

Nordax Bank AB (publ)

INTERIM REPORT JANUARY-JUNE 2021

About the Group, Nordax Bank AB (publ)

Nordax Bank AB (publ) (Corporate Identity Number 556647-7286), with its registered office in Stockholm at Box 23124, SE-104 35 Stockholm, Sweden, telephone number +46 8 508 808 00, www.nordaxgroup.com, hereinafter "Nordax", is a wholly owned subsidiary of Nordax Group AB (publ) (Corporate Identity Number 556993-2485), with its registered office in Stockholm. The Nordax Group's owner is Nordax Holding AB (publ), which is controlled by Nordic Capital and Sampo. On June 30, Nordax Group AB (publ) controlled 100 per cent of the shares in the Company. This is Nordax's eighteenth financial year.

The Nordax Bank Group consists of Nordax Bank AB (publ), Nordax Sverige AB, Nordax Sverige 4 AB (publ), Nordax Sverige 5 AB (publ), Nordax Nordic 2 AB, Nordax Nordic 4 AB (publ), Nordax Norway 5 AB, Nordax Norway 6 AB and Svensk Hypotekspension AB with subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypoteks-pension Fond 3 AB, Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ).

Nordax was authorised on 27 January 2004 as a credit market company to carry on finance activities. On 5 December 2014, Nordax received approval to carry on banking activities by the Swedish Financial Supervisory Authority according to the Banking and Finance Business Act and changed its name to Nordax Bank AB (publ).

Through a centralised business model and organisation based in Stockholm, Nordax conducts cross-border lending in Sweden, Norway, Denmark, Finland and Germany in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

Nordax's main business is consumer lending in the Nordic region and Germany. Lending consists of unsecured loans up to the equivalent of SEK 600,000, NOK 500,000 and EUR 60,000 in Finland. Since 2008 and 2019 there is no new lending in Denmark or Germany. Since 2018, secured loans against residential property are offered as well in Sweden, and as of the first quarter of 2019 in Norway. In January 2019, Nordax finalised the acquisition of Svensk Hypotekspension AB (SHP). Founded in 2005, SHP offers secured loans against residential property to Swedes aged 60 and older through the Hypotekspension equity release mortgage.

Nordax also offers personal savings accounts in Sweden, Norway, Finland, Germany and Netherland. Savings deposits are part of Nordax's diversified funding platform, which also consists of asset-backed securities, bank warehouse funding facilities, bonds, equity and subordinated debt.

Development during the period

Personal loans

Nordax continued to see stable growth in the personal loan market during the first six months with growth in line with historical periods. The total volume of consumer lending amounted to SEK 18.9 billion as at 30 June 2021 (SEK 17.8 billion as at 31 December 2020).

Mortgage loans

Nordax began offering mortgages in Sweden in 2018. The main target group is customers with some form of non-traditional employment, i.e. self-employed or temporary employees, including project, part-time or replacement workers. Thanks to thorough credit assessments and personal contacts, more loans are approved for this customer group, which is often denied by the major banks despite being financially stable. Interest in the offer has been high and new lending continues to grow.

At the end of the first quarter 2019, Nordax also launched mortgage loans in the Norwegian market. As in Sweden, the target group in Norway is the non-standard segment, i.e. customers who fall outside the narrow framework of the major banks.

New lending has continued to develop well in both Sweden and Norway and the total mortgage portfolio amounted to SEK 4.1 billion as of 30 June 2021 (3.2 mdkr as of 31 December 2020).

Equity release mortgages

The portfolio has continued to develop well during the first six months of 2021 with stable new lending. The market for equity release mortgages has good potential for development and Svensk Hypotekspension (SHP) has a strong brand profile within the customer base while there remains continued strong customer interest. The total portfolio of equity release mortgages amounted to 7.1 billion as of 30 June 2021 (6.6 billion as of 31 December 2020).

Portfolio development

Total lending amounted to SEK 30.1 billion (SEK 27.7 billion as of 31 December 2020). Growth was positively affected by exchange rate movements in the period.

Capital and liquidity

Nordax has a very good liquidity and capital position.

Nordax has continued to have strong inflows of deposits during the period and as of 30 June 2021, total deposits amounted to SEK 28.4 billion (SEK 24.2 billion as of 31 December 2020). Nordax has a strong liquidity reserve with SEK 8.1 billion in liquidity and the net financing ratio (NSFR) of 129 % and a liquidity coverage ratio (LCR) of 784 % as of 30 June 2021 (consolidated situation).

Nordax's capital ratio has increased by 1.00 percent since the corresponding period last year and amounted to 17.02 % as of 30 June 2021. The capital ratio exceeds the regulatory requirement by 5.1 percentage points (5.6 percentage points, Q2 2020).

Other events

Nordax has still not noticed any deterioration in customers' payment patterns as a result of COVID-19. However, an assessment is made that there is a certain continued risk that increased default will only occur in later periods. This is against the background of continued uncertainty regarding the development of the spread of infection, vaccines, unemployment and GDP.

In the end of June Nordax received an investment grade rating from the rating institute Nordic Credit Rating with the rating BBB, stable outlook.

During the second quarter, Nordax's subsidiary Svensk Hypotekspension raised a new bilateral financing of SEK 3 billion through its subsidiary Svensk Hypotekspension 5 AB (publ). The loan currency has primarily been used to resolve intra-group financing and further strengthens the Group's liquidity and financing position.

During April Nordax began depositing from the public in the Netherlands. Deposits are conducted through cooperation with Raisin GmbH, which Nordax has previously cooperated about deposits in Germany. The business is conducted, as in Nordax's other operat-

ing countries, on a cross-border basis from Nordax's office in Stockholm in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on authorization to conduct business in credit institutions and on supervision of credit institutions and securities companies.

On May 3, 2021, Nordax announced that the company had submitted a revised, indicative offer to acquire all outstanding shares in Norwegian Finans Holding ASA ("NFH") at a price of NOK 100 in cash per share (excluding the dividend of NOK 5 per share in NFH distributed on 6 May 2021). This offer was an improvement of NOK 10 per NFH share compared with the previous offer from March 2021. Based on this, the Board of Directors of NFH granted Nordax access to a confirmatory due diligence survey of NFH. For more information about Nordax's offer regarding NFH and updated status in the process, see "Significant events after the end of the balance sheet date".

Result January-June 2021

GROUP

Operating profit amounted to 430 MSEK (319), an increase as a result of lower credit losses and better interest rates, which was partly offset by increased general administrative expenses.

