

Nordax Bank AB (publ)

INTERIM REPORT JANUARY-SEPTEMBER 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 primarily owned directly and indirectly by Nordic Capital Fund VIII and Sampo Oyi. On September 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 Hypotekspension Fond 3 AB, Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ).

Nordax was authorized 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 centralized 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 finalized 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 third quarter. The total volume of consumer lending amounted to SEK 19.9 billion as at 30 September 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 4.5 billion as of 30 September 2021 (3.2 mdkr as of 31 December 2020).

Equity release mortgages

The portfolio has continued to develop well during 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 7.3 billion as of 30 September 2021 (6.6 billion as of 31 December 2020).

Portfolio development

Total lending amounted to SEK 31.7 billion (SEK 27.7 billion as of 31 December 2020). Growth was positively affected mainly by increased lending in private loans.

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 September 2021, total deposits amounted to SEK 27.5 billion (SEK 24.2 billion as of 31 December 2020). Nordax has a strong liquidity reserve with SEK 8.2 billion in liquidity and the net financing ratio (NSFR) of 127% and a liquidity coverage ratio (LCR) of 608% as of 30 September 2021 (consolidated situation).

Nordax's capital ratio has decreased by 0.05 percent since the corresponding period last year and amounted to 16.55% as of 30 September 2021. Nordax's Common Equity Tier 1 capital ratio has increased by 0.02 percentage points since the corresponding period last year and amounted to 15.60%. The capitalization was negatively affected by the purchase of shares worth SEK 302 million in Bank Norwegian during the quarter, corresponding to an effect of -0.40 percentage points on both the capital ratio and the Common Equity Tier 1 capital ratio.

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.

During 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.

In September Nordax acquired shares in Bank Norwegian ASA with a total value of SEK 302 million.

On 14 July 2021, Nordax launched a recommended voluntary cash offer to acquire the entire outstanding share capital in Bank Norwegian ASA ("Bank Norwegian") (the "Offer"), subject to certain conditions such as receipt of regulatory approvals and an acceptance rate of 90%, which subsequently was waived and reduced to 2/3 of the shares on a fully diluted basis (the

"Minimum Acceptance Condition"). A best and final cash consideration of NOK 105 was offered per share, which implies a total consideration for all the shares in Bank Norwegian of approximately NOK 19.6 billion.

The offer document for the Offer was approved by the Oslo Stock Exchange on 5 August 2021, with the offer period commencing on 6 August 2021. On 3 September 2021, Nordax received approval from the Norwegian Financial Supervisory Authority (the "NFSA") to acquire up to 100% of the share capital of Bank Norwegian and for Bank Norwegian to become a subsidiary of Nordax. The approval from the NFSA was made unconditionally and applies for a customary six-month period from its issue. On 8 September 2021, Nordax announced that the Minimum Acceptance Condition had been fulfilled. On 30 September 2021, Nordax received approval from the Swedish Financial Supervisory Authority (the "SFSA") to acquire up to 100% of the share capital of Bank Norwegian. The SFSA also approved the ownership assessments of the entities and individuals that will finance part of the Offer through equity injections into Nordax. The approvals from the SFSA were made unconditionally and apply for a three-month period from the date of issue. Accordingly, all regulatory approvals required to complete the Offer had thereby been received. The offer period was extended at several occasions upon Nordax's discretion, with a last and final extension until 15 October 2021. For further information in relation to the Offer and its recent developments, refer to "Important events after the balance sheet date".

Result January-September 2021

GROUP

Operating profit amounted to 645 MSEK (524), 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 1 352 MSEK (1 309). Net interest income increased thanks to growing lending portfolio but was negatively affected by an increase in liquidity related to the ongoing acquisition of Bank Norwegian ASA.

Credit losses amounted to -114 MSEK (-329), corresponding 0.5 per cent (1.7) of average lending. Credit losses fell because of low claim levels and the comparison periods were affected by extra provisions related to COVID-19.

Operating expenses amounted to -646 MSEK (-503). 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. The acquisition process of Bank Norwegian ASA had a negative effect on costs during the period of approximately SEK 62 million.

PARENT COMPANY

Operating profit amounted to 593 MSEK (458), 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 1 132 MSEK (994). Net interest income increased thanks to growing lending portfolio but was negatively affected by an increase in liquidity related to the ongoing acquisition of Bank Norwegian ASA.

