Nordax Bank

Nordax Group AB (publ)
Interim report January-March 2015

January-March 2015
(Numbers compared with January-March 2014)

- Operating income increased 21.1% to 218 MSEK (180)
- Profit before credit losses increased 29.4% to 119 MSEK (92)
- Net credit losses amounted to -45 MSEK (-32), credit loss level 1.8% (1.5%)
- Operating profit increased 23.3% to 74 MSEK (60)
- Net profit increased 26.1% to 58 MSEK (46)
- Return on average net loans 12m rolling amounted to 3.9% (3.4%).

Volumes, capital and funding
(Numbers compared with December 31, 2014 unless otherwise indicated)

- New loan volumes increased 3.1% to 921 MSEK (893 Q1 2014)
- Lending to the general public increased 2.7% to 10,312 MSEK (10,042)
- Deposits increased 45 MSEK to 6,524 MSEK (6,479)
- Liquidity reserve of 3,272 MSEK (3,246), liquidity coverage ratio 6.18 (8.40).

Other events

- Further strengthening of the capital structure by issuance of 250 MSEK in Tier 2 capital
- Katarina Bonde and Hans Larsson appointed Non-Executive Directors.

KEY FIGURES

	Q1 2015	Q4 2014	Q1 2014	FY2014
Operating income, MSEK	218	205	180	803
Profit before credit losses, MSEK	119	109	92	439
Operating profit, MSEK	74	82	60	325
Net profit, MSEK	58	65	46	254
Earnings per share, SEK	116.70	128.22	80.13	508.11
Lending to the general public, MSEK	10,312	10,042	8,839	10,042
Return on average net loans %, 12m rolling	3.9	3.9	3.4	3.9
Deposits, MSEK	6,524	6,479	5,496	6,479
Common Equity Tier 1 capital ratio %	12.6	12.3	10.7	12.3
Total capital ratio %	14.6	13.9	12.6	13.9
Return on equity %	14.8	18.0	14.0	18.0
Net credit losses %	1.8	1.1	1.5	1.2
Cost to income ratio %	45.4	46.8	48.9	45.3
Adjusted cost to income ratio %, 12m rolling	28.8	29.4	31.3	29.4

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Comments from the CEO

I am pleased to report that Nordax continues to grow in a controlled and profitable way. Our operating income increased in the quarter by more than 21% to 218 MSEK reflecting our growing lending volumes and stable margins. Operating profit grew by more than 23% to 74 MSEK. We pay a high attention to efficiency and our adjusted cost to income ratio on a 12-month rolling basis amounted to 28.8% (31.3%). This should be seen in the light of our conscious decision last year to increase expenses in order to accommodate the growth in our loan business, and to invest even more in compliance, risk management and the governance of the business. Over the last five years, Nordax's operating profit has grown at an annual compound growth rate of 22%.

An essential part of our strategy is our diversified funding, based on multiple pillars; unsecured bonds, asset backed securities, warehouse funding facilities and retail deposits. We continue to take a conservative approach to liquidity risk and continuously keep about 40 % of our deposits as liquidity reserves. In March, we successfully issued 250 MSEK of subordinated Tier 2 capital, replacing our existing 200 MSEK subordinated loan. We met strong investor demand and the new Tier 2 capital will help support our growth efforts. Our Common Equity Tier 1 ratio was 12.6% which is significantly in excess of the regulatory minimum of 8.0% and is also higher than our internal target of 12%.

The year has started with continued growth of new loans. Year-over-year we grew the volume of new loans by 3.1% to 921 MSEK. The return on average net loans on a 12-month rolling basis was 3.9% (3.4%), well above our internal target of 3 %. Over the past five years, our lending balance has increased at an annual compound growth rate of 18% proving that we have earned our customers' trust through a competitive and sound offering. We continue to grow and we grow in a responsible manner. Any decision to advance a customer loan is made using our thorough, data driven underwriting process. We focus on large personal loans and target customers who we believe are financially stable and in the prime of their life.

In the quarter, we experienced good development especially in Norway where lending increased by 5.2%. We commenced product testing in Germany in 2012 and I am pleased to note that sales in Germany continued to develop favorably with a growth of close to 14% in the quarter. The German market is a large untapped potential with a sizeable consumer finance market five times as large as Sweden and Norway combined. We remain cautiously optimistic about the potential in Germany.

The Group

January-March 2015

Operating income increased by 21.1% to 218 MSEK (180), mainly driven by higher interest income due to larger lending volumes to the general public. The adjusted cost to income ratio decreased to 28.8% (31.3%) through increasing operating leverage. Operating expenses increased by 12.5 % to 99 MSEK (88), reflecting Nordax's growing sales volumes and larger portfolio. As a consequence, profit before credit losses increased by 29.3% to 119 MSEK (92). The number of employees grew by 3.7% to a total of 169 full time employees at the end of the quarter. All new employees are based in Sweden as Nordax's strategy is to operate from one central platform.

Net credit losses increased compared to the same period 2014 and amounted to -45 MSEK (-32) equivalent to a credit loss level of 1.8% (1.5%). The credit loss level was better than plan, mainly reflecting the maturity of the portfolio compared to growth and size of the total loan book. The credit loss level in the quarter of 1.8% versus the full-year 2014 credit loss level of 1.2% is primarily due to seasonality effects.

Operating profit increased by 23.3% to 74 MSEK (60). Net profit in the quarter increased by 26.1% to 58 MSEK (46), implying a return on equity of 14.8% (18.0%).

MARKET SEGMENT OVERVIEW

MSEK	Sweden	Norway	Denmark	Finland	Germany	**Total**
Total net interest income	72	87	3	46	6	**213**
Net credit losses	-18	-16	-2	-7	-2	**-45**
Operating profit/loss	23	34	0	26	-9	**74**
Lending to the general public						
March 31, 2015	3,889	4,140	224	1,725	335	**10,312**
December 31, 2014	3,880	3,934	246	1,688	294	**10,042**
Growth	9	206	-22	37	41	**270**
Of which FX effects	-	70	-7	-38	-7	**17**
Growth % incl. FX	0.2	5.2	-8.9	2.2	13.9	**2.7**

Sweden is Nordax’ first market where new loan volumes have been developed over the years with careful attention to credit risk and market efficiency of proven as well as new sales channels. Over the last three years, credit losses have developed well as the portfolio has been growing and the ability to attract low risk customers remains strong. In the quarter, the operating profit decreased to 23 MSEK (27) compared to first quarter previous year due to slightly increased provisions. Lending at the end of the quarter was slightly higher than at year-end, which was according to expectations.