Net interest income amounted to 889 MSEK (877). Higher net interest income thanks to a growing lending portfolio.

Credit losses amounted to -61 MSEK (-235), corresponding 0.2 per cent (1.8) of average lending. Credit losses fell because of low claim levels and the comparison periods were affected by extra provisions of SEK 24 million related to COVID-19.

Operating expenses amounted to -433 MSEK (-352). The increase was in line with expectations as investments in the business increased again and the comparison period was affected by specific cost savings due to lower activity related to COVID-19. Costs during the period were also negatively affected by costs of approximately SEK 30 million related to the ongoing process for a possible acquisition of Bank Norwegian.

PARENT COMPANY

Operating profit amounted to 395 MSEK (274), an increase as a result of lower credit losses and better interest rates, which was partly offset by increased general administrative expenses.

Net interest income amounted to 779 MSEK (656). Higher net interest income thanks to a growing lending portfolio.

Credit losses amounted to -56 MSEK (-234), corresponding 0.2 per cent (2.3) of average lending. Credit losses fell because of low claim levels and the comparison periods were affected by extra provisions of SEK 24 million related to COVID-19.

Operating expenses amounted to -397 MSEK (-325). The increase was in line with expectations as investments in the business increased again and the comparison period was affected by specific cost savings due to lower activity related to COVID-19. Costs during the period were also negatively affected by costs of approximately SEK 30 million related to the ongoing process for a possible acquisition of Bank Norwegian.

Risks and internal control

RISKS AND UNCERTAINTIES FACTORS

The Group is exposed to both credit risks and other financial risks such as market risk and liquidity risk. The Group is also exposed to operational risks such as IT risks, process risks and external risks, as well as compliance risks and business risks. The Group's overall risk management policy sets the bank's appetite for risks, strategies for risk management as well as roles and responsibilities for risk management within the Group. The risk composition for the Group, as well as related risk, liquidity and capital management, is described in Nordax's Annual Report for 2020 and in the Risk Management and Capital Adequacy Report.

INTERNAL CONTROL

The Group has established independent functions for risk control and compliance in accordance with the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding governance, risk management and control at credit institutions (FFFS 2014:1) and the European Banking Authority's Guidance on Internal Governance (GL 11). The functions report directly to the Board of Directors and the CEO. Internal audit was during the period conducted by PwC Sweden.

Key Figures

GROUP	Q2	Q1	Q2	JAN-JUN	JAN-JUN
	2021	2021	2020	2021	2020
Common Equity Tier 1 Capital Ratio in %	16.0	15.9	14.9	16.0	14.9
Return on equity in %	18.4	19.6	19.2	19.0	17.2
Net credit loss level in %	0.2	0.7	1.7	0.4	1.8
Cost to Income ratio in %	50	44	37	47	39
Number of employees ¹	355	332	295	355	295

PARENT COMPANY	Q2	Q1	Q2	JAN-JUN	JAN-JUN
	2021	2021	2020	2021	2020
Common Equity Tier 1 Capital Ratio in %	17.1	17.0	16.2	17.1	16.2
Return on equity in %	18.6	19.9	19.3	19.2	16.3
Net credit loss level in %	0.2	0.9	2.2	0.5	2.3
Cost to Income ratio in %	51	43	37	47	39
Number of employees ¹	338	315	279	338	279

¹ Number of employees is recalculated to full time employees.

Consolidated income statement

GROUP		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts in MSEK	Note	2021	2021	2020	2021	2020
Operating income						
Interest income	8	544	535	548	1,079	1,097
Interest expense	8	-100	-90	-107	-190	-220
Total net interest income		444	445	441	889	877
Commission income	8	19	19	17	38	34
Net profit from financial transactions	8	-5	2	6	-3	-5
Total operating income		458	466	464	924	906
Operating expenses						
General administrative expenses	8	-182	-155	-126	-337	-256
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	8	-6	-7	-5	-13	-11
Other operating expenses	8	-42	-41	-39	-83	-85
Total operating expenses		-230	-203	-170	-433	-352
Profit before credit losses		228	263	294	491	554
Net credit losses	3, 8	-13	-48	-112	-61	-235
Operating profit		215	215	182	430	319
Tax on profit for the period		-49	-47	-40	-96	-70
NET PROFIT FOR THE PERIOD		166	168	142	334	249

Consolidated statement of comprehensive income

		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts in MSEK	Note	2021	2021	2020	2021	2020
Items not to be reclassified in the profit or loss statement						
Changes in value of other shares		-	-	-	-	-
Other comprehensive income		-	-	-	-	-
COMPREHENSIVE INCOME		166	168	142	334	249
Attributable to:						
The Parent Company's shareholders		166	168	142	334	249

Parent Company income statement

PARENT COMPANY		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts in MSEK		2021	2021	2020	2021	2020
	Note					
Operating income						
Interest income		485	482	494	967	991
Interest expense		-93	-95	-160	-188	-335
Total net interest income		392	387	334	779	656
Commission income		18	17	13	35	26
Net profit from financial transactions		-6	2	4	-4	7
Other operating income ¹		16	22	75	38	144
Total operating income		420	428	426	848	833
Operating expenses						
General administrative expenses		-177	-151	-122	-328	-246
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-3	-2	-2	-5	-5
Other operating expenses		-33	-31	-32	-64	-74
Total operating expenses		-213	-184	-156	-397	-325
Profit before credit losses		207	244	270	451	508
Net credit losses	3	-9	-47	-112	-56	-234
Operating profit		198	197	158	395	274
Received group contribution		-	-			
Tax on profit for the period		-47	-43	-30	-90	-61
NET PROFIT FOR THE PERIOD		151	154	128	305	213

¹Operating income for the Parent Company refers to income from securitised loans.