Credit losses amounted to -108 MSEK (-329), corresponding 0.6 per cent (2.2) of average lending. Credit losses fell because of low claim levels and the comparison periods were affected by extra provisions related to COVID-19.

Operating expenses amounted to -594 MSEK (-462). 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. The acquisition process of Bank Norwegian ASA had a negative effect on costs during the period of approximately SEK 62 million.

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	Q3	Q2	Q3	JAN-SEP	JAN-SEP
	2021	2021	2020	2021	2020
Common Equity Tier 1 Capital Ratio in %	15.6	16.0	15.6	15.6	15.6
Return on equity in %	17.8	18.4	20.6	18.8	18.3
Net credit loss level in %	0.7	0.2	1.4	0.5	1.7
Cost to Income ratio in %	44	50	34	46	37
Number of employees ¹	361	355	324	361	324

PARENT COMPANY	Q3	Q2	Q3	JAN-SEP	JAN-SEP
	2021	2021	2020	2021	2020
Common Equity Tier 1 Capital Ratio in %	16.7	17.1	17.0	16.7	17.0
Return on equity in %	18.1	18.6	20.5	19.1	17.7
Net credit loss level in %	0.9	0.2	1.8	0.6	2.2
Cost to Income ratio in %	44	51	33	46	37
Number of employees ¹	344	338	309	344	309

¹ Number of employees is recalculated to full time employees.

Consolidated income statement

GROUP			Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts in MSEK		Note	2021	2021	2020	2021	2020
Operating income							
Interest income	8		562	544	540	1,641	1,637
Interest expense	8		-99	-100	-108	-289	-328
Total net interest income			463	444	432	1,352	1,309
Commission income	8		21	19	18	59	52
Net profit from financial transactions	8		-3	-5	0	-6	-5
Total operating income			481	458	450	1,405	1,356
Operating expenses							
General administrative expenses	8		-169	-182	-109	-506	-365
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8		-6	-6	-8	-19	-19
Other operating expenses	8		-38	-42	-34	-121	-119
Total operating expenses			-213	-230	-151	-646	-503
Profit before credit losses			268	228	299	759	853
Net credit losses	3, 8		-53	-13	-94	-114	-329
Operating profit			215	215	205	645	524
Tax on profit for the period			-51	-49	-45	-147	-115
NET PROFIT FOR THE PERIOD			164	166	160	498	409

Consolidated statement of comprehensive income

			Q3	Q2	Q3	JAN-SEP	JAN-SEP
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			164	166	160	498	409
Attributable to:							
The Parent Company's shareholders			164	166	160	498	409

Parent Company income statement

PARENT COMPANY		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts in MSEK		2021	2021	2020	2021	2020
	Note					
Operating income						
Interest income		508	485	490	1,475	1,481
Interest expense		-155	-93	-152	-343	-487
Total net interest income		353	392	338	1,132	994
Commission income		11	18	13	46	39
Net profit from financial transactions		-2	-6	2	-6	9
Other operating income ¹		85	16	63	123	207
Total operating income		447	420	416	1,295	1,249
Operating expenses						
General administrative expenses		-153	-177	-105	-481	-351
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-13	-3	-3	-18	-8
Other operating expenses		-31	-33	-29	-95	-103
Total operating expenses		-197	-213	-137	-594	-462
Profit before credit losses		250	207	279	701	787
Net credit losses	3	-52	-9	-95	-108	-329
Operating profit		198	198	184	593	458
Received group contribution		-	-			
Tax on profit for the period		-48	-47	-41	-138	-102
NET PROFIT FOR THE PERIOD		150	151	143	455	356

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

Parent company statement of comprehensive income

		Q3	Q2	Q3	JAN-SEP	JAN-SEP
	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		150	151	143	455	356