In Norway, new loan volumes continued to pick up in the quarter due to good contribution from repeat sales to existing customers and the larger loans product. Improvements in cost of risk can mainly be explained by the growth in the portfolio which increases the denominator in the equation since new loans generally experience very low losses during the first year after disbursement. The operating profit increased to 34 MSEK (23) since the portfolio is larger and new loans are originated at stable levels. In the quarter, the loan portfolio in Norway grew by 5.2%, positively impacted by currency exchange rate effects of 1.8%.

The Finnish operations were restarted in 2011 following the financial crisis and the portfolio has been carefully developed with respect to credit risk as well as the distribution channel mix. The margin development has been favorable as new origination has been kept at stable levels. The operating profit amounted to 26 MSEK (15) in the quarter. Finland has a legal debt collection environment which has helped in delivering low net credit losses. Sales increased in the quarter by 2.2% despite negative impact from currency exchange rate effects of 2.2%.

The German market provides untapped potential for Nordax and it is developing according to plan. Nordax started operations in 2012 in Germany and is still testing the market and building expertise. Credit losses are affected by conservative loss provisions and so far the underlying risk performance in Germany is close to the Norwegian performance. The operating loss amounted to -9 MSEK (-8) in the quarter. The loan portfolio increased by 13.9% in the quarter despite negative impact from currency exchange rate effects of 2.4%.We remain cautiously optimist about the potential in Germany.

A strategic decision to halt new loan volumes in Denmark was taken in 2008 and as a consequence the Danish loan portfolio is decreasing.

Lending volumes, capital and funding

Total assets of March 31, 2015 amounted to 14,567 MSEK (14,190). Lending to the general public increased in the quarter by 270 MSEK or 2.7% to 10,312 MSEK (10,042). Total currency exchange rate effects were insignificant. Lending to credit institutions increased in the quarter by 119 MSEK to 2,330 MSEK (2,212) of which 691 MSEK (699) was pledged cash holdings for the funding structure and the rest was cash liquidity.

Deposits from the general public increased in the quarter by 0.7% to 6,524 MSEK (6,479). At the end of the quarter, Nordax was funded with 2,943 MSEK (3,110) in asset backed securities, 482 MSEK (500) in senior unsecured bonds, 2,503 MSEK (2,274) in warehouse funding facilities provided by two international banks and 6,522 MSEK (6,460) in retail deposits (all in nominal amounts).

Nordax had a liquidity coverage ratio of 6.18 (according to Basel III) and net stable funding ratio of 1.3 at the end of the quarter. The liquidity reserve amounted to 3,272 MSEK (3,246). Of these holdings 52% (51%) were Nordic banks, 13% (19%) Swedish covered bonds and 35% (30%) Swedish municipality bonds. All investments had a credit rating between AAA and A+, with an average of AA.

RISK EXPOSURE AND CAPITAL RATIOS ACCORDING TO BASEL III

	March 31, 2015	Dec 31, 2014	March 31, 2014
Risk exposure amount, MSEK	10,264	10,046	8,507
Common Equity Tier 1 capital ratio %	12.6	12.3	12.6
Tier 1 capital ratio %	12.6	12.3	10.7
Total capital ratio %	14.6	13.9	12.6
Leverage ratio %	9.1	8.9	7.5

At March 31, the Common Equity Tier 1 capital ratio of 12.6% (12.3%) was significantly in excess of the regulatory minimum of 8.0% (8.0%), which means Nordax' has a substantial buffer. Total Common Equity Tier 1 capital requirement including buffer requirements amounted to 7.0% (7.0%) of which 2.5% (2.5%) represented the capital conservation buffer requirement. The Common Equity Tier 1 capital available to Nordax to use as buffer, including the capital conservation buffer requirement amounted to 8.1% (7.8%).

On March 12, Nordax issued 250 MSEK in a 10 year subordinated Tier 2 loan at 3 months Stibor +5.75%. The transaction enabled Nordax to redeem early the previous Tier 2 capital arrangements, amounting to 200 MSEK. The transaction received strong investor demand. The loan, which is included in the capital base and strengthens the company´s total capital adequacy, is classified as Subordinated Liabilities in the balance sheet.

Risks and uncertainties

The Group is exposed to both credit risk and to other financial risks such as market risks including foreign currency risk, interest rate risk in fair value measurement, interest rate risk in cash flow and price risk as well as liquidity risk. The Group is also exposed to IT and operational risks. The Group's overall risk and capital policy details the risk framework as well as risk management roles and responsibilities for the Group. The risk composition of the Group as well as related risk, liquidity and capital management, is described in the combined financial statement for 2012-2014 and Risk Management and Capital Adequacy Report. Planning in scenarios continues to be crucial in order to be able to swiftly adapt to changed market conditions in case they should occur.

Internal control

The Group has established independent functions for risk control and compliance in accordance with the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2014:1, FFFS 2010:7 as well as the European Banking Authority's guidelines on internal control (GL 44). These functions report directly to the Board of Directors and CEO. The evaluation of the organisation as regards, among other things, the internal control, is carried out with the assistance of the internal audit function, which is outsourced to Mazars SET. It has not been deemed cost effective to internally establish an internal auditing organisation, based on the size and the complexity of the Group. Furthermore, allowing an external auditing firm to conduct the internal audit provides the Group with the opportunity to benefit from that external auditing firm's expertise knowledge in various areas, and potential alternative solutions within areas important to the operations, gained from other audit assignments undertaken by the external auditing firm.

Basis of preparation

All entities included in the combined financial statement are under common control as they are all ultimately majority owned and controlled by Nordax Group AB. The Nordax Group AB (publ) Group, as presented in the financial statement, constitutes of the entities listed in note 1 in the financial statement, has not constituted a separate legal group for the periods presented in the financial statement. Accordingly the combined financial statements represent an aggregation of the historical financial information of the entities in the Group. The combined historical financial information, which has been prepared specifically for the purpose of this Prospectus, is therefore prepared on a basis that combines the results and assets and liabilities of each of the companies constituting the Group by applying the principles underlying the consolidation procedures of IFRS 10 Consolidated Financial Statements for each of the periods to 31 March 2015 and 31 March 2014. On such basis, the combined historical financial information sets out the Group's financial position as of 31 March 2015 and 31 March 2014 and results of operations and cash flows for the periods then ended.

The combined financial information has been prepared in accordance with the requirements of the Prospectus Directive Regulation, the Listing Rules on Nasdaq Stockholm, and in accordance with this basis of preparation.

The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. References to "IFRS" hereafter should be construed as references to IFRS as adopted by the EU.

