

Nordax Bank AB (publ)

INTERIM REPORT JANUARY-SEPTEMBER 2022

About the Group, Nordax Bank AB (publ)

ABOUT THE GROUP

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 (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, Nordic Capital Fund IX and Sampo Oyi. On September 30, Nordax Group AB controlled 100 per cent of the shares in the Company. This is Nordax's nineteenth financial year.

The Nordax Bank Group consists of Nordax Bank AB (publ), Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd, as well as Svensk Hypotekspension AB and its subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ). Nordax Sverige AB, Nordax Sverige 4 AB (publ), Nordax Sverige 5 AB (publ), Nordax Sweden Mortgage 1 AB (publ), Nordax Nordic 2 AB and Nordax Nordic 4 AB (publ) are also part of the Group.

The acquisition of Bank Norwegian was completed in November 2021. This means that, for the interim report of January–September 2022, Bank Norwegian is fully included in the outcome for the Group, but that it is missing in the corresponding comparison period.

Nordax Bank AB 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).

Using a centralized business model and an organization based in Stockholm, Nordax conducts cross-border banking activities 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.

The subsidiary Bank Norwegian ASA, which is subject to the supervisory authority of Finanstilsynet (the Financial Supervisory Authority of Norway), conducts banking activities in Norway, alongside cross-border banking activities in Sweden, Finland, Denmark, Germany and Spain in accordance with the above Directive.

Nordax's main business consists of lending to the general public in the Nordic countries, Germany and Spain. Although Nordax previously operated in Germany to a small extent, it was in 2021, through its subsidiary Bank Norwegian, that new lending was launched on these non-Nordic markets. Lending consists of unsecured loans up to the equivalent of SEK 600,000, NOK 600,000, DKK 400,000 and EUR 60,000 in Finland. Since 2018, loans secured against residential property are offered in Sweden and, as of the first quarter of 2019 also in Norway.

In January 2019, Nordax finalized the acquisition of Svensk Hypotekspension AB (SHP). SHP offers secured loans against residential property to Swedes aged 60 and older through the product equity release mortgage. Since November 2021, Nordax also offers credit cards in the Nordic countries, Germany and Spain through its subsidiary Bank Norwegian.

Nordax Group also offers savings accounts to the general public in Sweden, Norway, Finland, Germany, Spain and the Netherlands. Deposits in savings accounts are one element of Nordax's diversified financing platform, which also consists of asset-backed securities, financing against collateral from international banks, bonds, equity and subordinated liabilities.

DEVELOPMENT JANUARY – SEPTEMBER

Personal loans and credit cards

During the first nine months Nordax Group's portfolios of both private loans and credit cards continued to show good growth. As of 30 September, the total volume of personal loans and credit cards amounted to SEK 68.9 billion (SEK 58.0 billion as of 31 December 2021).

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 6.4 billion as of 30 September 2022 (5.1 billion as of 31 December 2021).

Equity release mortgages

In line with previous historical periods, the portfolio has continued to develop well during 2022 and shows stable new lending. The market for equity release mortgages has good development potential and SHP has a strong brand within the customer group with continued great customer interest. The total portfolio of equity release mortgages amounted to SEK 8.5 billion as of 30 September 2022 (SEK 7.6 billion as of 31 December 2021).

Portfolio development

Total lending as of 30 September 2022 amounted to SEK 83.9 billion (SEK 70.7 billion as of 31 December 2021). All products contributed to the increase in volume.

Capital and liquidity

Nordax's consolidated situation has a strong capital and liquidity position.

The CET1-capital ratio for the period is 15.22% (15.11% as of 30 June 2022), the Tier 1 capital ratio is 17.32% (17.28% as of 30 June 2022) and the total capital ratio is 19.01% (19.03% as of 30 June 2022).

The CET1-capital ratio requirement for the period is 12.25% (11.89% as of 30 June 2022), Tier 1 requirement is 14.09% (13.74 % as of 30 June 2022) and the total capital ratio requirement is 17.07% (16.75% as of 30 June 2022). During the quarter, the development of Nordax's net profit corresponds to the increase in risk-weighted assets contributing to small changes in the capital ratio. The capital requirements increased during the period mainly due to Sweden and Denmark raising the countercyclical capital buffer from 0% to 1%, which increases Nordax's countercyclical capital buffer requirements to 0.85% (0.42% as of 30 June 2022).