Consolidated statement of financial position

All amounts are in MSEK	Note	GROUP		PARENT COMPANY	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
ASSETS					
Cash and cash balances at central banks	6,7	3,078	728	3,078	728
Lending to central banks	6,7	1,703	-	1,703	-
Lending to credit institutions	6,7,9	1,466	1,101	1,038	950
Lending to the general public	4,6-9	31,707	27,656	24,407	21,011
Bonds and other fixed-income securities	4,6,7,9	2,205	2,329	2,205	2,329
Shares in subsidiaries		-	-	1,030	1,030
Other shares	6,7	429	127	429	127
Intangible assets		998	1,004	10	14
Tangible assets		59	71	8	10
Current tax assets		2	-	0	8
Other assets	6,7	14	6	1,374	2,996
Prepaid expenses and accrued income		53	49	33	29
TOTAL ASSETS		41,714	33,071	35,315	29,232
LIABILITIES, PROVISIONS AND EQUITY					
Liabilities					
Liabilities to credit institutions	6,7	6,506	1,605	-	-
Deposits from the general public ³	6,7	27,521	24,180	27,521	24,180
Issued securities	6,7	3,330	3,330	1,080	1,080
Liabilities to securitization firms ¹		-	-	2,595	304
Current tax liabilities		14	9	12	-
Deferred tax liability		24	26	-	-
Other liabilities ³	6,7	141	159	318	245
Accrued expenses and deferred income		129	62	116	56
Subordinated liabilities	6,7	349	348	349	348
Total liabilities		38,014	29,719	31,991	26,213
Equity					
Share capital		50	50	50	50
Other reserves		7	7	7	7
Other funds		-	-	6	10
Fair value reserve ²		35	35	35	35
Retained earnings, incl. profit for the year		3,608	3,260	3,226	2,917
Total equity		3,700	3,352	3,324	3,019
TOTAL LIABILITIES, PROVISIONS AND EQUITY		41,714	33,071	35,315	29,232

¹ Liabilities to securitization firms refer in their entirety to liabilities to subsidiaries for the securitized loans, which are reported by Nordax Bank AB, since the derecognition rules according to IFRS 9 have not been met. In September, the company acquired 2 870 591 shares in Bank Norwegian ASA for a total value of SEK 302 million.

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-SEP	JAN-SEP
All amounts are in MSEK	2021	2020
Operating activities		
Operating profit ¹	645	524
Adjustment for non-cash items		
Exchange rate effects ²	-37	-3
Depreciation, amortization and impairment of property, plant & equipment	19	19
Amortization of financing costs	3	8
Depreciation of surplus value related to the lending portfolio	3	3
Unrealized changes in value of bonds and other fixed income securities	3	-3
Unrealized credit losses incl. IFRS 9 adjustment	506	624
Income tax paid	-128	-123
Dividend to parent company	-150	-
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-4,266	-3,017
Decrease/Increase in other assets	-36	123
Decrease/Increase in deposits from the general public	3,042	5,586
Decrease/Increase in other liabilities	78	31
Cash flow from operating activities	-318	3,774
Investing activities		
Purchase of shares	-302	-
Purchase of equipment & intangible assets	-1	-59
Investment in bonds and other interest bearing securities	-36,814	-7,053
Sale/disposal of bonds and other fixed income securities	35,248	7,518
Cash flow from investing activities	-1,869	406
Financing activities		
Change to liability to credit institutions	4,899	-1,853
Change issued securities	0	-521
Change subordinated liabilities	0	-251
Cash flow from financing activities	4,899	-2,625
Cash flow for the period	2,712	1,555
Cash and cash equivalents at beginning of year	1,829	1,252
Exchange rate differences and cash equivalents	3	-34
Cash and cash equivalents at end of year	4,544	2,773

¹ Whereof received interest 1,253 MSEK (1,320 MSEK) and paid interest 254 MSEK (208 MSEK).

² Unrealized changes in value were recognized 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			-	498	498
Other comprehensive income ²			-	-	-
Total comprehensive income			-	498	498
Transactions with shareholders					
Dividend to parent company				-150	-150
Total transactons with shareholders				-150	-150
CLOSING BALANCE 30 SEPTEMBER 2021	50	7	35	3,608	3,700

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

ALL amounts are in MSEK	Share capital	Other Reserves	Other Funds	Fair value reserve	Non-restricted equity Retained Earnings	TOTAL
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					455	455
Other comprehensive income ¹				-	-	-
Total comprehensive income				-	455	455
Other reserves						
Capitalization			-	-	-	-
Depreciation			-4	-	4	-
Total other reserves			-4	-	4	-
Transactions with shareholders						
Dividend to parent company					-150	-150
Total transactions with shareholders					-150	-150
CLOSING BALANCE 30 SEPTEMBER 2021	50	7	6	35	3,226	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 and Sampo Oyi. Nordax Group includes a number of direct

or indirect subsidiaries of Nordax Bank AB (publ) which have been included in the Group for the purpose of lending to private individuals in the Nordic region and/or acquiring loan portfolios originated by Nordax Bank AB (publ) and Svensk Hypotekspension AB, respectively, against raising a loan or bond financing. Some of these companies are dormant and currently do not operate.