Parent company statement of comprehensive income

		Q2	Q1	Q2	JAN-JUN	JAN-JUN
	Note	2021	2021	2020	2021	2020
Items not to be reclassified in the profit or loss statement						
Changes in value of other shares		-	-	-	-	-
Other comprehensive income		-	-	-	-	-
COMPREHENSIVE INCOME		151	154	128	305	213

Consolidated statement of financial position

All amounts are in MSEK	Note	GROUP		PARENT COMPANY	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
ASSETS					
Lending to central banks	5,6,7	3,370	728	3,370	728
Lending to credit institutions	5,6,7,9	2,551	1,101	2,337	950
Lending to the general public	3-9	30,101	27,656	22,985	21,011
Bonds and other fixed-income securities	5,6,7	2,251	2,329	2,251	2,329
Shares in subsidiaries		-	-	1,030	1,030
Other shares		127	127	127	127
Intangible assets		1,000	1,004	11	14
Tangible assets		63	71	9	10
Current tax assets		-	-	-	8
Other assets	5,6	24	6	1,349	2,996
Prepaid expenses and accrued income		60	49	37	29
TOTAL ASSETS		39,547	33,071	33,506	29,232
LIABILITIES, PROVISIONS AND EQUITY					
Liabilities					
Liabilities to credit institutions	5,6,7	3,500	1,605	-	-
Deposits from the general public ³	5,6,7	28,397	24,180	28,397	24,180
Issued securities	5,6,7	3,330	3,330	1,080	1,080
Liabilities to securitisation firms ¹		-	-	-	304
Current tax liabilities		17	9	3	-
Deferred tax liability		24	26	-	-
Other liabilities ³	5,6	135	159	261	245
Accrued expenses and deferred income		108	62	92	56
Subordinated liabilities	5,6,7	349	348	349	348
Total liabilities		35,860	29,719	30,182	26,213
Equity					
Share capital		50	50	50	50
Other reserves		7	7	7	7
Other funds		-	-	7	10
Fair value reserve ²		35	35	35	35
Retained earnings, incl. profit for the year		3,595	3,260	3,225	2,917
Total equity		3,687	3,352	3,324	3,019
TOTAL LIABILITIES, PROVISIONS AND EQUITY		39,547	33,071	33,506	29,232

¹ Liabilities to securitisation firms refer in their entirety to liabilities to subsidiaries for the securitised loans, which are reported by Nordax Bank AB, since the derecognition rules according to IFRS 9 have not been met.

² The shareholding in Stabelo Group AB has been revaluated at market value in connection with further acquisitions during 2020.

³ Tax on deposits from the general public moved from deposits from the general public to other liabilities. 31 December updated.

Statement of cash flows

GROUP	JAN-JUN	JAN-JUN
All amounts are in MSEK	2021	2020
Operating activities		
Operating profit ¹	430	319
Adjustment for non-cash items		
Exchange rate effects ²	-15	6
Depreciation, amortisation and impairment of property, plant & equipment	13	11
Amortisation of financing costs	2	6
Depreciation of surplus value related to the lending portfolio	1	2
Unrealised changes in value of bonds and other fixed income securities	2	-2
Unrealised credit losses incl. IFRS 9 adjustment	315	423
Income tax paid	-85	-82
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-2,520	-2,405
Decrease/Increase in other assets	-41	125
Decrease/Increase in deposits from the general public	3,962	5,403
Decrease/Increase in other liabilities	52	-64
Cash flow from operating activities	2,116	3,742
Investing activities		
Purchase of shares	-	-
Purchase of equipment & intangible assets	-1	-8
Investment in bonds and other interest bearing securities	-660	-2,770
Sale/disposal of bonds and other fixed income securities	749	3,005
Cash flow from investing activities	88	227
Financing activities		
Change to liability to credit institutions	1,894	-1,869
Change issued securities	0	-255
Change subordinated liabilities	0	-251
Cash flow from financing activities	1,894	-2,375
Cash flow for the period	4,098	1,594
Cash and cash equivalents at beginning of year	1,829	1,252
Exchange rate differences and cash equivalents	-6	-26
Cash and cash equivalents at end of year	5,921	2,820

¹ Whereof received interest 855 MSEK (869 MSEK) and paid interest 157 MSEK (141 MSEK).

² Unrealized changes in value were recognised in earlier periods as exchange rate effects and have now been reclassified as changes in operating assets and liabilities.

Cash and cash equivalents are defined as lending to credit institutions. Pledged cash and cash equivalents according to Note 9 are available to Nordax in connection with monthly settlement under financing arrangements and are thus defined as cash and cash equivalents because they are pledged for not more than 30 days and therefore are current.

Statement of changes in equity

GROUP

All amounts are in MSEK	Share capital	Other Reserves	Fair value reserv	Retained Earning	TOTAL
OPENING BALANCE 1 January 2020	50	7	-	2,718	2,775
Comprehensive income					
Net profit/loss for the year				549	549
Other comprehensive income ²			35	-	35
Total comprehensive income			35	549	584
Transactions with shareholders					
Capital contributions				-8	-8
Tax effect on capital contribution				2	2
Total transactions with shareholders				-6	-6
CLOSING BALANCE 31 December 2020	50	7	35	3,260	3,352
OPENING BALANCE 1 January 2021	50	7	35	3,260	3,352
Comprehensive income					
Net profit/loss for the year			-	334	334
Other comprehensive income ²			-	-	-
Total comprehensive income			-	334	334
CLOSING BALANCE 30 June 2021	50	7	35	3,595	3,687

² The shareholding in Stabelo Group AB has been revalued at market value in connection with further acquisitions during 2020.

Statement of changes in equity

PARENT COMPANY

Restricted equity	Share capital	Other Reserves	Other Funds	Fair value reserve	Non-restricted equity Retained Earnings	TOTAL
All amounts are in MSEK						
OPENING BALANCE 1 January 2020	50	7	16	-	2,436	2,509
Comprehensive income						
Net profit/loss for the year					481	481
Other comprehensive income ¹				35	-	35
Total comprehensive income				35	481	516
Other reserves						
Capitalization			-	-	-	-
Depreciation			-6	-	6	-
Total other reserves			-6	-	6	-
Transactions with shareholders						
Capital contributions				-	-8	-8
Tax effect on capital contribution				-	2	2
Total transactions with shareholders				-	-6	-6
CLOSING BALANCE 31 December 2020	50	7	10	35	2,917	3,019
OPENING BALANCE 1 January 2021	50	7	10	35	2,917	3,019
Comprehensive income						
Net profit/loss for the year					305	305
Other comprehensive income ¹				-	-	-
Total comprehensive income				-	305	305
Other reserves						
Capitalization			-		-	-
Depreciation			-3		3	-
Total other reserves			-3		3	-
CLOSING BALANCE 30 June 2021	50	7	7	35	3,225	3,324

¹ The shareholding in Stabelo Group AB has been revalued at market value in connection with further acquisitions during 2020.

Notes

Amounts stated in the notes are in MSEK unless otherwise stated.
The information on pages 1-3 is an integrated part of this interim report.