The combined financial information is presented in millions of SEK except when otherwise indicated. The following summarises the accounting and other principles applied in preparing the combined historical financial information:

The combined financial information of the entities that constitute the Group has been prepared for the same reporting periods using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses have been eliminated.

As Nordax Group AB is a newly established off the shelf company which has not conducted any business the future consolidated financial statements of Nordax Group AB (publ) will be prepared as a continuation of the current Group, as the transaction where Nordax Group AB (publ) is established as a new parent company is merely a reorganization of the current group where Nelson Luxco Sarl is the parent company, accordingly the combined financial statements of Nordax Group AB (publ) have been prepared on that basis. The future consolidated financial statements of Nordax Group AB (publ) will in all essentials be consistent with the combined financial statement.

This means that the predecessor values of the Nelson Luxco Sarl Group which has been reported internally on a consolidated basis in accordance with IFRS as adopted by the EU has been used in preparing these combined financial statements with the inclusion of the assets and liabilities of Nordax

Group AB (publ). No adjustments have been made to the values of assets and the liabilities in relation to the combined financial statements compared to the historically reported values.

The most important accounting policies applied in the preparation of these combined financial statements are indicated below.

Accounting principles

This quarterly report has been prepared according to IAS 34, Interim Financial Reporting. The combined financial statement for the Nordax Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, together with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Accounting Regulations for Groups In all material aspects, the accounting policies, basis for calculations and presentations are unchanged in comparison with the combined financial statements for 2012-2014 .

Other events

On February 27, 2015 Nordax announced that one new non-executive director of the Board had been appointed at the Extraordinary General Meeting on February 26, 2015. Nordax has appointed Synnöve Trygg as non-executive director. Synnöve Trygg has an extensive background in the financial industry and is currently a non-executive director of various companies within the bank and debt collection industry. Synnöve Trygg has previous operational experience from SEB Kort where she was CEO for 20 years.

Events after closing of the reporting period

On April 1, 2015 Nordax announced that two new non-executive directors of the Board had been appointed at the Extraordinary General Meeting held the same day. Nordax has appointed Katarina Bonde and Hans Larsson as non-executive directors in Nordax Group AB (publ), Nordax Bank AB (publ), Nordax Holding AB and Nordax Group Holding AB. Katarina Bonde is a senior board professional with a focus on technology companies, financial institutions and entrepreneurships. She has held various executive positions in the software industry. Hans Larsson has extensive experience in financial services and global banking, having held various operational, strategic and executive roles across numerous sectors and product groups in SEB. Arne Bernroth, non-executive director was elected vice chairman of the board. The appointments are pending the Swedish Financial Supervisory Authority's assessment.

According to the Articles of Association, adopted at the Extraordinary General Meeting on February 26, 2015 the board shall consist of not less than 5 and not more than 12 permanent members. After the election of directors, at the Extraordinary General Meetings on February 26, 2015 and on April 1, 2015, the board consists of nine members; Richard Pym (chairman), Arne Bernroth (vice chairman), Christian Beck, Andrew Rich, Daryl Cohen, Synnöve Trygg, Hans Larsson, Katarina Bonde and Morten Falch. In accordance with the adjusted Articles of Association, the executive directors Johanna Clason and Jacob Lundblad were discharged from their positions as board members; and the deputy board members Camilla Wirth, Per Bodlund, Iva Anguelov and David Lamb were discharged from their positions as deputy board members.

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About Nordax

Nordax is one of the leading niche banks in the Nordic region providing unsecure consumer loans and deposits to about 100,000 customers in Sweden, Norway, Finland, Denmark and Germany. Nordax employs about 200 people, all working in one office in Stockholm. Nordax was founded by five entrepreneurs with extensive risk management experience and over the course of ten years the Group has developed a sound, thorough and data driven underwriting process. Nordax's customers are financially stable people in the prime of life. Through a centralized and highly scalable platform, Nordax is on a journey to become one of the leading niche banks in Northern Europe. As of December 31, 2014 lending to the general public amounted to 10.0bn SEK and deposits from customers amounted to 6.5bn SEK. Nordax takes a conservative approach to risk and is unique among niche banks in using multiple sources of funding and Nordax only uses a limited share of deposits to fund lending to the public. Nordax is supervised by the Swedish Financial Supervisory Authority since 2004 and deposits are covered by the Swedish deposit guarantee scheme. Read more on www.nordax.se.

Income statement

All amounts in MSEK	Note	Jan-Mar 2015	Oct-Dec 2014	Jan-Mar 2014	Jan-Dec 2014
Operating income					
Interest income	7	307	314	274	1,196
Interest expense	7	-94	-99	-98	-415
Total net interest income		**213**	**215**	**176**	**781**
Commission income	7	5	4	3	15
Net profit from financial transactions	7	0	-14	1	7
Other operating income	7	0	0	0	0
Total operating income		**218**	**205**	**180**	**803**
Operating expenses					
General administrative expenses	7	-60	-64	-54	-224
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	7	-5	-5	-4	-18
Other operating expenses	7	-34	-27	-30	-122
Total operating expenses		**-99**	**-96**	**-88**	**-364**
Profit before credit losses		**119**	**109**	**92**	**439**
Net credit losses	2, 7	-45	-27	-32	-114
Operating profit		**74**	**82**	**60**	**325**
Tax on profit for the period		-16	-17	-14	-71
NET PROFIT FOR THE PERIOD/ COMPREHENSIVE INCOME		**58**	**65**	**46**	**254**
Attributable to:					
The Parent Company's shareholders		**58**	**65**	**40**	**254**
Non-controlling interest		**0**	**0**	**6**	**0**
Earnings per share, SEK		116.70	128.22	80.13	508.11
Diluted earnings per share, SEK		116.70	128.22	80.13	508.11
Average number of shares		500,000	500,000	500,000	500,000

Statement of financial position

All amounts in MSEK	Note	31.03.2015	31.12.2014
ASSETS			
Lending to credit institutions	5, 6	2,330	2,212
Lending to the general public	2, 3, 5, 6, 7	10,312	10,042
Bonds and other fixed income securities	5, 6	1,580	1,585
Property, plant and equipment		12	7
Intangible assets		314	316
Other assets		8	18
Prepaid expenses and accrued income		11	10
TOTAL ASSETS		**14,567**	**14,190**
LIABILITIES, PROVISIONS AND EQUITY			
Liabilities			
Liabilities to credit institutions	5, 6	2,491	2,259
Deposits from the public	5, 6	6,524	6,479
Issued securities	5, 6	3,401	3,581
Current tax liability		3	16
Deferred tax liability		28	29
Other liabilities		24	25
Accrued expenses and deferred income		55	64
Subordinated liabilities		445	199
Total liabilities		**12,971**	**12,652**
Equity			
Share capital		1	1
Retained earnings, incl. net profit for the year		1,595	1,537
Total equity		**1,596**	**1,538**
TOTAL LIABILITIES, PROVISIONS AND EQUITY		**14,567**	**14,190**
Memorandum items			
Pledged assets for own liabilities	8	9,416	9,180
Contingent liabilities		None	None