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	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts in MSEK	2021	2021	2020	2021	2020
Credit losses, net - lending to the general public					
Stage 1	-3	-28	-24	-30	-110
Stage 2	14	49	-16	99	-10
Stage 3	-64	-34	-54	-183	-209
Total credit losses	-53	-13	-94	-114	-329
PARENT COMPANY	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts in MSEK	2021	2021	2020	2021	2020
Credit losses, net - lending to the general public					
Stage 1	-2	-24	-24	-24	-110
Stage 2	14	49	-16	99	-10
Stage 3	-64	-34	-55	-183	-209
Total credit losses	-52	-9	-94	-108	-329

Note 4 Lending to the general public

GROUP								Allocation of provision	
30 September 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL	past due receivables	
Stage 1	12,151	7,292	4,981	3,584	417	0	28,425	-370	1%
Stage 2	600	16	314	170	14	0	1,114	-149	13%
Stage 3	1,666	3	1,844	1,285	256	294	5,348	-2,661	50%
Total	14,417	7,311	7,139	5,039	687	294	34,887	-3,180	9%
Reserve	-1,021	-11	-990	-678	-208	-272	-3,180		
Total lending to the general public	13,396	7,300	6,149	4,361	479	22	31,707		

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 September 2021	Sweden	Norway	Finland	Germany	Denmark	TOTAL	past due receivables		
Stage 1	12,151	4,981	3,584	417	0	21,133	-359	2%	
Stage 2	600	314	170	14	0	1,098	-149	14%	
Stage 3	1,666	1,844	1,285	256	294	5,345	-2,661	50%	
Total	14,417	7,139	5,039	687	294	27,576	-3,169	11%	
Reserve	-1,021	-990	-678	-208	-272	-3,169			
Total lending to the general public	13,396	6,149	4,361	479	22	24,407			

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 and such information to be provided in accordance with Chapter 5, Section 2 of the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2010:7) on the management and disclosure of liquidity risks in credit institutions and investment firms.

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

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. The following companies are in the consolidated situation when calculating capital requirements: Nordax Holding AB, 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 September 2021	31 December 2020	30 September 2021	31 December 2020
OWN FUNDS				
Common Equity Tier 1 capital	8,089	7,759	3,519	3,303
Deduction from own funds	-4,417	-4,376	-92	-17
Total Common Equity Tier 1 capital	3,671	3,384	3,426	3,286
Tier 1 Capital, minority	-	-	-	-
Sum Tier 1 Capital	3,671	3,384	3,426	3,286
Tier 2 Capital ³	223	198	349	348
Net own funds	3,894	3,582	3,775	3,634
Capital ratios and buffers				
Risk exposure amount for credit risk	21,621	18,937	19,278	16,802
Risk exposure amount for market risk	395	386	-	0
Risk exposure amount for market risk	1,517	1,517	1,226	1,226
CVA	2	0	2	0
Total risk exposure amount (risk weighted assets)	23,535	20,839	20,506	18,028
Common Equity Tier 1 capital ratio	15.60%	16.24%	16.71%	18.23%
Tier 1 capital ratio	15.60%	16.24%	16.71%	18.23%
Total capital ratio	16.55%	17.19%	18.41%	20.16%
Total Common Equity Tier 1 capital requirement including buffer requirement	7.21%	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	0.21%	0.22%	0.23%	0.24%
Common Equity Tier 1 capital available for use as buffer ¹	8.55%	9.19%	10.41%	12.16%
Specification own funds				
Common Equity Tier 1 capital:				
Capital instruments and the related share premium accounts	6,778	6,778	63	67
-of which share capital	1	1	50	50
- of which other contributed capital	6,777	6,777	7	7
-of which other funds	-	-	6	10
Retained earnings	645	264	2,772	2,437
Other comprehensive income	35	35	35	35
- Other transition adj. of common equity Tier 1 capital ⁴	215	302	195	283
-Minority interest	-	-	-	-
Independently audited interim results after deductions foreseeable dividends	416	381	455	481
Common Equity Tier 1 capital before regulatory adj.	8,089	7,759	3,519	3,303
Regulatory adjustments:				
-Intangible assets	-4,357	-4,373	-10	-14
-Common Equity Tier 1 instruments in the units in the financial sector where the institution does not have a significant holding	-56	-	-78	-
Prudent valuation	-4	-2	-4	-2
Total regulatory adjustment to Common Equity Tier 1	-4,417	-4,376	-92	-17
Common Equity Tier 1	3,671	3,384	3,426	3,286
Tier 1 capital				
-Tier 1, minority	-	-	-	-
Tier 1 capital, total	3,671	3,384	3,426	3,286