Note 1 General Information

Nordax Bank AB (publ) (Corporate Identity Number 556647-7286), with its registered office in Stockholm, is a wholly owned subsidiary to Nordax Group AB (publ) (Corporate Identity Number 556993-2485), registered office in Stockholm. Nordax Group's owner, Nordax Holding AB (publ), which is primarily owned

directly and indirectly by Nordic Capital Fund VIII och Sampo Oyj. Nordax Bank AB owns companies whose business includes owning companies and managing shares in companies whose main operations consist of consumer lending in the Nordic region.

Note 2 Accounting and valuation Principles

The interim report has been prepared according to IAS 34, Interim Financial Reporting. The consolidated accounts 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, and the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2008:25. In all material aspects, the Group's and the Parent Company's accounting policies, basis for calculations and presentations are unchanged in comparison with the Annual Report 2020.

The interim report for the parent company has been prepared in accordance with the provisions of the Swedish Annual Accounts act. Furthermore, the Swedish Financial Reporting Board's recommendation accounting for legal entities (RFR2) has been applied.

No new or changed accounting policies have been applied in 2021.

Note 3 Credit risk

GROUP	Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts in MSEK	2021	2021	2020	2021	2020
Credit losses, net - lending to the general public					
Stage 1	-28	1	-51	-27	-86
Stage 2	49	36	26	85	6
Stage 3	-34	-85	-87	-119	-155
Total credit losses	-13	-48	-112	-61	-235

PARENT COMPANY	Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts in MSEK	2021	2021	2020	2021	2020
Credit losses, net - lending to the general public					
Stage 1	-24	2	-51	-22	-86
Stage 2	49	36	26	85	6
Stage 3	-34	-85	-87	-119	-154
Total credit losses	-9	-47	-112	-56	-234

Note 4 Lending to the general public

GROUP								Allocation of provision	
30 June 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL	past due receivables	
Stage 1	11,048	7,115	4,886	3,402	446	0	26,897	-365	1%
Stage 2	614	9	342	201	24	0	1,190	-163	14%
Stage 3	1,552	3	1,791	1,221	243	297	5,107	-2,565	50%
Total	13,214	7,127	7,019	4,824	713	297	33,194	-3,093	9%
Reserve	-960	-10	-986	-658	-204	-275	-3,093		
Total lending to the general public	12,254	7,117	6,033	4,166	509	22	30,101		

GROUP								Allocation of provision	
31 December 2020	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL	past due receivables	
Stage 1	9,701	6,631	4,516	3,269	512	0	24,629	-319	1%
Stage 2	448	17	468	336	35	0	1,304	-246	19%
Stage 3	1,388	3	1,666	1,074	234	300	4,665	-2,377	51%
Total	11,537	6,651	6,650	4,679	781	300	30,598	-2,942	10%
Reserve	-841	-6	-997	-615	-206	-277	-2,942		
Total lending to the general public	10,696	6,645	5,653	4,064	575	23	27,656		

PARENT COMPANY								Allocation of provision	
30 June 2021	Sweden	Norway	Finland	Germany	Denmark	TOTAL	past due receivables		
Stage 1	11,049	4,886	3,402	446	0	19,783	-355	2%	
Stage 2	614	342	201	24	0	1,181	-163	14%	
Stage 3	1,552	1,791	1,221	243	297	5,104	-2,565	50%	
Total	13,215	7,019	4,824	713	297	26,068	-3,083	12%	
Reserve	-960	-986	-658	-204	-275	-3,083			
Total lending to the general public	12,255	6,033	4,166	509	22	22,985			

PARENT COMPANY								Allocation of provision	
31 December 2020	Sweden	Norway	Finland	Germany	Denmark	TOTAL	past due receivables		
Stage 1	9,701	4,516	3,269	512	0	17,998	-313	2%	
Stage 2	448	468	336	35	0	1,287	-246	19%	
Stage 3	1,388	1,666	1,074	234	300	4,662	-2,377	51%	
Total	11,537	6,650	4,679	781	300	23,947	-2,936	12%	
Reserve	-841	-997	-615	-206	-277	-2,936			
Total lending to the general public	10,696	5,653	4,064	575	23	21,011			

Note 5 Capital adequacy analysis

Capital adequacy information in this document refers to information whose disclosure is provided for in Chapter 8, Section 4 of the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) on the annual accounts of credit institutions and investment firms and which refers to information in Article 447 of Regulation (EU) No 575/2013 and Chapter 8, Section 1 of the Swedish Financial Supervisory Authority's regulations and general advice (FFF 2014:12) on supervisory requirements and capital buffers.

Further information that is required according to EBA/GL/2018/01 is provided on the website, www.nordaxgroup.com.

Predictable dividend

In Nordax Bank AB, a deduction of SEK 150 million is made for an expected but undecided dividend to Nordax Group AB.

Combined buffert requirement

The combined buffer requirement for the consolidated situation is comprised of a capital conservation buffer and a countercyclical capital buffer. The capital conservation buffer requirement amounts to 2.5%

of risk-weighted exposure amount. The countercyclical capital buffer is weighted based on geographical requirements. No changes regarding the countercyclical capital buffer during took place during the quarter. The Countercyclical buffer amounted to 0 % for Finland, 0 % for Sweden, 0 % for Germany and 1 % for Norway.

Information on the Group structure

The top company in the consolidated situation is Nordax Holding AB (earlier NDX Intressenter AB). The following companies are in the consolidated situation when calculating capital requirements: Nordax Group AB, Nordax Bank AB (publ), Nordax Sverige AB, Nordax Sverige 4 AB (publ), Nordax Sverige 5 AB (publ), Nordax Nordic 2 AB, Nordax Nordic 4 AB (publ), Nordax Norway 5 AB, Nordax Norway 6 AB and Svensk Hypotekspension AB with subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ).