Statement of cash flows

All amounts in MSEK	Jan-Mar 2015	Jan-Mar 2014	Jan-Dec 2014
Operating activities			
Operating profit	74	60	325
Adjustment for non-cash items:			
Tax paid	-30	-18	-63
Depreciation, amortisation and impairment of tangible and intangible assets	5	4	15
Change in operating assets and liabilities			
Decrease/Increase in lending to the public	-270	-446	-1,649
Decrease/Increase in other assets	9	7	-5
Decrease/Increase in deposits from the public	45	743	1,726
Decrease/Increase in other liabilities	-10	6	25
Cash flow from operating activities	**-177**	**356**	**374**
Investing activities			
Purchase of equipment	-8	-1	0
Investment in bonds and other interest-bearing securities	-500	-1,058	-3,797
Maturity of bonds and other interest-bearing securities	505	0	2,762
Cash flow from investing activities	**-3**	**-1,059**	**-1,035**
Financing activities			
Decrease/Increase in liability to credit institutions	232	581	-55
Decrease/Increase in issued securities	-180	-111	1,322
Decrease/Increase in subordinated liabilities	246	0	1
Change in non-controlling interests	-	-	-3
Cash flow from financing activities	**298**	**470**	**1,265**
Cash flow for the period	**118**	**-233**	**604**
Cash and cash equivalents at beginning of period	**2,212**	**1,608**	**1,608**
Cash and cash equivalents at end of period	**2,330**	**1,375**	**2,212**

Cash and cash equivalents are defined as treasury bills eligible for use as collateral and lending to credit institutions. Pledged cash and cash equivalents according to note 8 are available for Nordax in relation to monthly settlements of financial agreements and are as a consequence hereof defined as cash and cash equivalents.

Statement of changes in equity

	Restricted equity	Non-restricted equity		Total
All amounts are in SEK million.	Share capital	Retained earnings	Non-controlling interest	
OPENING BALANCE, 1 JANUARY 2014	**1**	**964**	**322**	**1,287**
Comprehensive income				
Net profit for the period		40	6	**46**
Total comprehensive income		**40**	**6**	**46**
Transactions with shareholders				
Change in non-controlling interest		219	-219	**0**
CLOSING BALANCE, 31 MARCH 2014	**1**	**1,223**	**109**	**1,333**
OPENING BALANCE, 1 JANUARY 2014	**1**	**964**	**322**	**1,287**
Comprehensive income				
Profit for the year		254	-	**254**
Total comprehensive income		**254**	**-**	**254**
Transactions with shareholders				
Change in non-controlling interests		319	-322	**-3**
CLOSING BALANCE, 31 DECEMBER 2014	**1**	**1,537**	**0**	**1,538**
OPENING BALANCE, 1 JANUARY 2015	**1**	**1,537**	**-**	**1,538**
Comprehensive income				
Net profit for the period		58	**-**	**58**
Total comprehensive income		**58**		**58**
CLOSING BALANCE, 31 MARCH 2015	**1**	**1,595**	**-**	**1,596**

Notes

Amounts stated in the notes are in MSEK unless otherwise indicated.

Note 1 General information

Nordax Group AB (publ) (Corporate Identity Number 556993-2485), with its registered office in Stockholm, is the parent company of a group that includes the subsidiary Nordax Group Holding AB. In its turn, Nordax Group Holding AB owns companies whose business includes owning companies and managing shares in companies whose main operations consist of lending to private individuals in the Nordic region.

Information on the consolidated situation
The top company in the future consolidated situation is Nordax Group AB (publ). The following companies are included in the future consolidated financial statements for the future group of financial companies in accordance with full IFRS and in the group-based financial statements for calculation of capital requirements: Nordax Group AB (publ), Nelson Luxco Sarl, Nordax Group Holding AB, Nordax Holding AB, Nordax Bank AB (publ), Nordax Finans AS, PMO Sverige OY, Nordax Nordic AB (publ), Nordax Sverige AB, Nordax Sverige 3 AB (publ), Nordax Nordic 2 AB and Nordax Nordic 3 AB (publ).

Note 2 Credit risk

Financial risk factors
Through its operations, the Group is exposed to both credit risks and other financial risks, market risk (including currency risk, interest-rate risk at fair value, interest-rate risk in cash flow and price risk) and liquidity risk. The Group's overall risk management policy focuses on managing credit risks which have been taken intentionally and minimising the potentially adverse effects of unpredictability in the financial markets. The Group employs derivative instruments to hedge certain risk exposure.

Risk management is handled primarily by a credit department and a central finance department in accordance with policies determined by the Board of Directors. The financial department identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The Board draws up written policies both for overall risk management and for specific areas, such as credit risk, foreign-currency risk, interest-rate risk, use of derivative and non-derivative financial instruments and investment of surplus liquidity. Risk management is supervised by the risk control function which reports to the Board of Directors in accordance with FFFS 2014:1.

(i) Credit risks in general
Lending activities are based on policies adopted by the Board of Directors. All loans are assessed in a separate, centrally located department in the Group.

As consumer loans are provided without physical collateral, credit assessment is an important element. To obtain a loan, the customer and submitted application documents must fulfil a number of policy rules such as minimum income, minimum age, maximum debt burden ratio, no bad debt etc. Decisions on loans are based on creditworthiness, which is determined using a model for calculating the probability that a borrower will be able to adhere to the concluded agreements ("credit scoring"). A customer's credit score determines, for instance, how much he or she will be able to borrow. In addition, the credit decision is based on an affordability calculation to ensure the customer has the ability to repay the loan. The affordability calculation considers the customer's income, cost of housing, cost of loans and living expenses. In cases where it is not possible to obtain income and debt information from credit reference agencies the customer is required to submit further information in addition to the application documents, such as a salary specification and tax return, to confirm his or her stated income and debts. This information is used to assess the customer's financial situation, for instance by calculating the customer's indebtedness and a "left to live on" amount.

Credit risks in other counterparty relationships, such as derivatives and financial investments, are regulated by a policy adopted by the Board of Directors. Collateral agreements are used to limit counterparty risks in derivative contracts.

(ii) Measurement of credit risk
The credit risk in the portfolio is measured against the specified targets on an ongoing basis. The measurements are based partly on how loans perform over time, how old the individual loans are ("vintage") and the maturity of the overall portfolio. Measurements are made depending on the risk that a loan will fall into arrears and whether it has been impaired.