All amounts in MSEK	Consolidated situation		Nordax Bank AB	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Tier 2 capital:				
Tier 2 capital instrument	223	198	349	348
Tier 2 capital	223	198	349	348
Total capital	3,894	3,582	3,775	3,634
Total risk weighted assets	23,535	20,839	20,506	18,028
Specification of risk exposure amount²				
Institutional exposures	369	231	247	192
Covered bonds	127	124	127	124
Household exposures	13,385	12,422	12,897	11,943
Exposures secured by mortgages on immovable property	4,211	3,569	1,630	1,181
Equity exposures	373	127	1,381	1,157
Past due items	2,834	2,344	2,755	2,163
Corporate exposures	-	-	-	-
Other items	324	120	242	42
Total risk exposure amount for credit risk, Standardized Approach	21,621	18,937	19,278	16,802
Exchange rate risk	395	386	0	0
Total risk exposure amount for market risk	395	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)	2	0	2	0
Total risk exposure amount for credit valuation adjustment risk	2	0	2	0
Total risk exposure amount	23,535	20,839	20,506	18,028
Capital Requirement, in percent				
Pillar 1	8.00%	8.00%	8.00%	8.00%
Pillar 2	1.15%	0.86%	1.66%	1.42%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Institute-specific countercyclical buffer	0.21%	0.22%	0.23%	0.24%
Total Capital Requirement	11.85%	11.57%	12.40%	12.15%
Capital Requirement, MSEK				
Pillar 1	1,883	1,667	1,640	1,442
Pillar 2	270	178	341	256
Capital conservation buffer	588	521	513	451
Institute-specific countercyclical buffer	49	45	48	42
Capital Requirement	2,790	2,412	2,542	2,191
LEVERAGE RATIO				
Tier 1 capital	3,671	3,384	3,426	3,286
Leverage ratio	8,75%	10,20%	10,04%	12,52%
Requirements for leverage ratio, MSEK	1,259		1,023	
Requirements for leverage ratio, percentage	3%		3%	

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 223 MSEK.

⁴ Nordax has decided that the Bank, consolidated situation and Nordax Bank AB (publ) will apply the transitional rules pursuant to Article 473a of Regulation (EU) No 575/2013 in application of sections 2 and 4. Table according to "Final report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements" EBA/GL/2018/01, is published on the Nordax Bank's website, www.nordaxgroup.com.

CONSOLIDATED SITUATION

All amounts in MSEK		a	b	c	d	e
Available own funds (amounts)		20210930	20210630			
1	Common Equity Tier 1 (CET1) capital	3,671	3,597			
2	Tier 1 capital	3,671	3,597			
3	Total capital	3,894	3,814			
Risk-weighted exposure amounts						
4	Total risk exposure amounts	23,535	22,414			
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.60%	16.05%			
6	Tier 1 ratio (%)	15.60%	16.05%			
7	Total capital ratio (%)	16.55%	17.02%			
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-			
EU 7b	of which: to be made up of CET1 capital (percentage points)	-	-			
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	-	-			
EU 7d	Total SREP own funds requirements (%)	8%	8%			
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%			
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-			
9	Institution specific countercyclical capital buffer (%)	0.21%	0.20%			
EU 9a	Systemic risk buffer (%)	-	-			
10	Global Systemically Important Institution buffer (%)	-	-			
EU 10a	Other Systemically Important Institution buffer (%)	-	-			
11	Combined buffer requirement (%)	2.71%	2.70%			
EU 11a	Overall capital requirements (%)	10.71%	10.70%			
12	CET1 available after meeting the total SREP own funds requirements (%)	8.55%	9.02%			
Leverage ratio						
13	Total exposure measure	41,965	39,832			
14	Leverage ratio (%)	8.75%	9.03%			
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-			
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-			
EU 14c	Total SREP leverage ratio requirements (%)	-	-			
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	3.00%	3.00%			
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%			
Liquidity Coverage Ratio¹						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	4,754	3,660			
EU 16a	Cash outflows - Total weighted value	2,653	2,727			
EU 16b	Cash inflows - Total weighted value	2,805	3,179			
16	Total net cash outflows (adjusted value)	701	682			
17	Liquidity coverage ratio (%)	678.18%	536.77%			
Net Stable Funding Ratio						
18	Total available stable funding	42,216	40,399			
19	Total required stable funding	33,262	31,225			
20	NSFR ratio (%)	127%	129.38%			

¹ Expressed as simple averages of the observations at the end of the month during the twelve months before the end of each quarter.