All amounts in MSEK	Consolidated situation		Nordax Bank AB	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
OWN FUNDS				
Common Equity Tier 1 capital	7,962	7,759	3,377	3,303
Deduction from own funds	-4,366	-4,376	-14	-17
Total Common Equity Tier 1 capital	3,597	3,384	3,363	3,286
Tier 1 Capital, minority	-	-	-	-
Sum Tier 1 Capital	3,597	3,384	3,363	3,286
Tier 2 Capital ³	217	198	349	348
Net own funds	3,814	3,582	3,711	3,634
Capital ratios and buffers				
Risk exposure amount for credit risk	20,573	18,937	18,409	16,802
Risk exposure amount for market risk	323	386	0	0
Risk exposure amount for market risk	1,517	1,517	1,226	1,226
CVA	0	0	0	0
Total risk exposure amount (risk weighted assets)	22,414	20,839	19,635	18,028
Common Equity Tier 1 capital ratio	16.05%	16.24%	17.12%	18.23%
Tier 1 capital ratio	16.05%	16.24%	17.12%	18.23%
Total capital ratio	17.02%	17.19%	18.90%	20.16%
Total Common Equity Tier 1 capital requirement including buffer requirement	7.20%	7.22%	7.23%	7.24%
- of which, capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
- of which, countercyclical capital buffers	0.20%	0.22%	0.23%	0.24%
Common Equity Tier 1 capital available for use as buffer ¹	9.02%	9.19%	10.90%	12.16%
Specification own funds				
Common Equity Tier 1 capital:				
Capital instruments and the related share premium accounts	6,778	6,778	64	67
-of wich share capital	1	1	50	50
- of wich other contributed capital	6,777	6,777	7	7
-of which other funds	0	0	7	10
Retained earnings	645	264	2,920	2,437
Other comprehensive income	35	35	35	35
- Other transition adj. of common equity Tier 1 capital ⁴	224	302	203	283
-Minority interest	-	-	-	-
Independently audited interim results after deductions foreseeable dividends	280	381	155	481
Common Equity Tier 1 capital before regulatory adj.	7,962	7,759	3,377	3,303
Regulatory adjustments:				
-Intangible assets	-4,362	-4,373	-11	-14
-Own shares	-	-	-	-
Prudent valuation	-3	-2	-3	-2
Total regulatory adjustment to Common Equity Tier 1	-4,366	-4,376	-14	-17
Common Equity Tier 1	3,597	3,384	3,363	3,286
Tier 1 capital				
-Tier 1, minority	-	-	-	-
Tier 1 capital, total	3,597	3,384	3,363	3,286

All amounts in MSEK	Consolidated situation		Nordax Bank AB	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Tier 2 capital:				
Tier 2 capital instrument	217	198	349	348
Tier 2 capital	217	198	349	348
Total capital	3,814	3,582	3,711	3,634
Total risk weighted assets	22,414	20,839	19,635	18,028
Specification of risk exposure amount²				
Institutional exposures	529	231	480	192
Covered bonds	131	124	131	124
Household exposures	12,901	12,422	12,381	11,943
Exposures secured by mortgages on immovable property	4,125	3,569	1,531	1,181
Equity exposures	127	127	1,157	1,157
Past due items	2,625	2,344	2,543	2,163
Corporate exposures	-	-	-	-
Other items	135	120	186	42
Total risk exposure amount for credit risk, Standardised Approach	20,573	18,937	18,409	16,802
Exchange rate risk	323	386	0	0
Total risk exposure amount for market risk	323	386	0	0
Operative risk according to alternative Standardized Method	1,517	1,517	1,226	1,226
Total risk exposure amount for operational risks	1,517	1,517	1,226	1,226
Credit valuation adjustment risk (CVA)	0	0	0	0
Total risk exposure amount for credit valuation adjustment risk	0	0	0	0
Total risk exposure amount	22,414	20,839	19,635	18,028
Capital Requirement, in percent				
Pillar 1	8.00%	8.00%	8.00%	8.00%
Pillar 2	1.20%	0.86%	1.71%	1.42%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Institute-specific countercyclical buffer	0.20%	0.22%	0.23%	0.24%
Total Capital Requirement	11.90%	11.57%	12.44%	12.15%
Capital Requirement, MSEK				
Pillar 1	1,793	1,667	1,571	1,442
Pillar 2	269	178	336	256
Capital conservation buffer	560	521	491	451
Institute-specific countercyclical buffer	46	45	45	42
Capital Requirement	2,668	2,412	2,442	2,191
LEVERAGE RATIO				
Exposure measure for calculating leverage ratio	39,832	33,176	32,400	26,249
Tier 1 capital	3,597	3,384	3,363	3,286
Leverage ratio	9.03%	10.20%	10.38%	12.52%

¹ Common Equity Tier 1 capital available for use as a buffer refers to Common Equity Tier 1 capital after deducting own funds used to meet the capital adequacy requirement according to Pillar 1. Expressed as a percentage of total risk exposure amount.

² The capital requirement is 8% of the risk exposure amount pursuant to Regulation (EU) No 575/2013 (CRR2).

³ Nordax Bank's subordinated loans of 349 MSEK can only be included in the consolidated situation's capital base proportionate to the amount required to cover Nordax Bank's capital requirements. Consequently, eligible Tier 2 capital amounts to 217 MSEK.

⁴ Nordax has notified the SFSA that the bank, consolidated situation and Nordax Bank AB, will apply the transition rules according to article 473a in 2020/873/EU, paragraphs 2 and 4. Table according to "Final report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements", EBA, 12 January 2018 is included in the information published according to part 8 in 575/2013/EU on the bank's website www.nordaxgroup.com.

Internal capital requirement

As of 30 June 2021, the internal capital assessed capital requirement in consolidated situation amounted to 269 MSEK (178 as of 31 December 2020). The total capital requirement for the period amounts to 2,668 MSEK and are solely covered by CET 1. The internal capital requirement is estimated using Nordax's internal models for economic capital.

Information on liquidity risk

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, asset backed securities ("ABS"), bank warehouse funding facilities, deposits from the general public and senior unsecured bonds.

The goal is to use funding sources which:

- Provide a high degree of matching – of currencies and interest periods 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 strong 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 of a growing balance sheet.

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

Liquidity risk is measured on a daily basis and reported to the Company's management. Liquidity risk is reported at each board meeting. Cash flows that are expected to arise 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 illustrate the financial structure and the Group's liquidity risk. Liquidity risk is measured monthly under various scenarios and events (such as less favourable advance rates and changed cash flows) and specified separately and collectively.

The contingency plan contains a clear division of responsibilities and instructions on how the Group should respond in a liquidity crisis. The plan specifies appropriate actions to manage the consequences of various types of crises and contains definitions of events that trigger and escalate the contingency plan. The contingency plan has been tested and updated.

As of 30 June 2021 Nordax, had a liquidity coverage ratio (LCR) of 784 per cent (401; Q4 2020¹). At the same date, the net stable funding ratio (NSFR) was 129 per cent (120; Q4 2020), calculated in accordance with the definition CRR2.

