving onto the line of Helen Broman with Carnegie, please go ahead, your line is open.

HELEN: Thank you. I have a question regarding lending volumes in Norway, and more specifically if you could estimate how big share of your new lending in Norway that are of bigger ticket sizes, up around 400-500 000 perhaps?

MORTEN: Yes, it's very few actually, of our loans, that are 400 000 and 500 000 kronors. It's more that the average loans … when we have those … When we offer up to 500 000 the average loans increases. I think the average in Norway, Jacob, 220 000?

JACOB: Around 200, I would say.

MORTEN: 200 000. So very few above 400 000. We can come back to you with a specific answer on that, but it's very few again.

HELEN: Okay, thank you.

MORTEN: Thank you.

GREG: Thank you very much. Moving onto the line of Ermin Keric, with Nordea. Please go ahead, your line is open.

ERMIN: Hi, thank you for taking my questions. I had two questions, starting off, you mentioned that you launch in several initiatives in Finland. Could you talk more about that, and what that could be?

JACOB: Initiatives in Finland, was that the question?

ERMIN: Yes, exactly.

JACOB: Yes. I think the most important thing we do in Finland right now, is to rebuild our scorecard based on the new data we received from the newly established debt register. That will help a lot, then obviously we work all the time with our modeling to find new addresses, and also on our on boarding processes. But I think the new scorecards are the most important factor,

MORTEN: That is in connection with our actions to the debt register. And giving an example, for instance, we have been unable to underwrite people living in rental flats before. Basically we haven't approved them. Now we see an opportunity to look into that segment more. That doesn't mean that these those who own houses It's just that they have been untouched basically.

ERMIN: Okay, thanks that helpful. Also, just looking at the capital, since it's so strong and you are managing to build capital although you are growing, could we see some extraordinary dividends or buybacks or anything like that?

JACOB: I think we are in a very happy place right now given everything that's going on. And of course we want to see IFRS9 come through before we say anything more. And at the end of the day it's up to the border directors to something for the AGM.

ERMIN: While we’re on it, IFRS9 have you had any communication on the impact you from it?

JACOB: We said on the prospectus that it wouldn’t be more than 200 million kronor I think last time we spoke we said that it's between 0 and 200, and feel confident. Right now we’re working on finalizing the work and we also need to get the auditors on board. So we will come back.

MORTEN: Yeah, I think hopefully in the Q2 report we can say something more about this area. I agree with you Jacob. I think we are in a good position, and it's important for everyone to remember that it will hit the equity.

JACOB: Yeah, and it's Q3.

ERMIN: Okay, that’s very helpful, thank you.

GREG: Thank you very much. No further questions in queue. Ladies and gentlemen, as a reminder, please press zero one on your telephone keypad if you wish to ask a question. And after our … No further questions. I would like to return the conference call to the speakers.

MORTEN: Thank you, Greg. It's Morten here again. Thank you everyone for listening and thanks for all the good questions.

GREG: Ladies and gentlemen, this concludes today’s conference call. Thank you very much for attending. You may now disconnect your lines.