Nordax's CET1 capital increased during the third quarter amounting to SEK 10,270 billion (SEK 9,844 billion as of 30 June 2022) mostly driven by the positive net profit.

The leverage ratio is 10.64% (10.32% as of 30 June 2022).

Nordax's liquidity reserve amounts to SEK 18.7 billion (SEK 23.3 billion as of 30 June 2022) and consists mainly of covered bonds, central banks and interest bearing securities issued by central governments, municipalities and supra nationals. The liquidity coverage ratio (LCR) is 135.0% (140.4% as of 30 June 2022). In the calculation of Nordax's LCR, the excess liquidity buffer from Bank Norwegian is not included. If including the excess liquidity buffer, Nordax's LCR would be 224.9% (352.4% as of 30 June 2022).

Net stable funding ratio (NSFR) is 122.8% (128.3% as of 30 June 2022). Nordax has a diversified funding structure with different sources allocated between credit institutions, the capital market and deposits from the public. Deposits from the public is the largest funding source and amounts to SEK 72.0 billion for the period (70.6 billion as of 30 June 2022).

For more details on Nordax's capital adequacy and liquidity, see Note 5 Capital adequacy analysis.

Other events

The uncertainty on the financial markets and in the real economy remained during the third quarter. The war in Ukraine, soaring energy prices and generally high inflation continued to pressure both households and corporations, as well as central banks. The latter thereby continued on their planned cycles for interest rate hikes, with further upward revisions from the Swedish as well as the Norwegian central bank, as well as from their peers in other countries. This can be expected to affect the business of Nordax which is why the bank has continued to carefully monitor and adapt to the potential effects, even though no major negative outcomes have yet materialised. Because of the rising interest rate levels, Nordax has raised interest rates in all markets.

During the quarter, Nordax completed the sale of four NPL portfolios in Norway, Finland and Denmark. This resulted in a decrease of MSEK 791 in gross loans. Together with the Bank Norwegian sale of two NPL portfolios in Finland and Sweden during the second quarter, the total portfolio sale during 2022 now amounts to MSEK 3,353. This has contributed to the decrease in the ratio between Stage 3 gross lending and total gross lending, reaching 12.2% in Q3 2022 compared to 16.7% for the full year 2021.

Subsequent events

In October, Nordax through its subsidiary Nordax Sweden Mortgages 1 AB (publ), signed a new bilateral secured financing vehicle with a frame of SEK 2.3 billion with an international Bank.

As previously announced, Nordax Bank AB (publ) and Bank Norwegian ASA are in the process of implementing an intragroup merger between the companies. During Q4 2022, the Norwegian Financial Supervisory Authority (the "NFSA") and the Swedish Financial Supervisory Authority (the "SFSA") approved the merger. All necessary regulatory approvals to complete the merger have accordingly been obtained. The merger is expected to be completed during Q1 2023 at the latest.

The merger will be implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian newly established branch of Nordax, which has been approved by the NFSA and the SFSA. The merger will not impact the services and products offered by Nordax and Bank Norwegian, and the two respective brands will continue to coexist.

Result January–September 2022

GROUP

Operating profit amounted to MSEK 1,252 (645). The increase is explained by the consolidation of Bank Norwegian and growing lending. However, the result includes increased costs among other things driven by the ongoing integration of Bank Norwegian.

Net interest income amounted to MSEK 4,966 (1,352). The increase is mainly due to the consolidation of Bank Norwegian. Net interest income also increased through growing lending and by the review carried out during the first quarter regarding estimated effective interest rate.

Credit losses amounted to MSEK -1,570 (-114), corresponding 2.7 per cent (0.5) of average lending. The increase is mainly explained by the consolidation of Bank Norwegian, but also by estimated effective interest rate.

Operating expenses amounted to MSEK -2 208 (-646). The increase is mainly explained by the consolidation of Bank Norwegian, but also by investments in operations, among other things connected to the ongoing integration work, increased personnel costs and sales-related costs.

PARENT COMPANY

Operating profit amounted to MSEK 1,137 (593). The increase is mainly due to a dividend of MNOK 719.6 from the subsidiary Bank Norwegian but the result is also negatively affected by exchange rate effects related to the strengthening of the Norwegian krona and by increased costs.