Nordax had a liquidity reserve at 30 June 2021 of 8.1 mdr (4,1). Of these investments 59 per cent (25) was in Nordic banks, 25 per cent (18) in Sveriges Riksbank, 10 per cent (30) in Swedish covered bonds, 6 per cent (6) in Swedish municipal paper and 1 per cent (21) in Swedish municipal bonds and states. All investments had a credit rating ranging from AAA to A+, except 64 MSEK in exposure to Avanza Bank AB and 440 MSEK in exposure to Danske Bank. The average maturity was 215 days (467). All bank holdings are highly liquid and all securities are repoable with central banks.

At 30 June 2021 Nordax's funding sources comprised 2,250 MSEK (2,250) through the asset-backed securities market (securitized), 1,080 MSEK (1,080) in senior unsecured bonds, 3,330 MSEK (1,605) in warehouse funding facilities provided by international banks and 28,397 (24,180) MSEK in deposits from the general public.

¹ Nordax has during the quarter revised LCR Q4 2020 due to reclassification of the buffer, previously reported 472 per cent.

Note 6 Classification of financial assets and liabilities

GROUP

30 June 2021	Fair value through profit and loss	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Lending to central banks	-	3,370	-	-	3,370
Lending to credit institutions	-	2,551	-	-	2,551
Lending to the general public	-	30,101	-	-	30,101
Bonds and other fixed-income securities	2,251	-	-	-	2,251
Other shares	-	-	-	127	127
Derivates	4	-	-	-	4
Other assets	-	15	-	-	15
Total assets	2,255	36,037	-	127	38,419
Liabilities					
Liabilities to credit institutions	-	-	3,500	-	3,500
Deposits from the general public	-	-	28,397	-	28,397
Issued securities	-	-	3,330	-	3,330
Subordinated liabilities	-	-	349	-	349
Derivatives	-	-	-	-	-
Other liabilities	-	-	35	-	35
Total liabilities	-	-	35,611	-	35,611

GROUP

31 December 2020	Fair value through profit and loss	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Lending to central banks	-	728	-	-	728
Lending to credit institutions	-	1,101	-	-	1,101
Lending to the general public	-	27,656	-	-	27,656
Bonds and other fixed-income securities	2,329	-	-	-	2,329
Other shares	-	-	-	127	127
Derivates	2	-	-	-	2
Other assets	-	2	-	-	2
Total assets	2,331	29,487	-	127	31,945
Liabilities					
Liabilities to credit institutions	-	-	1,605	-	1,605
Deposits from the general public	-	-	24,180	-	24,180
Issued securities	-	-	3,330	-	3,330
Subordinated liabilities	-	-	348	-	348
Derivatives	2	-	-	-	2
Other liabilities	-	-	19	-	19
Total liabilities	2	-	29,482	-	29,484

PARENT COMPANY

30 June 2021	Fair value through profit and loss	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Lending to central banks	-	3,370	-	-	3,370
Lending to credit institutions	-	2,337	-	-	2,337
Lending to the general public	-	22,985	-	-	22,985
Bonds and other fixed-income securities	2,251	-	-	-	2,251
Other shares	-	-	-	127	127
Derivates	4	-	-	-	4
Other assets	-	0	-	-	0
Total assets	2,255	28,692	-	127	31,074
Liabilities					
Deposits from the general public	-	-	28,397	-	28,397
Issued securities	-	-	1,080	-	1,080
Deemed loan liabilities	-	-	-	-	-
Subordinated liabilities	-	-	349	-	349
Derivatives	-	-	-	-	-
Other liabilities	-	-	32	-	32
Total liabilities	-	-	29,858	-	29,858

PARENT COMPANY

31 December 2020	Fair value through profit and loss	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Lending to central banks	-	728	-	-	728
Lending to credit institutions	-	950	-	-	950
Lending to the general public	-	21,011	-	-	21,011
Bonds and other fixed-income securities	2,329	-	-	-	2,329
Other shares	-	-	-	127	127
Derivates	2	-	-	-	2
Other assets	-	0	-	-	0
Total assets	2,331	22,689	-	127	25,147
Liabilities					
Deposits from the general public	-	-	24,180	-	24,180
Issued securities	-	-	1,080	-	1,080
Deemed loan liabilities	-	-	304	-	304
Subordinated liabilities	-	-	348	-	348
Derivatives	2	-	-	-	2
Other liabilities	-	-	18	-	18
Total liabilities	2	-	25,930	-	25,932

Note 7 Fair values of financial assets and liabilities

GROUP

30 June 2021	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	3,370	3,370	-
Lending to credit institutions ¹	2,551	2,551	-
Lending to the general public ^{2,4}	30,101	33,254	3,153
Other shares	127	127	-
Derivat	4	4	-
Bonds and other fixed-income securities	2,251	2,251	-
Total Assets	38,404	41,557	3,153
Liabilities			
Liabilities to credit institutions ¹	3,500	3,500	-
Deposits from general public ¹	28,397	28,397	-
Issued securities ³	3,330	3,340	10
Derivatives	-	-	-
Subordinated liabilities ³	349	355	6
Total Liabilities	35,576	35,592	16

GROUP

31 December 2020	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	728	728	-
Lending to credit institutions ¹	1,101	1,101	-
Lending to the general public ^{2,4}	27,656	30,722	3,066
Other shares	127	127	-
Derivat	2	2	-
Bonds and other fixed-income securities	2,329	2,329	-
Total Assets	31,943	35,009	3,066
Liabilities			
Liabilities to credit institutions ¹	1,605	1,605	-
Deposits from general public ¹	24,180	24,180	-
Issued securities ³	3,330	3,294	-36
Derivatives	2	2	-
Subordinated liabilities ³	348	348	0
Total Liabilities	29,465	29,429	-36

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 observable and non-observable inputs.

³ Fair value data for issued securities and debenture loans are based directly or indirectly on quoted prices.

⁴ Fair value data for lending to the general public is calculated after tax.