Internal capital requirement

As of 30 September 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 2,838 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 favorable 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 September 2021 Nordax, had a liquidity coverage ratio (LCR) of 608 per cent (401; Q4 2020¹). At the same date, the net stable funding ratio (NSFR) was 127 per cent (120; Q4 2020), calculated in accordance with regulation (EU) No 575/2013 (CRR2).

Nordax had a liquidity reserve at 30 September 2021 of 8.2 mdr (4.1). Of these investments 15 per cent (25) was in Nordic banks, 58 per cent (18) in Sveriges Riksbank, 15 per cent (30) in Swedish covered bonds, 0 per cent (6) in Swedish municipal paper and 11 per cent (21) in Swedish municipal bonds and states. All investments had a credit rating ranging from AAA to A+, except 80 MSEK in exposure to Avanza Bank AB and 212 MSEK in exposure to Danske Bank. The average maturity was 185 days (467). All bank holdings are highly liquid and all securities are repoable with central banks.

At 30 September 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, 6,512 MSEK (1,605) in warehouse funding facilities provided by international banks and 27,503 (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 September 2021	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Cash and cash balances at central banks	-	3,078	-	-	3,078
Loans to central banks	-	1,703	-	-	1,703
Lending to credit institutions	-	1,466	-	-	1,466
Lending to the general public	-	31,707	-	-	31,707
Bonds and other fixed-income securities	2,205	-	-	-	2,205
Other shares	-	-	-	429	429
Derivates	10	-	-	-	10
Other assets	-	2	-	-	2
Total assets	2,215	37,956	-	429	40,600
Liabilities					
Liabilities to credit institutions	-	-	6,506	-	6,506
Deposits from the general public	-	-	27,521	-	27,521
Issued securities	-	-	3,330	-	3,330
Subordinated liabilities	-	-	349	-	349
Derivatives	5	-	-	-	5
Other liabilities	-	-	40	-	40
Total liabilities	5	-	37,746	-	37,751

GROUP

31 December 2020	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Cash and cash balances at central banks	-	728	-	-	728
Loans to central banks	-	-	-	-	-
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 September 2021	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Cash and cash balances at central banks	-	3,078	-	-	3,078
Loans to central banks	-	1,703	-	-	1,703
Lending to credit institutions	-	1,038	-	-	1,038
Lending to the general public	-	24,407	-	-	24,407
Bonds and other fixed-income securities	2,205	-	-	-	2,205
Other shares	-	-	-	429	429
Derivates	10	-	-	-	10
Other assets	-	0	-	-	0
Total assets	2,215	30,226	-	429	32,870
Liabilities					
Deposits from the general public	-	-	27,521	-	27,521
Issued securities	-	-	1,080	-	1,080
Deemed loan liabilities	-	-	-	-	-
Subordinated liabilities	-	-	349	-	349
Derivatives	5	-	-	-	5
Other liabilities	-	-	36	-	36
Total liabilities	5	-	31,581	-	31,586

PARENT COMPANY

31 December 2020	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	Total
Assets					
Cash and cash balances at central banks	-	728	-	-	728
Loans to central banks	-	-	-	-	-
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 September 2021	Carrying amount	Fair value	Delta
Assets			
Cash and cash balances at central banks ¹	3,078	3,078	-
Loans to central banks ¹	1,703	1,703	-
Lending to credit institutions ¹	1,466	1,466	-
Lending to the general public ^{2,4}	31,707	35,239	3,532
Bonds and other fixed-income securities	2,205	2,205	-
Other shares	429	429	-
Derivat	10	10	-
Total Assets	40,598	44,130	3,532
Liabilities			
Liabilities to credit institutions ¹	6,506	6,506	-
Deposits from general public ¹	27,521	27,521	-
Issued securities ³	3,330	3,340	10
Derivatives	5	5	-
Subordinated liabilities ³	349	360	11
Total Liabilities	37,711	37,732	21