Net interest income amounted to MSEK 1,404 (1,132). The increase is mainly due to increased lending. The review carried out during the first quarter regarding estimated effective interest rate also had a positive effect but at the same time net interest income was negatively affected by increased financing costs.

Credit losses amounted to MSEK -349 (-108), corresponding 1.5 per cent (0.6) of average lending. The change is primarily explained by the estimated effective interest rate.

Operating expenses amounted to MSEK -778 (-594). The increase is explained by investments in operations, increased personnel costs and sales-related costs.

Risks and internal control

RISKS AND UNCERTAINTIES

Bank Norwegian ASA was acquired in 2021, increasing the scope and complexity of the new consolidated situation's business and risks. The increased complexity is apparent, for example, in the addition of new Norwegian companies that comply with Norwegian law and the Norwegian implementation of governing regulations. This places greater demands on compliance but is fully in line with the Group's aim to achieve a high level of compliance with often complex regulations. Large-scale efforts have been executed during the period to establish a new Group-wide framework for risk appetite and risk management, as well as to increase the general level of Governance Risk and Compliance maturity within the Group, in order to handle the greater complexity and meet the new and increased requirements that apply to the Group.

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, compliance risks, the risk of exposure to financial crime and business risks.

As the business of Bank Norwegian is conducted in Norway by a Norwegian group operating in several currency areas in Europe, the acquisition has resulted in a significantly increased market risk, which has prompted a greater focus in the business on the good management of market risk. The Group's derivatives, which comprise interest rate swaps and

currency swaps, have been entered into in order to hedge the risks relating to interest rate and exchange rate exposures that arise in the Group's operations. All derivatives are measured at fair value in the statement of financial position.

The Group's overall risk policy and risk appetite policy set out the Group's appetite for each risk and the relevant strategy, as well as roles and responsibilities, for managing the risk.

INTERNAL CONTROL

The Group has established an organization of independent risk control and compliance functions 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) as well as the European Banking Authority's Guidelines on internal governance. The risk control and compliance work within the Group is led and coordinated by the Board's appointed Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) respectively. Significant companies in the Group have their own autonomous control functions with independent areas of responsibility. All independent control functions report directly to their respective Boards of Directors and CEOs. Since January 2022 the internal audit is performed by EY.

Key Figures

GROUP	Q3	Q2	Q3	JAN-SEP	JAN-SEP
	2022	2022	2021	2022	2021
Common Equity Tier 1 Capital Ratio in %	15.2	15.1	15.6	15.2	15.6
Return on equity in %	9.4	6.1	17.8	6.7	18.8
Net credit loss level % ¹	2.4	2.4	0.7	2.7	0.5
Cost to income ratio %	39	49	44	44	46
Number of employees ²	595	557	361	595	361

PARENT COMPANY	Q3	Q2	Q3	JAN-SEP	JAN-SEP
	2022	2022	2021	2022	2021
Common Equity Tier 1 Capital Ratio in %	18.5	18.3	16.7	18.5	16.7
Return on equity in %	2.2	15.5	18.1	7.6	19.1
Net credit loss level in % ¹	1.7	1.3	0.9	1.5	0.6
Cost to Income ratio in %	42	24	44	34	46
Number of employees ²	438	419	344	438	344

¹ Including new estimated effective interest rate from Q1 2022.
² Number of employees is recalculated to full time employees.

Consolidated income statement

GROUP		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Operating income						
Interest income	8	2,023	1,885	562	5,766	1,641
Interest expense	8	-309	-258	-99	-800	-289
Total net interest income		1,714	1,627	463	4,966	1,352
Commission income						
Commission income	8	120	108	21	297	59
Net profit from financial transactions	8	-51	-62	-3	-234	-6
Other operating income		0	0	-	0	-
Total operating income		1,783	1,673	481	5,029	1,405
Operating expenses						
General administrative expenses	8	-458	-488	-169	-1,339	-506
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8	-62	-62	-6	-187	-19
Other operating expenses	8	-178	-271	-38	-681	-121
Total operating expenses		-698	-821	-213	-2,207	-646
Profit before credit losses		1,085	852	268	2,822	759
Net credit losses	3, 8	-492	-466	-53	-1,570	-114
Operating profit		593	386	215	1,252	645
Tax on profit for the period		-142	-92	-51	-294	-147
NET PROFIT FOR THE PERIOD		451	294	164	958	498