PARENT COMPANY

30 June 2021	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	3,370	3,370	-
Lending to credit institutions ¹	2,337	2,337	-
Lending to the general public ^{2,4}	22,985	26,089	3,104
Other shares	127	127	-
Derivat	4	4	-
Bonds and other fixed-income securities	2,251	2,251	-
Total Assets	31,074	34,178	3,104
Liabilites			
Deposits from the general public ¹	28,397	28,397	-
Liabilities to securitisation firms ¹	-	-	-
Issued securities	1,080	1,084	4
Derivatives	-	-	-
Subordinated liabilities ³	349	355	6
Total Liabilities	29,826	29,836	10

PARENT COMPANY

31 December 2020	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	728	728	-
Lending to credit institutions ¹	950	950	-
Lending to the general public ^{2,4}	21,011	24,039	3,028
Other shares	127	127	-
Derivat	2	2	-
Bonds and other fixed-income securities	2,329	2,329	-
Total Assets	25,147	28,175	3,028
Liabilites			
Deposits from the general public ¹	24,180	24,180	-
Liabilities to securitisation firms ¹	304	304	-
Issued securities	1,080	1,078	-2
Derivatives	2	2	-
Subordinated liabilities ³	348	348	0
Total Liabilities	25,914	25,912	-2

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 observable and non-observable inputs.

³ Fair value data for issued securities and debenture loans are based directly or indirectly on quoted prices.

⁴ Fair value data for lending to the general public is calculated after tax.

Calculation of fair value

The fair values of financial instruments which are traded in an active market 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.

Fair value of financial instruments not traded in an active market is established using measurement techniques. Market data is used as far as possible when available. If all significant inputs required for the fair value measurement of an instrument are observable, whether directly (i.e. as quotations) or indirectly (i.e. derived quotations) 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 measured at fair value according to their classification in the fair value hierarchy. Valuation techniques for determination of fair value – level 2.

- Fair value measurement of lending to the general public includes observable market data through assets' future cash flows being valued in the present through the use of a discount factor. The expected future cash flows are based on the size of portfolio as at the balance sheet date and an expected future cash flow based on the portfolio's maximum duration.

- Fair value measurement of bonds is derived through the calculation of discounted cash flows. Discounting applies current market rates. applies current market rates.

- Fair value for forward exchange contracts is determined through the current value of future cash flows based on rates of exchange for forward exchange rates on the balance sheet date.

- Fair value measurement using significant, non-observable inputs - level 3.

Nordax has a holding comprising unlisted shares in Stabelo AB which is measured at its fair value based on non-observable market input. No significant events affecting fair value are deemed to have occurred during the period between the new share issue in October 2020 and the balance sheet date as of 31 March 2021, whereby the values has been determined based on the issue rate at the most recent new issue.

During 2021 there have been no transfers between the levels in the fair value hierarchy.

The following table shows the changes for level 3 instruments:

Unlisted shares	MSEK
Opening balance 1 January 2020	80
Transfers from level 2	-
Acquisitions	12
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	35
Closing balance 31 December 2020	127
Acquisitions	-
Sales	-
Closing balance 31 March 2021	127

GROUP

30 June 2021	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	33,254	-	33,254
Bonds and other fixed-income securities	1,434	817	-	2,251
Other shares	-	-	127	127
Derivatives	-	4	-	4
Total Assets	1,434	34,075	127	35,636
Liabilities				
Issued securities	-	3,340	-	3,340
Derivatives	-	-	-	-
Subordinated liabilities	-	355	-	355
Total Liabilities	-	3,695	-	3,695

GROUP

31 December 2020	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	30,722	-	30,722
Bonds and other fixed-income securities	1,511	818	-	2,329
Other shares	-	-	127	127
Derivatives	-	2	-	2
Total Assets	1,511	31,542	127	33,180
Liabilities				
Issued securities	-	3,294	-	3,294
Derivatives	-	2	-	2
Subordinated liabilities	-	348	-	348
Total Liabilities	-	3,644	-	3,644

PARENT COMPANY

30 June 2021	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	26,089	-	26,089
Bonds and other fixed-income securities	1,434	817	-	2,251
Other shares	-	-	127	127
Derivatives	-	4	-	4
Total Assets	1,434	26,910	127	28,471
Liabilities				
Issued securities	-	1,084	-	1,084
Derivatives	-	-	-	-
Subordinated liabilities	-	355	-	355
Total Liabilities	-	1,439	-	1,439

PARENT COMPANY

31 December 2020	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	24,039	-	24,039
Bonds and other fixed-income securities	1,511	818	-	2,329
Other shares	-	-	127	127
Derivatives	-	2	-	2
Total Assets	1,511	24,859	127	26,497
Liabilities				
Issued securities	-	1,078	-	1,078
Derivatives	-	2	-	2
Subordinated liabilities	-	348	-	348
Total Liabilities	-	1,428	-	1,428

Note 8 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, Svensk Hypotekspension (SHP), Norway, Finland, Denmark and Germany, which reflects Nordax's

lending portfolio. Profit/loss that cannot be attributed to a single segment is allocated using a distribution matrix according to internal principles that management believes to provide a fair allocation to the segments.

Q2 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	228	75	135	93	13	0	544
Interest expenses	-43	-25	-22	-9	-1	0	-100
Total net interest income	185	50	113	84	12	0	444
Commission income	9	0	5	5	0	0	19
Net profit from financial transactions ²	-3	2	-1	0	0	0	-5
Total operating income	191	52	117	89	12	0	458
General administrative expenses	-91	-9	-49	-29	-4	0	-182
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-3	0	-2	-1	0	0	-6
Other operating expenses	-19	-9	-12	-2	0	0	-42
Total operating expenses	-113	-18	-63	-32	-4	0	-230
Profit before credit losses	78	34	54	57	8	0	228
Net credit losses	-36	-3	38	-15	1	2	-13
Operating profit	42	31	92	42	9	2	215
Balance sheet							
Lending to the general public	12,254	7,117	6,033	4,166	509	22	30,101

Q1 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	221	72	136	93	13	0	535
Interest expenses	-35	-25	-21	-8	-1	0	-90
Total net interest income	186	47	115	85	12	0	445
Commission income	9	0	5	5	0	0	19
Net profit from financial transactions ²	-1	0	0	0	0	0	2
Total operating income	194	47	120	90	12	0	466
General administrative expenses	-81	-7	-41	-23	-3	0	-155
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-3	-1	-2	-1	0	0	-7
Other operating expenses	-18	-10	-12	-1	0	0	-41
Total operating expenses	-102	-18	-55	-25	-3	0	-203
Profit before credit losses	92	29	65	65	9	0	263
Net credit losses	-72	-1	33	-10	1	1	-48
Operating profit	20	28	98	55	10	1	215
Balance sheet							
Lending to the general public	11,378	6,868	6,043	4,119	548	23	28,979