GROUP

31 December 2020	Carrying amount	Fair value	Delta
Assets			
Cash and cash balances at central banks ¹	728	728	-
Loans to central banks ¹	-	-	-
Lending to credit institutions ¹	1,101	1,101	-
Lending to the general public ^{2,4}	27,656	30,722	3,066
Bonds and other fixed-income securities	2,329	2,329	-
Other shares	127	127	-
Derivat	2	2	-
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 September 2021	Carrying amount	Fair value	Delta
Assets			
Cash and cash balances at central banks ¹	3,078	3,078	-
Loans to central banks ¹	1,703	1,703	-
Lending to credit institutions ¹	1,038	1,038	-
Lending to the general public ^{2,4}	24,407	27,883	3,476
Bonds and other fixed-income securities	2,205	2,205	-
Other shares	429	429	-
Derivat	10	10	-
Total Assets	32,870	36,346	3,476
Liabilities			
Deposits from the general public ¹	27,521	27,521	-
Liabilities to securitization firms ¹	2,595	2,595	-
Issued securities	1,080	1,084	4
Derivatives	5	5	-
Subordinated liabilities ³	349	360	11
Total Liabilities	31,550	31,565	15

PARENT COMPANY

31 December 2020	Carrying amount	Fair value	Delta
Assets			
Cash and cash balances at central banks ¹	728	728	-
Loans to central banks ¹	-	-	-
Lending to credit institutions ¹	950	950	-
Lending to the general public ^{2,4}	21,011	24,039	3,028
Bonds and other fixed-income securities	2,329	2,329	-
Other shares	127	127	-
Derivat	2	2	-
Total Assets	25,147	28,175	3,028
Liabilities			
Deposits from the general public ¹	24,180	24,180	-
Liabilities to securitization 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 (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.

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.

Valuation techniques to determine fair value for level 1.

-Nordax has a holding in Bank Norwegian ASA shares listed on the Oslo Stock Exchange to a value of SEK 302 million. The shares have been valued at fair value.

Valuation techniques to determine fair value for 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 30 September 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 30 September 2021	127

GROUP

30 September 2021	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	35,239	-	35,239
Lending to central banks	-	1,703	-	1,703
Bonds and other fixed-income securities	1,388	817	-	2,205
Other shares	302	-	127	429
Derivatives	-	10	-	10
Total Assets	1,690	37,769	127	39,586
Liabilities				
Issued securities	-	3,340	-	3,340
Derivatives	-	5	-	5
Subordinated liabilities	-	360	-	360
Total Liabilities	-	3,705	-	3,705

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 September 2021	Level 1	Level 2	Level 3	Total
Assets				
Lending to the general public	-	27,883	-	27,883
Lending to central banks	-	1,703	-	1,703
Bonds and other fixed-income securities	1,388	817	-	2,205
Other shares	302	-	127	429
Derivatives	-	10	-	10
Total Assets	1,690	30,413	127	32,230
Liabilities				
Issued securities	-	1,084	-	1,084
Derivatives	-	5	-	5
Subordinated liabilities	-	360	-	360
Total Liabilities	-	1,449	-	1,449

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. The chief operating decision-maker mainly follows the income concept of operating income.

Q3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	245	79	132	94	12	0	562
Interest expenses	-41	-26	-22	-9	-1	0	-99
Total net interest income	204	53	110	85	11	0	463
Commission income	11	0	5	5	0	0	21
Net profit from financial transactions ²	1	-1	-1	0	0	0	-3
Total operating income	216	52	114	90	11	0	481
General administrative expenses	-90	-6	-44	-26	-3	0	-169
Depreciation, amortization and impairment of property, plant and equipment and intangible assets ³	-3	-1	-1	-1	0	0	-6
Other operating expenses	-18	-7	-11	-2	0	0	-38
Total operating expenses	-111	-14	-56	-29	-3	0	-213
Profit before credit losses	105	38	58	61	8	0	268
Net credit losses	-59	-1	15	-7	-3	2	-53
Operating profit	46	37	73	54	5	2	215
Balance sheet							
Lending to the general public	13,396	7,300	6,149	4,361	479	22	31,707
Q2 2021							
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, amortization 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

Q3 2020	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	203	69	144	108	16	0	540
Interest expenses	-43	-16	-41	-1	-7	0	-108
Total net interest income	160	53	103	107	9	0	432
Commission income	8	0	5	5	0	0	18
Net profit from financial transactions ²	0	0	0	0	0	0	0
Total operating income	168	53	108	112	9	0	450
General administrative expenses	-49	-8	-31	-19	-2	0	-109
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-4	0	-2	-2	0	0	-8
Other operating expenses	-15	-6	-12	-1	0	0	-34
Total operating expenses	-68	-14	-45	-22	-2	0	-151
Profit before credit losses	100	39	63	90	7	0	299
Net credit losses	-37	0	-16	-39	-3	1	-94
Operating profit	63	39	47	51	4	1	205
Balance sheet							
Lending to the general public	10,004	6,376	5,673	4,356	631	25	27,065