Consolidated statement of comprehensive income

		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		23	87	-	226	-
Tax on gains and losses on revaluation during the year		-5	-21	-	-51	-
Total cash flow hedges		18	66	-	175	-
Translation of foreign subsidiaries						
Translation of foreign subsidiaries		-374	-534	-	-158	-
Hedge accounting of net investment before tax		212	280	-	-401	-
Tax		-43	-56	-	83	-
Total translation differences		-205	-310	-	-476	-
Items not to be reclassified in the income statement						
Changes in value of other shares		-	4	-	4	-
Total		-	4	-	4	-
Total other comprehensive income		-187	-240	-	-297	-
COMPREHENSIVE INCOME		264	54	164	661	498
Attributable to:						
The Parent Company's shareholders		264	70	164	644	498
Holders of Tier 1 capital		0	-16	-	17	-

Parent Company income statement

PARENT COMPANY		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Operating income						
Interest income		741	652	508	2,028	1,475
Interest expense		-239	-199	-155	-624	-343
Total net interest income		502	453	353	1,404	1,132
Received group contribution		-	757	-	757	-
Commission income		29	26	11	70	46
Net profit from financial transactions		-49	-94	-2	-237	-6
Other operating income ¹		91	92	85	270	123
Total operating income		573	1,234	447	2,264	1,295
Operating expenses						
General administrative expenses		-196	-244	-164	-633	-492
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-2	-2	-2	-6	-7
Other operating expenses		-41	-49	-31	-139	-95
Total operating expenses		-239	-295	-197	-778	-594
Profit before credit losses		334	939	250	1,486	701
Net credit losses ¹	3	-136	-95	-52	-349	-108
Operating profit		198	844	198	1,137	593
Tax on profit for the period		-86	-80	-48	-20	-138
NET PROFIT FOR THE PERIOD		112	764	150	1,117	455

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

Parent company statement of comprehensive income

All amounts are in MSEK		Q3	Q2	Q3	JAN-SEP	JAN-SEP
		2022	2022	2021	2022	2021
	Note					
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		21	54	-	132	-
Tax on gains and losses on revaluation during the year		-4	-12	-	-27	-
Total cash flow hedges		17	42	-	105	-
Items not to be reclassified in the income statement						
Changes in value of other shares		-	4	-	4	-
Total		-	4	-	4	-
Total other comprehensive income		17	46	-	109	-
COMPREHENSIVE INCOME		129	810	150	1,226	455
Attributable to:						
The Parent Company's shareholders		126	815	150	1,211	455
Holders of Tier 1 capital		3	-5	-	15	-

Consolidated statement of financial position

All amounts are in MSEK	Note	GROUP		PARENT COMPANY	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
ASSETS					
Lending to central banks	6,7	3,529	1,924	2 833	1,088
Lending to credit institutions	6,7,9	1,905	3,080	835	1,503
Lending to the general public	4,6-9	83,879	70,681	33 701	26,647
Bonds and other fixed-income securities	6,7	13,627	23,318	3 114	2,531
Derivatives	6,7	845	140	547	3
Shares in subsidiaries		-	-	21 116	21,115
Change in the value of currency-hedged shares in subsidiaries		-	-	691	369
Other shares	6,7	177	154	150	127
Intangible assets		8,833	9,044	4	8
Tangible assets		10	11	5	7
Right-of-use assets		68	82	-	-
Current tax assets		13	2	134	15
Deffered tax assets		2	-	4	51
Other assets	6,7	291	81	2 332	1,670
Prepaid expenses and accrued income		85	63	38	38
TOTAL ASSETS		113,264	108,580	65 504	55,172
LIABILITIES, PROVISIONS AND EQUITY					
Liabilities					
Liabilities to credit institutions	6,7	7,872	6,609	-	-
Deposits from the general public	6,7	71,985	67,424	37 754	30,035
Issued securities	6,7	9,863	10,866	1 282	1,480
Liabilities to securitization firms ¹		-	-	2 573	2,528
Derivatives	6,7	520	437	126	295
Current tax liabilities		102	485	-	-
Deferred tax liability		783	787	-	1
Other liabilities	6,7	922	810	2 307	527
Accrued expenses and deferred income		462	476	215	244
Subordinated liabilities	6,7	1,519	1,733	970	972
Total liabilities		94,028	89,627	45 227	36,082
Equity					
Share capital		73	73	73	73
Other reserves		4,476	4,476	4 476	4,476
Other funds		-	-	2	5
Fair value reserve		39	35	39	35
Cash flow hedges		178	3	108	3
Tier 1 capital instruments		1,460	1,757	1 333	1,320
Translation of foreign operations, net		-369	109	-	-
Retained earnings, incl. profit for the year ²		13,379	12,500	14 246	13,178
Total equity		19,236	18,953	20 277	19,090
TOTAL LIABILITIES, PROVISIONS AND EQUITY		113,264	108,580	65 504	55,172

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.