Continuous measurements are also made on a segment basis. The applicable credit regulations and scoring models are followed up continuously to ensure the effectiveness of applied regulations and models. The results of these measurements are used as a basis for any adjustments to credit regulations and scoring models.

(iii) Risk management and risk control
The Group's continued operations depend on its ability to manage and control credit risk. Great emphasis is placed on establishing procedures to deal with this. Among other things, reporting takes place at least monthly to the management team and the Board of Directors. Credit risk reporting is also a standing agenda item at each Board meeting. The risk control and compliance unit performs regular checks to ensure that loans are issued in accordance with the instructions adopted by the Board. Under the instructions, any deviations must be reported to the Board. When the Group has received loans from external parties, these parties also perform regular and extensive credit risk assessments.

(iv) Principles for credit risk provisions
Principles for credit risk provisions are indicated in the combined financial statements for 2012-2014, Note 2 and Note 7. When the value of a loan receivable has declined, the carrying amount is written down to the recoverable amount, which is defined as the estimated future cash flow discounted the effective interest rate of the loan receivable when fully performing. Management uses estimates based on historical credit losses for assets with the same credit risk and attributes as those in the loan portfolio. The methods and assumptions used to forecast future cash flows are reviewed regularly to reduce the difference between estimated and actual losses.

Provisions are calculated for loans with an individually identified loss event (individually identified loss event is understood to mean receivables due more than 180 days), and group provision for receivables measured as a group (due 1 – 180 days) is based on an established model. The criteria for determining whether a loss has occurred are delays in the payment of principal and interest.

All amounts are in MSEK	Jan-Mar 2015	Oct-Dec 2014	Jan-Mar 2014	Jan-Dec 2014
Credit losses				
Write-offs for the period pertaining to actual credit losses	-5	-6	-7	-15
Gross value of new receivables during the period due more than 180 days	-93	-69	-75	-312
Payments received during the period pertaining to loans due more than 180 days	42	45	35	163
Adjustment to recoverable value pertaining to receivables due more than 180 days	20	14	20	63
Total provision for loans with individually identified loss event[1]	-31	-10	-20	-86
Group provision for receivables valued as a group[2]	-9	-11	-5	-13
Credit losses for the period	**-45**	**-27**	**-32**	**-114**

[1]Loans with individually identified loss event refers to loans that are more than 180 days past due.
[2] Receivables valued as a group refers to loans between one and 180 days past due.

Note 3 Lending to the general public

March 31, 2015	Sweden	Norway	Denmark	Finland	Germany	**Total**	Allocation of provision	past due receivables
Not yet past due	3,584	3,786	189	1,486	329	**9,374**		
Less than 30 days past due	44	92	7	79	4	**226**	-19	8%
30-60 days past due	23	35	4	30	2	**95**	-21	22%
61-90 days past due	19	22	5	10	1	**56**	-20	36%
91-180 days past due	31	22	2	14	2	**70**	-35	51%
More than 180 days past due	512	523	292	247	3	**1, 577**	-991	63%
Total	**4,212**	**4,480**	**499**	**1,866**	**341**	**11,399**	**-1,087**	**54%**
Provision[1]	-323	-340	-276	-142	-7	**-1,087**		
Total lending to the general public	**3,889**	**4,140**	**224**	**1,725**	**335**	**10,312**		

December 31, 2014	Sweden	Norway	Denmark	Finland	Germany	**Total**	Allocation of provision	past due receivables
Not yet past due	3,586	3,598	209	1,458	289	**9,139**		
Less than 30 days past due	45	86	8	77	3	**220**	-18	8%
30-60 days past due	23	32	4	27	2	**89**	-19	21%
61-90 days past due	13	21	6	10	1	**51**	-17	33%
91-180 days past due	26	20	3	14	2	**65**	-33	51%
More than 180 days past due	489	495	298	238	2	**1,522**	-957	63%
Total	**4,182**	**4,252**	**528**	**1,824**	**299**	**11,086**	**-1,044**	**54%**
Provision[1]	-302	-318	-282	-136	-5	**-1,044**		
Total lending to the general public	**3,880**	**3,934**	**246**	**1,688**	**294**	**10,042**		

[1]Provision for receivables which are more than 180 days past due are assessed individually and total MSEK -991 (-957). The group provision is MSEK -95 (-87). The difference between the provision recognised above and credit losses as indicated in the income statement is due to exchange rate effects, which are accounted for under Net profit from financial transactions.

When a loan becomes more than 180 days past due the carrying amount is written down to the recoverable amount, which is defined as the estimated future cash flow discounted by the initial effective interest rate for the instrument at the time of impairment. Expected recoveries are assumed to be generated up to 13 years from the date on which the receivable becomes more than 180 days past due. The methods and assumptions used to forecast future cash flows are reviewed regularly to reduce the difference between estimated and actual losses. The senior management uses estimates based on historical data and forecasts for longer periods where there are no own historical data.

Note 4 Capital adequacy analyses

Capital adequacy information in this document refers to information whose disclosure is provided for in Chapter 6, Sections 3-4 of the Regulations and general recommendations (FFFS 2008:25) on the annual accounts of credit institutions and securities companies (investment firms) and which refers to information in the General recommendations on capital adequacy and risk management (FFFS 2014:12) of the Swedish Financial Supervisory Authority. From the first quarter of 2014 a capital adequacy analysis for the consolidated situation is reported. Other information required under FFFS 2014:12 is provided on the Company's website, www.nordax.se.

Information on the consolidated situation

The top company in the future consolidated situation is Nordax Group AB (publ). The following companies are included in the future consolidated financial statements for the future group of financial companies in accordance with full IFRS and in the group-based financial statements for calculation of capital requirements: Nordax Group AB (publ), Nelson Luxco Sarl, Nordax Group Holding AB, Nordax Holding AB, Nordax Bank AB (publ), Nordax Finans AS, PMO Sverige OY, Nordax Nordic AB (publ), Nordax Sverige AB, Nordax Sverige 3 AB (publ), Nordax Nordic 2 AB and Nordax Nordic 3 AB (publ).