Q2 2020	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	201	69	148	114	16	0	548
Interest expenses	-40	-18	-38	-2	-9	0	-107
Total net interest income	160	51	110	112	7	0	441
Commission income	8	0	4	5	0	0	17
Net profit from financial transactions ²	0	0	6	0	0	0	6
Total operating income	168	51	120	117	7	0	464
General administrative expenses	-55	-7	-37	-23	-3	0	-126
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-2	0	-2	-1	0	0	-5
Other operating expenses	-20	-6	-11	-2	0	0	-39
Total operating expenses	-78	-13	-50	-26	-3	0	-170
Profit before credit losses	91	38	70	91	4	0	294
Net credit losses	-22	0	-55	-36	-2	2	-113
Operating profit	69	38	15	55	2	2	182
Balance sheet							
Lending to the general public	9,596	6,141	5,726	4,524	682	26	26,696

Q1-Q2 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	449	147	271	186	26	0	1,079
Interest expenses	-78	-50	-43	-17	-2	0	-190
Total net interest income	371	97	228	169	24	0	889
Commission income	18	0	10	10	0	0	38
Net profit from financial transactions ²	-4	2	-1	0	0	0	-3
Total operating income	385	99	237	179	24	0	924
General administrative expenses	-172	-16	-90	-52	-7	0	-337
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-6	-1	-4	-2	0	0	-13
Other operating expenses	-37	-19	-24	-3	0	0	-83
Total operating expenses	-215	-36	-118	-57	-7	0	-433
Profit before credit losses	170	63	119	122	17	0	491
Net credit losses	-108	-4	71	-25	2	3	-61
Operating profit	62	59	190	97	19	3	430
Balance sheet							
Lending to the general public	12,254	7,117	6,033	4,166	509	22	30,101

Q1-Q2 2020	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	392	131	312	227	35	0	1,097
Interest expenses	-74	-44	-79	-12	-11	0	-220
Total net interest income	318	87	233	215	24	0	877
Commission income	14	0	10	10	0	0	34
Net profit from financial transactions ²	-3	-2	6	0	0	0	-5
Total operating income	328	85	249	225	24	0	906
General administrative expenses	-112	-15	-75	-48	-6	0	-256
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-6	0	-3	-2	0	0	-11
Other operating expenses	-37	-10	-27	-11	0	0	-85
Total operating expenses	-154	-25	-105	-62	-6	0	-352
Profit before credit losses	174	60	144	163	18	0	554
Net credit losses	-56	-1	-93	-78	-11	3	-235
Operating profit	118	59	51	86	6	3	318
Balance sheet							
Lending to the general public	9,596	6,141	5,726	4,524	682	26	26,696

¹ Interest income refers to revenues from external customers.

² FX effects amount to 3 MSEK for Q1-Q2 2021 (-6 MSEK) and is not allocated.

Note 9 Pledged assets

	GROUP		PARENT COMPANY	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
All amounts are in MSEK				
Pledged assets for own liabilities				
Lending to the general public	5,816	4,466	-	909
Lending to credit institutions	154	85	-	73
Total	5,970	4,551	-	982

Pledged assets relate to subsidiary securitisation.
The Group has no contingent liabilities or commitments.

Note 10 Transactions with related parties

The Group did not have any transactions with related parties during the period.

Note 11 Important events after the balance sheet date

After the end of the period, Nordax, through its subsidiary Nordax Sverige 5 AB, has raised new bilateral secured financing of SEK 3 billion with an international bank. The new financing further strengthens the Group's liquidity and financing position.

On 14 July 2021, Nordax announced that it has completed due diligence of Norwegian Finans Holding ASA ("NFH") and reached an agreement with NFH to launch a recommended voluntary cash offer (the "Offer") to acquire the entire outstanding share capital in NFH. A cash consideration of NOK 105 (the "Offer Price") will be offered per share, which implies a total consideration for all the shares in NFH of approximately NOK 19.6 billion.

The Offer price is Nordax's best and final. The offer document for the Offer is expected to be approved during the week of 2 August 2021, with the acceptance period commencing thereafter. Barring unforeseen circumstances, it is expected that the Offer will be completed in the second half of 2021, following receipt of regulatory approvals. The Offer will be subject to fulfilment or waiver by Nordax of customary conditions, including e.g. a minimum acceptance level of 90%, which in no event may be waived by Nordax below 2/3rds of the issued and outstanding share capital in NFH.

Definitions

The Group considers the key figures to be relevant to users of the financial report as a complement in assessing the financial performance of the Group.

Average loan portfolio

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

C/I ratio

Operating expenses as a percentage of operating income.

Common Equity Tier 1 capital¹

Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR2).

Common Equity Tier 1 capital ratio¹

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

Credit loss level

Net credit losses as a percentage of average lending to the public.

Leverage ratio¹

Tier 1 capital as a percentage of total assets including off-balance-sheet items with conversion factors defined in Regulation (EU) No 575/2013 (CRR2).

Liquidity Coverage Ratio (LCR)¹

Liquidity Coverage Ratio (LCR)¹ High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days, as defined in Commission Delegated Regulation (EU) 2015/61 and Regulation (EU) No 575/2013.

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 losses or in the event of reduced access to commonly available funding sources.

Own funds¹

The sum of Tier 1 and Tier 2 capital.

Return on equity

Net profit attributable to the shareholders in relation to average shareholders' equity.

Risk exposure amount¹

Total assets and off balance sheet items, weighted in accordance with capital adequacy regulation for credit and market risks. Operational risks are measured and added as risk exposure amount.

Tier 1 capital ratio¹

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

Tier 1 capital¹

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

Tier 2 capital¹

Mainly subordinated loans that do not qualify as Tier 1 capital.

Total capital ratio¹

Total own funds as a percentage of the risk exposure amount.

¹ These are reported with respect SFSA's regulations and general recommendations see note 5, capital adequacy analysis.

Board of Directors' affirmation

The Board of Directors declares that the interim report for January-September 2020 provides a fair overview of the Parent Company's and the Group's operations, financial position and results and

describes material risks and uncertainties facing the Parent Company and the Group

Stockholm July 15, 2021

Hans-Ole Jochumsen
Chairman

Christopher Ekdahl
Non-Executive Director

Christian Frick
Non-Executive Director

Henrik Källén
Non-Executive Director

Anna Storåkers
Non-Executive Director

Ville Talasmäki
Non-Executive Director

Ricard Wennerklint
Non-Executive Director