² Whereof shareholder contributions SEK 9,450 million. (the contingent shareholder contribution amounts to SEK 8,449 million).

Statement of cash flows

GROUP	JAN-SEP 2022	JAN-SEP 2021
All amounts are in MSEK		
Operating activities		
Operating profit ¹	1,252	645
Adjustment for non-cash items		
Exchange rate effects	261	-37
Depreciation, amortization and impairment of property, plant & equipment	180	19
Amortization of financing costs	16	3
Reversal of acquired surplus value in lending to the general public	145	3
Unrealized changes in value of bonds and other fixed income securities	-728	3
Net changes in hedged items in hedge accounting	-143	-
Credit losses	2,347	506
Income tax paid	-624	-128
Dividend to parent company	-	-150
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-17,061	-4 266
Decrease/Increase in other assets	-752	-36
Decrease/Increase in deposits from the general public	5,413	3 042
Decrease/Increase in other liabilities	-46	78
Cash flow from operating activities	-9,740	-318
Investing activities		
Purchase of shares	-23	-302
Value change shares	4	-
Purchase of equipment & intangible assets	-2	-1
Investment in bonds and other interest bearing securities	-27,239	-36,814
Sale/disposal of bonds and other fixed income securities	37,619	35,248
Cash flow from investing activities	10,334	-1,869
Financing activities		
Change to liability to credit institutions	1,263	4,899
Change issued securities	-941	0
Change subordinated liabilities	-225	0
Tier 1 capital dividend ²	-55	-
Repayment of tier 1 capital	-311	-
Cash flow from financing activities	-269	4,899
Cash flow for the period	325	2,712
Cash and cash equivalents at the beginning of the period	5,004	1,829
Exchange rate differences and cash equivalents	105	3
Cash and cash equivalents at the end of the period	5,434	4,544

¹ Whereof received interest 5,055 MSEK (1,253 MSEK) and paid interest 514 MSEK (254 MSEK).

² Tier 1 capital issued refers to the cash received less transaction costs and interest paid.

Cash and cash equivalents is defined as lending to central banks excluding rix certificates and lending to credit institutions. Pledged cash and cash equivalents under Note 9 are available to Nordax in connection with monthly settlement under financing agreements and are therefore defined as cash and cash equivalents due to being pledged for a maximum of 30 days and therefore short-term.

Statement of changes in equity

GROUP

All amounts are in MSEK	Share capital	Other reserves	Translation of foreign operations	Fair value reserv	Cash flow hedges	Retained earning	Sum	Tier 1 capital instruments	TOTAL
OPENING BALANCE 1 JANUARY 2021	50	7	-	35	-	3,260	3,352	-	3,352
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	-40	-40	17	-23
Other comprehensive income	-	-	109	-	3	-	112	-	112
Total comprehensive income	-	-	109	-	3	-40	72	17	89
Reclassification	-	-	-	0	-	-5	-5	-	-5
Tier 1 capital instruments acquired ¹	-	-	-	-	-	-	-	428	428
Tier 1 capital instruments issued ¹	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments ¹	-	-	-	-	-	-10	-10	-4	-14
Transactions with shareholders									
Non-cash issue ²	23	4,469	-	-	-	-	4,492	-	4,492
New share issue ³	0	-	-	-	-	-	0	-	0
Shareholder contribution ³	-	-	-	-	-	9,450	9,450	-	9,450
Capital contributions	-	-	-	-	-	-6	-6	-	-6
Tax effect on capital contribution	-	-	-	-	-	1	1	-	1
Dividend to parent company	-	-	-	-	-	-150	-150	-	-150
Total transactons with shareholders	23	4,469	-	-	-	9,295	13,787	-	13,787
CLOSING BALANCE 31 DECEMBER 2021	73	4,476	109	35	3	12,500	17,196	1,757	18,953
OPENING BALANCE 1 JANUARY 2022	73	4,476	109	35	3	12,500	17,196	1,757	18,953
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	943	943	15	958
Other comprehensive income	-	-	-478	4	175	-	-299	2	-297
Total comprehensive income	-	-	-478	4	175	943	644	17	661
Paid interest Tier 1 capital instruments	-	-	-	-	-	-55	-55	-	-55
Change in Tier 1 capital instruments	-	-	-	-	-	-9	-9	-3	-12
Repayment of Tier 1 capital instruments ⁴	-	-	-	-	-	-	-	-311	-311
CLOSING BALANCE 30 SEPTEMBER 2022	73	4,476	-369	39	178	13,379	17,776	1,460	19,236