	Consolidated situation	
All amounts are in MSEK	31.03. 2015	31.12.2014
OWN FUNDS		
Common Equity Tier 1 capital	1,596	1,537
Deduction from own funds	-302	-304
Total Common Equity Tier 1 capital	**1,294**	**1,233**
Tier 2 capital	205	159
Net own funds	**1,499**	**1,393**
Risk exposure amount for credit risk	8,440	8,234
Risk exposure amount for market risk	552	541
Risk exposure amount for operational risks	1,272	1,271
Total risk exposure amount	**10,264**	**10,046**
Common Equity Tier 1 capital ratio	12.61%	12.28%
Tier 1 capital ratio	12.61%	12.28%
Total capital ratio	14.61%	13.87%
Capital adequacy ratio (own funds / capital requirement)	1.83	1.73
Total Common Equity Tier 1 capital requirement including buffer requirement	7,00%	7,00%
- of which, capital conservation buffer requirement	2,50%	2,50%
Common Equity Tier 1 capital available for use as buffer[1]	8,11%	7,78%
Specification of risk exposure amount[2]		
Institutional exposures	468	444
Covered bonds	42	60
Household exposures	7,268	7,085
Unregulated items	620	597
Other items	42	48
Total risk exposure amount for credit risk, Standardised Approach	**8,440**	**8,234**
Exchange rate risk	552	541
Total risk exposure amount for market risk	**552**	**541**
Basic Indicator Approach	1,272	1,271
Total risk exposure amount for operational risks	**1,272**	**1,271**

LEVERAGE RATIO		
Exposure measure for calculating leverage ratio	14,272	13,893
Leverage ratio	**9.07%**	**8.88%**

[1] Common Equity Tier 1 capital ratio 12.61 % less the statutory minimum requirement of 4.5 % excluding the buffer requirement. A total capital requirement of a further 3.5 % is also applicable.

[2]The capital requirement is 8 % of the risk exposure amount pursuant to Regulation (EU) No 575/2013 (CRR).

Information on liquidity risk pursuant to FFFS 2014:12

The Group defines liquidity risk as the risk of failing to fulfil payment obligations at maturity without a significant increase in the cost of obtaining means of payment. The Group uses asset-backed borrowing in which parts of the Group's asset portfolios are pledged as collateral for the loans. The Group's long-term strategy is to match lending assets with the maturities of liabilities. The strategy is aimed at achieving a diversified funding platform comprising equity, subordinated debt, securitised assets ("ABS"), bank credit facilities, deposits from the general public and corporate bonds.

The goal is to use funding sources which:

- Provide a high degree of matching, of currencies as well as maturities, between assets and liabilities.
- Offer diversification in terms of markets, investors, instruments, maturities, currencies, counterparties and geography.
- Carry a low liquidity risk and offer a high possibility of refinancing at maturity, as evidenced by price stability, regularity of issuance and a broad investor base.
- Provide access to relatively large volumes, to meet the funding requirements for a growing balance sheet.

The Group has an independent function for liquidity risk control. The function reports directly to the Board and CEO.

Liquidity is measured on a daily basis and reported to the Company's management. Liquidity risk is reported to the Board of Directors on a monthly basis.

Cash flows expected to result from the liquidation of all assets, liabilities and off-balance sheet items are calculated. Key ratios from the balance sheet (such as the cash ratio, loan-to-deposit ratio, liquidity coverage ratio, net stable funding ratio and deposit usage) are calculated and monitored over time to elucidate the financial structure and the Group's liquidity risk. Liquidity risk is measured monthly for different scenarios and events (such as less favourable advance rates and changed cash flows) and elucidated separately and in combination.

The contingency plan specifies a clear division of responsibilities and contains instructions for how the Group should respond in a liquidity crisis situation. The plan specifies appropriate actions for managing the consequences of different crisis situations and contains definitions of events which trigger and escalate the contingency plan. The contingency plan has been tested and updated.

At 31 March 2015, Nordax had a liquidity coverage ratio (EBA definition) of 6.18 (8.40) and a net stable funding ratio of 1.30 (1.46) according to the definition of the Basel Committee, which has not yet been adopted.

Nordax had a liquidity reserve at 31 March 2015 of MSEK 3,272 (3,246). Of these investments, 52 (51) per cent was in Nordic banks, 13 (19) per cent in Swedish covered bonds and 35 (30) per cent in Swedish municipal papers. All investments had credit ratings ranging from AAA to A+ from Standard & Poor's, with an average rating of AA. The average maturity was 55 (68) days. All bank holdings are accessible and all securities are repo-able with central banks.

At 31 March 2015 Nordax's sources of funding comprised MSEK 2,943 (3,110) in funding through the asset-backed securities market (securitised), MSEK 482 (500) in corporate bonds, MSEK 2,503 (2,274) in secured funding from two global banks and MSEK 6,522 (6,460) in Deposits from the general public. The figures refer to the nominal amounts.

The table below presents an analysis of the Group's financial liabilities broken down according to the time remaining until first call date as at the balance-sheet date. The contractual maturity date for issued securities are more than five years, please review the combined financial statements for 2012-2014, note 23 for further details. The amounts stated in the table are the contractual, undiscounted cash flows.

31 March 2015	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	**Total**
Liabilities to credit institutions	1,565	988	-	-	**2,553**
Deposits from the public	6,524	-	-	-	**6,524**
Issued securities	1,077	703	1,831	-	**3,610**
Subordinated liabilities	220	14	293	-	**527**
Trade payables and other liabilities	76	-	-	-	**76**

31 December 2014	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	**Total**
Liabilities to credit institutions	1,392	943	-	-	**2,335**
Deposits from the public	6,479	-	-	-	**6,479**
Issued securities	1,206	748	1,794	-	**3,748**
Subordinated liabilities	212	-	-	-	**212**
Trade payables and other liabilities	89	-	-	-	**89**

Note 5 Classification of financial assets and liabilities

March 31, 2015	Financial instruments carried at fair value through profit or loss		Investments held to maturity	Loans and receivables	Other financial liabilities	**Total**
	Held for trading	*Designated at initial recognition*				
Assets						
Lending to credit institutions	-	-	-	2,330	-	**2,330**
Lending to the general public	-	-	-	10,312	-	**10,312**
Bonds and other fixed income securities	-	1,580	-	-	-	**1,580**
Derivatives	2	-	-	-	-	**2**
Total assets	**2**	**1,580**	**-**	**12,642**	**-**	**14,224**
Liabilities						
Liabilities to credit institutions	-	-	-	-	2,491	**2,491**
Deposits from the public	-	-	-	-	6,524	**6,524**
Issued securities	-	-	-	-	3,401	**3,401**
Subordinated liabilities	-	-	-	-	445	**445**
Total liabilities	**-**	**-**	**-**	**-**	**12,861**	**12,861**

December 31, 2014	Financial instruments carried at fair value through profit or loss		Investments held to maturity	Loans and receivables	Other financial liabilities	**Total**
	Held for trading	*Designated at initial recognition*				
Assets						
Lending to credit institutions	-	-	-	2,212	-	**2,212**
Lending to the general public	-	-	-	10,042	-	**10,042**
Bonds and other fixed income securities	-	1,585	-	-	-	**1,585**
Total assets	**-**	**1,585**	**-**	**12,254**	**-**	**13,839**
Liabilities						
Liabilities to credit institutions	-	-	-	-	2,259	**2,259**
Deposits from the public	-	-	-	-	6,479	**6,479**
Issued securities	-	-	-	-	3,581	**3,581**
Derivatives	4	-	-	-	-	**4**
Subordinated liabilities	-	-	-	-	199	**199**
Total liabilities	**4**	**-**	**-**	**-**	**12,518**	**12,522**

Trade receivables, trade payables and prepaid/accrued interest are not included in the classification above, but have been reported as Loans and receivables or Other financial liabilities, as these are not material.