Q1-Q3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	694	226	403	280	38	0	1,641
Interest expenses	-119	-76	-65	-26	-3	0	-289
Total net interest income	575	150	338	254	35	0	1,352
Commission income	29	0	15	15	0	0	59
Net profit from financial transactions ²	-3	1	-2	0	0	0	-6
Total operating income	601	151	351	269	35	0	1,405
General administrative expenses	-262	-22	-134	-78	-10	0	-506
Depreciation, amortization and impairment of property, plant and equipment and intangible assets ³	-9	-2	-5	-3	0	0	-19
Other operating expenses	-55	-26	-35	-5	0	0	-121
Total operating expenses	-326	-50	-174	-86	-10	0	-646
Profit before credit losses	275	101	177	183	25	0	759
Net credit losses	-167	-5	86	-32	-1	5	-114
Operating profit	108	96	263	151	24	5	645
Balance sheet							
Lending to the general public	13,396	7,300	6,149	4,361	479	22	31,707

Q1-Q3 2020	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income ¹	595	200	456	335	51	0	1,637
Interest expenses	-117	-60	-120	-13	-18	0	-328
Total net interest income	478	140	336	322	33	0	1,309
Commission income	22	0	15	15	0	0	52
Net profit from financial transactions ²	-3	-2	6	0	0	0	-5
Total operating income	496	138	357	357	33	0	1,356
General administrative expenses	-161	-23	-106	-67	-8	0	-365
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-10	0	-5	-4	0	0	-19
Other operating expenses	-52	-16	-39	-12	0	0	-119
Total operating expenses	-222	-39	-150	-84	-8	0	-503
Profit before credit losses	274	99	207	253	25	0	853
Net credit losses	-92	-1	-109	-117	-14	4	-329
Operating profit	181	98	98	136	10	4	524
Balance sheet							
Lending to the general public	10,004	6,376	5,673	4,356	631	25	27,065

¹ Interest income refers to revenues from external customers.

² FX effects amount to -2 MSEK for Q1-Q3 2021 (-6 MSEK) and is not allocated.

³ Depreciation and write-downs of tangible and intangible assets in SHP have been reclassified from general administrative expenses to depreciation and write-downs of tangible and intangible assets. Historical figures have not changed.

Note 9 Pledged assets

	GROUP		PARENT COMPANY	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
All amounts are in MSEK				
Pledged assets for own liabilities				
Lending to the general public	9,798	4,466	4,000	909
Lending to credit institutions	353	85	212	73
Bonds and other fixed-income securities	2	-	2	-
Total	10,153	4,551	4,214	982

Pledged assets relate to subsidiary securitization. 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

The offer period for Nordax's offer to acquire all outstanding shares in Bank Norwegian ASA ("Bank Norwegian") (the "Offer") expired on 15 October 2021. At expiry of the offer period, Nordax had received acceptances of the Offer for a total of 130,136,243 shares, representing approximately 69.63% of the outstanding shares and votes in Bank Norwegian. In addition, Nordax has acquired and holds 6,313,456 shares in Bank Norwegian representing approximately 3.38% of the shares and votes in Bank Norwegian (out of which 3,442,865 shares were purchased in the market on 8 October 2021) and pursuant to the contribution agreements dated 3 May 2021, has conditionally agreed to acquire 42,472,603 shares, representing approximately 22.72% of the shares and votes in Bank Norwegian, and together

with the received acceptances in the Offer representing a total of approximately 95.73% of the shares and votes in Bank Norwegian. On 15 October 2021, Nordax issued a settlement notification and the settlement of the Offer will thereby take place no later than on 4 November 2021, subject to fulfilment or waiver by Nordax, in its sole discretion, of customary closing conditions (other than the minimum acceptance condition and the regulatory approvals condition which were both fulfilled during September 2021). Following settlement of the Offer, Nordax will resolve and apply for a compulsory acquisition of the remaining shares in Bank Norwegian. Upon completion of the compulsory acquisition, which is expected to occur shortly after the completion of the Offer, Nordax will become owner of 100% of the shares in Bank Norwegian.

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 October 21, 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