¹Instruments issued are deemed to meet the conditions for an equity instrument, of which MSEK 437 relating to Tier 1 capital instruments in Bank Norwegian as of 31 December 2021, corresponding MSEK 428 at the time of acquisition.

²A non-cash issue has taken place in connection with the closing of the acquisition of 100% of the shares in Bank Norwegian.

³New share issue and shareholder contributions have been received as part of the financing of the acquisition of Bank Norwegian. The contingent shareholder contribution amounts to MSEK 8,449.

⁴Bank Norwegian has repayed MNOK 300 of Tier 1 capital in June.

Statement of changes in equity

PARENT COMPANY

All amounts are in MSEK	Restricted equity			Non-restricted equity			Sum	Tier1 capital instruments	TOTAL
	Share capital	Other reserves	Other Funds	Fair value reserve	Cash flow hedges	Retained Earnings			
OPENING BALANCE 1 JANUARY 2021	50	7	10	35	-	2,917	3,019	-	3,019
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	971	971	11	982
Other comprehensive income	-	-	-	-	3	-	3	-	3
Total comprehensive income	-	-	-	-	3	971	974	11	985
Reclassification	-	-	-	0	-	-10	-10	-	-10
Tier 1 capital instruments issued ¹	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments ¹	-	-	-	-	-	-	-	-7	-7
Other reserves									
Capitalization	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-5	-	-	5	-	-	-
Total other reserves	-	-	-5	-	-	5	-	-	-
Transactions with shareholders									
Non-cash issue ²	23	4,469	-	-	-	-	4,492	-	4,492
New share issue ³	0	-	-	-	-	-	0	-	0
Shareholder contribution ³	-	-	-	-	-	9,450	9,450	-	9,450
Capital contributions	-	-	-	-	-	-6	-6	-	-6
Tax effect on capital contribution	-	-	-	-	-	1	1	-	1
Dividend to parent company	-	-	-	-	-	-150	-150	-	-150
Total transactions with shareholders	23	4,469	-	-	-	9,295	13,787	-	13,787
CLOSING BALANCE 31 DECEMBER 2021	73	4,476	5	35	3	13,178	17,770	1,320	19,090
OPENING BALANCE 1 JANUARY 2022	73	4,476	5	35	3	13,178	17,770	1,320	19,090
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	1,102	1,102	15	1,117
Other comprehensive income	-	-	-	4	105	-	109	-	109
Total comprehensive income	-	-	-	4	105	1,102	1,211	15	1,226
Paid interest in Tier 1 capital instruments	-	-	-	-	-	-39	-39	-	-39
Change in Tier 1 capital instruments	-	-	-	-	-	2	2	-2	-
Other reserves									
Capitalization	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-3	-	-	3	-	-	-
Total other reserves	-	-	-3	-	-	3	-	-	-
CLOSING BALANCE 30 SEPTEMBER 2022	73	4,476	2	39	108	14,246	18,944	1,333	20,277

¹Instruments issued are deemed to meet the conditions for an equity instrument, of which MSEK 437 relating to Tier 1 capital instruments in Bank Norwegian as of 31 December 2021, corresponding MSEK 428 at the time of acquisition.

²A non-cash issue has taken place in connection with the closing of the acquisition of 100% of the shares in Bank Norwegian.

³New share issue and shareholder contributions have been received as part of the financing of the acquisition of Bank Norwegian. The contingent shareholder contribution amounts to MSEK 8,449.