Note 6 Fair values of financial assets and liabilities

GROUP

March 31, 2015	Carrying amount	Fair value	Fair value gain (+)/fair value loss (-)
Assets			
Lending to credit institutions[1]	2,330	2,330	-
Lending to the general public[2]	10,312	12,713	**2,401**
Bonds and other fixed income securities	1,580	1,580	-
Derivatives	2	2	-
Total assets	**14,224**	**16,625**	**2,401**
Liabilities			
Liabilities to credit institutions[1]	2,491	2,491	-
Deposits from the public[1]	6,524	6,524	-
Issued securities[3]	3,401	3,423	**22**
Subordinated liabilities[3]	445	449	**4**
Total liabilities	**12,861**	**12,887**	**26**

December 31, 2014	Carrying amount	Fair value	Fair value gain (+)/fair value loss (-)
Assets			
Lending to credit institutions[1]	2,212	2,212	-
Lending to the general public[2]	10,042	12,302	**2,260**
Bonds and other fixed income securities	1,585	1,585	-
Total assets	**13,839**	**16,099**	**2,260**
Liabilities			
Liabilities to credit institutions[1]	2,259	2,259	-
Deposits from the public[1]	6,479	6,479	-
Issued securities[3]	3,581	3,593	**12**
Derivatives	4	4	-
Subordinated liabilities[3]	199	199	-
Total liabilities	**12,522**	**12,534**	**12**

[1] Fair value is deemed to be the same as the carrying amount, as these are of a short-term nature.
[2] The measurement includes significant non-observable inputs and belongs to Level 3. The present value of future discounted cash flows are expected to be larger than the amortised cost according to the accounts with regard to a current market rate.
[3] Fair value data for issued securities and debenture loans belong to Level 2, as the inputs for measurement are based directly or indirectly on quoted prices.

Calculation of fair value

The fair values of financial instruments which are traded in an active market (such as financial instruments held for trading and available-for-sale financial instruments) are based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory authority are easily and regularly available, and these prices represent actual and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current bid price. These instruments belong to Level 1.

The fair values of financial instruments which are not traded in an active market are determined with the help of valuation techniques. Market data is used as far as possible when such data is available. If all significant inputs required for the fair value measurement of an instrument are observable the instrument belongs to Level 2.

In cases where one or several significant inputs are not based on observable market information the instrument is classified as Level 3.

The table below shows financial instruments carried at fair value based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e. derived from quoted prices (Level 2).
- Inputs for the asset or liability which are not based on observable market data (non-observable inputs) (Level 3)

In 2015, no transfers between levels were made.

March 31, 2015	Level 1	Level 2	Level 3	**Total**
Assets				
Bonds and other fixed income securities	1,580	-	-	**1,580**
Derivatives	-	2	-	**2**
Total assets	**1,580**	**2**	**-**	**1,582**

December 31, 2014	Level 1	Level 2	Level 3	**Total**
Assets				
Bonds and other fixed income securities	1,585	-	-	**1,585**
Total assets	**1,585**	**-**	**-**	**1,585**
Liabilities				
Derivatives	-	4	-	**4**
Total liabilities	**-**	**4**	**-**	**4**

Note 7 Operating segments

Segment information is presented based on the chief operating decision-maker's perspective, and the segments are identified based on the internal reporting to the CEO, who is identified as the chief operating decision-maker. Nordax has the following operating segments: Sweden, Norway, Finland, Denmark and Germany, which reflects Nordax' lending portfolio. Profit/loss that cannot be attributed to a segment is allocated using distribution keys according to internal principles that the Management believes provide a fair allocation to the segments. The chief operating decision-maker will primarily apply to the performance concept of operating profit/loss. Impairment test of goodwill is made on a yearly basis in conjunction with the annual report and management's assessment is that it will not be materially impacted when goodwill is reported per segment as of 2015.

An impairment test was performed when the segmentation changed. This test resulted in no impact on the carrying value.

Jan-Mar 2015	Sweden	Norway	Denmark	Finland	Germany	**Total**
Income statement						
Interest income[1]	105	133	4	57	8	**307**
Interest expenses	-33	-46	-1	-11	-2	**-94**
Total net interest income	**72**	**87**	**3**	**46**	**6**	**213**
Commission income	3	2	0	-	-	**5**
Depreciation and amortisation of tangible and intangible assets	-3	-2	0	-1	0	**-5**
Operating expenses[2]	-27	-24	-1	-6	-4	**-63**
Marketing costs[2]	-5	-12	0	-6	-8	**-31**
Profit before credit losses	**41**	**50**	**2**	**33**	**-7**	**119**
Net credit losses	-18	-16	-2	-7	-2	**-45**
Operating profit/loss	**23**	**34**	**0**	**26**	**-9**	**74**
Balance sheet						
Lending to the general public	3,889	4,140	224	1,725	335	**10,312**

Jan-Dec 2014	Sweden	Norway	Denmark	Finland	Germany	Total
Income statement						
Interest income[1]	453	517	19	189	18	**1,196**
Interest expenses	-164	-197	-8	-40	-6	**-415**
Total net interest income	**289**	**320**	**11**	**149**	**12**	**781**
Commission income	9	6	0	0	-	**15**
Depreciation, amortisation and impairment of tangible and intangible assets	-8	-5	-1	-2	-1	**-18**
Operating expenses[2]	-103	-90	-6	-28	-15	**-243**
Marketing costs [2]	-18	-41	-	-16	-21	**-96**
Profit before credit losses	**168**	**189**	**3**	**103**	**-25**	**439**
Net credit losses	-31	-49	-13	-17	-4	**-114**
Operating profit	137	140	-10	86	-29	**325**
Balance sheet						
Lending to the general public	3,880	3,934	246	1,688	294	**10,042**