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, Sweden is a wholly owned subsidiary of Nordax Group AB (Corporate Identity Number 556993-2485), with its registered office in Stockholm. Nordax Group AB is owned by Nordax Holding AB (publ), which is primarily owned directly and indirectly by Nordic Capital Fund VIII, Nordic Capital Fund IX and Sampo Oyi. The Nordax Group includes Bank Norwegian ASA and Svensk Hypotekspension AB with their subsidiaries, as well as a number of direct subsidiaries of Nordax Bank AB (publ).

The Group's business is to conduct lending to the general public in the form of personal loans, mortgage loans, equity release mortgages and credit cards in the Nordic countries, Germany and Spain. Some of the subsidiaries' operations involve the acquisition of loan portfolios originating from Nordax Bank AB (publ) and Svensk Hypotekspension AB for the purpose of raising loan or bond financing. Some of these companies are dormant and currently do not conduct any operations.

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.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act. The Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities has also been applied.

Changed accounting policies that have applied as of 2022

During the period, no accounting standards were added, which have been published but not yet applied, with any significant effect on the Group's financial reports or on capital adequacy and large exposures. For the Group, fair value hedging has been expanded and from 2022 is also applied for changes in currency regarding lending to the public.

The report has otherwise been prepared in accordance with the same accounting principles and calculation methods that were applied in the annual report for 2021.

Note 3 Creditrisk

GROUP	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK	2022	2022	2021	2022	2021
Creditlosses, net - lending to the general public					
Stage 1	-37	-59	-3	-95	-30
Stage 2	-67	-49	14	-129	99
Stage 3	-388	-358	-64	-1 346	-183
Total creditlosses, net	-492	-466	-53	-1 570	-114

PARENT COMPANY	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK	2022	2022	2021	2022	2021
Creditlosses, net - lending to the general public					
Stage 1	-3	9	-2	31	-24
Stage 2	-34	20	14	-14	99
Stage 3	-99	-124	-64	-366	-183
Total creditlosses	-136	-95	-52	-349	-108

Note 4 Lending to the general public

GROUP

30 September 2022	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	24,149	8,527	17,963	17,105	1,621	5,542	74,907	-798	1%
Stage 2	1,490	38	1,259	1,150	117	193	4,247	-580	14%
Stage 3	2,561	3	4,415	3,231	338	402	10,950	-4,847	44%
Total	28,200	8,568	23,637	21,486	2,076	6,137	90,104	-6,225	7%
Reserve	-1,827	-24	-2,054	-1,661	-326	-333	-6,225		
Total	26,373	8,544	21,583	19,825	1,750	5,804	83,879		

GROUP

31 December 2021	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	19,050	7,612	16,469	12,626	489	4,466	60,712	-678	1%
Stage 2	1,264	18	1,092	1,253	29	134	3,790	-437	12%
Stage 3	3,030	3	4,604	4,638	242	456	12,973	-5,679	44%
Total	23,344	7,633	22,165	18,517	760	5,056	77,475	-6,794	9%
Reserve	-1,869	-8	-2,019	-2,250	-206	-442	-6,794		
Total	21,475	7,625	20,146	16,267	554	4,614	70,681		

The acquisition of Bank Norwegian included Stage 3 lending of MSEK 7,903 gross and MSEK 4,912 net. The lending acquired has reduced, but as a result of a strengthening in NOK since the acquisition, the Stage 3 lending acquired amounts to MSEK 8,018 gross and MSEK 4,966 net as of 31 December 2021. As of 30 September 2022 the lending acquired in Stage 3 has decreased, partly due to sales of NPL portfolios, and amounts to gross MSEK 3,695 and net MSEK 2,113. These have been reported gross in the table above.

PARENT COMPANY

30 September 2022	Sweden	Norway	Finland	Germany	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	17,468	6,298	5,789	328	-	29,883	-353	1%
Stage 2	879	494	292	24	-	1,689	-215	13%
Stage 3	2,175	1,745	1,158	251	-	5,329	-2,632	49%
Total	20,522	8,537	7,239	603	-	36,901	-3,200	9%
Reserve	-1,516	-872	-607	-205	-	-3,200		
Total	19,006	7,665	6,632	398	-	33,701		