Jan-Mar 2014	Sweden	Norway	Denmark	Finland	Germany	Total
Income statement						
Interest income[1]	111	116	5	40	2	**274**
Interest expenses	-43	-44	-1	-9	-1	**-98**
Total net interest income	**68**	**72**	**4**	**31**	**1**	**176**
Commission income	2	1	0	-	-	**3**
Depreciation and amortisation of tangible and intangible assets	-1	-1	0	-1	-1	**-4**
Operating expenses[2]	-23	-22	-1	-6	-3	**-55**
Marketing costs[2]	-6	-13	-	-5	-4	**-28**
Profit before credit losses	**40**	**37**	**3**	**18**	**-7**	**92**
Net credit losses	-13	-14	-1	-3	-1	**-32**
Operating profit/loss	27	23	2	15	-8	**60**
Balance sheet						
Lending to the general public	3,618	3,541	281	1,283	117	**8,839**

[1]Interest income refers to income from external customers.
[2]Operating expenses consist of net profit/loss from financial transactions, other operating income, general administrative expenses and the portion of other operating expenses that does not relate to marketing (which are reported separately).

Note 8 Pledged assets

All amounts are in SEK million	31.03.2015	31.12.2014
Pledged assets for own liabilities		
Lending to the general public	8,725	8,481
Lending to credit institutions	691	699
Total	**9,416**	**9,180**

Note 9 Transactions with related parties

In connection with the reorganization within the Nordax group in December 2014, certain shareholders received advanced consideration of SEK 3.1 million (-) for their transferred shares in Nordax Group Holding AB in form of loan notes issued by Nelson Luxco SARL. The loan notes are issued on arm's length terms and bear interest at an annual rate of 5.5% and shall be repaid together with accrued interest at the latest on 20 May 2015. This was regulated in connection with a dividend April 17, 2015.

A monitoring fee of SEK 0.4 MSEK of which 0.3 fee and 0.1 costs (Q114 monitoring fee of 0.4 MSEK of which 0.3 fee and 0.1 costs) has been paid to related company Vision Capital LLP from Nordax Group Holding AB.

Otherwise, the Group has not had any transactions with related parties.

Note 10 Events after closing of the reporting period

On April 1, 2015 Nordax announced that two new non-executive directors of the Board had been appointed at the Extraordinary General Meeting held the same day. Nordax has appointed Katarina Bonde and Hans Larsson as non-executive directors in Nordax Group AB (publ), Nordax Bank AB (publ), Nordax Holding AB and Nordax Group Holding AB. Katarina Bonde is a senior board professional with a focus on technology companies, financial institutions and entrepreneurships. She has held various executive positions in the software industry. Hans Larsson has extensive experience in financial services and global banking, having held various operational, strategic and executive roles across numerous sectors and product groups in SEB. Arne Bernroth, non-executive director was elected vice chairman of the board. The appointments are pending the Swedish Financial Supervisory Authority's assessment. According to the Articles of Association, adopted at the Extraordinary General Meeting on February 26, 2015 the board shall consist of not less than 5 and not more than 12 permanent members. After the election of directors, at the Extraordinary General Meetings on February 26, 2015 and on April 1, 2015, the board consists of nine members; Richard Pym (chairman), Arne Bernroth (vice chairman), Christian Beck, Andrew Rich, Daryl Cohen, Synnöve Trygg, Hans Larsson, Katarina Bonde and Morten Falch. In accordance with the adjusted Articles of Association, the executive directors Johanna Clason and Jacob Lundblad were discharged from their positions as board members; and the deputy board members Camilla Wirth, Per Bodlund, Iva Anguelov and David Lamb were discharged from their positions as deputy board members.

In connection with a share issue by May 10, 2015 Nordax Group AB (publ) acquired Nordax Group.

Definitions

Adjusted operating income
Total operating income excluding foreign exchange gains/losses. Adjusted operating income is a non-IFRS-EU financial measure.

Adjusted cost to income ratio (C/I ratio)
Adjusted operating expenses excluding marketing costs as a percentage of adjusted operating income. Adjusted cost to income ratio is presented on a 12-month rolling basis.

Adjusted operating expenses
Total operating expenses excluding amortization of acquired intangible assets and non-recurring items. Adjusted operating expenses are a non-IFRS-EU financial measure.

Adjusted operating profit
Operating profit excluding amortization of acquired intangible assets, foreign exchange gains/losses and non-recurring items. Adjusted operating profit is a non-IFRS-EU financial measure.

Average loan portfolio
The average of lending to the general public at the beginning of the period and lending to the general public at the end of the period.

Common Equity Tier 1 capital
Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR).

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital as a percentage of risk exposure amount.

Cost of risk
Net credit losses as a percentage of average loan portfolio. Cost of risk for the three months ended March 31, 2015 and 2014 is presented on an annualized basis.

Credit loss level
Net credit losses as a percentage of the average lending to the general public.

Earnings per share
Net profit attributable to shareholders in relation to the average number of shares.

Leverage ratio
Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardised approach.

Liquidity Coverage Ratio (LCR)
High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days, as defined by Swedish regulations (the SFSA's code FFFS 2012:6).

Liquidity reserve
A separate reserve of high quality liquid assets that can be used to secure the company's short-term ability to pay for loss or reduced access to commonly available sources of funding.

Non-IFRS-EU-financial measures
Measures, which are unaudited, and used by management to monitor the underlying performance of Nordax's business and operations.

Own funds
The sum of Tier 1 and Tier 2 capital.

Return on average net loans
Adjusted operating profit as a percentage of average loan portfolio. Return on average net loans is presented on a 12-month rolling basis.

Return on equity
Net profit attributable to shareholders in relation to average shareholders' equity.

Risk exposure amount
Total assets and off balance sheet items, weighted in accordance with capital adequacy regulation for credit and market risks. The operational risks are measured and added as risk exposure amount. Risk exposure amounts are only defined for the consolidated situation.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk exposure amount.

Tier 1 capital
Common Equity Tier 1 capital plus qualifying forms of subordinated loans.

Tier 2 capital
Mainly subordinated loans not qualifying as Tier 1 capital contribution.

Total capital ratio
Total own funds as a percentage of risk exposure amount.

Independent Auditors' Report of Review of combined Interim Financial Information

To the board of Directors of Nordax Group AB (publ), Corporate Id No. 556993-2485

Introduction

We have reviewed the accompanying combined condensed interim financial information (interim report) of Nordax Group AB (publ) as of March 31 2015 and the three-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the combined interim financial information in accordance with IAS 34 Interim Financial Reporting and Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this combined interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the combined interim report is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, May 26, 2015

Öhrlings PricewaterhouseCoopers

Helena Kaiser de Carolis
Authorized Public Accountant