PARENT COMPANY

31 December 2021	Sweden	Norway	Finland	Germany	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	13,525	5,289	3,940	386	-	23,140	-361	2%
Stage 2	783	334	222	29	-	1,368	-190	14%
Stage 3	1,794	1,846	1,335	242	295	5,512	-2,822	51%
Total	16,102	7,469	5,497	657	295	30,020	-3,373	11%
Reserve	-1,183	-1,010	-705	-202	-273	-3,373		
Total	14,919	6,459	4,792	455	22	26,647		

Note 5 Capital adequacy analysis

The information in this section is disclosed in accordance with Chapter 8, Section 4 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual reports at credit institutions and securities companies (FFFS 2008:25), information in Article 447 of Regulation (EU) No 575/2013 and Article 473a Section 2 (information that is required in accordance with EBA/GL/2018/01) as well as Chapter 8, Section 1 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding prudential requirements and capital buffers (FFFS 2014:12). The liquidity and funding information is disclosed in accordance with Chapter 5, Section 2 of the Swedish Financial Supervisory Authority's regulations regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7).

Combined buffer requirement

Nordax's combined buffer requirement consist of the capital conservation buffer requirement and the countercyclical capital buffer requirement. A systemic risk buffer requirement has been added as of November 2021 due to the acquisition of Bank Norwegian. The capital conservation buffer requirement is 2.5%. The countercyclical capital buffer requirement is calculated based on the specific geographical requirement where Nordax holds any credit exposure. During the third quarter, the requirements in Finland, Spain and Germany is 0%, in Sweden and Denmark 1% while the requirement in Norway is 1.5%. The systemic risk buffer requirement is 3 % of Bank Norwegian's REA.

Information about the corporate structure

The parent company in the consolidated situation is Nordax Holding AB (publ). The following companies are included in the consolidated situation when calculating capital requirements: Nordax Holding AB (publ), Nordax Group AB, Nordax Bank AB (publ), Nordax Sverige AB, Nordax Sverige 4 AB (publ), Nordax Sverige 5 AB (publ), Nordax Sweden Mortgage 1 AB (publ), Nordax Nordic 2 AB, Nordax Nordic 4 AB (publ), Svensk Hypotekspension AB and its subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ), as well as Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd.

In November 2021, Nordax Bank AB acquired Bank Norwegian ASA. As a result, Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd is included in the consolidated situation. The acquisition was funded by new share issuance in Nordax Holding AB (publ) amounting to SEK 9.7 billion, new issuance of Additional Tier 1 capital of SEK 1.4 billion, new issuance of Tier 2 capital of 650 MSEK, which of both was issued to external investors. The correspondent instruments and amounts was then downstream to Nordax Group AB as well as Nordax Bank AB. The acquisition was also funded via a non-cash issuance of Bank Norwegian's shares amounting to SEK 4.4 billion, unconditional shareholder contribution of SEK 1.0 billion and a conditional shareholder contribution of SEK 8.4 billion. In addition to the above, part of Bank Norwegian's AT1 capital and T2 capital as well as Nordax Banks T2 capital are also included in the consolidated situation's own funds, after deductions of third party-interests. For the third quarter, the included amounts from Bank Norwegian are MSEK 88 AT1 and MSEK 404 T2 while the amount of T2 capital included from Nordax Bank is MSEK 122.

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
OWN FUNDS				
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	22,778	22,409	10,651	9,360
Total deduction of regulatory adjustment to CET1 capital	-12,508	-12,573	-116	-11
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	10,270	9,836	10,534	9,349
Additional Tier 1 capital ⁴	1,421	1,545	1,333	1,320
Sum Tier 1 Capital	11,691	11,381	11,867	10,669
Tier 2 Capital ³	1,136	1,261	970	972
Total capital	12,827	12,642	12,837	11,641
Risk exposure amount, credit risk	61,537	54,965	46,381	41,340
Risk exposure amount, market risk	243	0	8,892	1,145
Risk exposure amount, operational risk	5,526	5,526	1,495	1,495
Risk exposure amount, credit value adjustment (CVA)	179	200	106	130
Total risk exposure amount (risk weighted assets)	67,485	60,691	56,875	44,110
Capital ratios and buffers				
Common Equity Tier 1 capital ratio	15.22%	16.21%	18.52%	21.20%
Tier 1 capital ratio	17.32%	18.75%	20.87%	24.19%
Total capital ratio	19.01%	20.83%	22.57%	26.39%
Total Common Equity Tier 1 capital requirement including buffer requirement	9.64%	9.22%	8.16%	7.60%
- of which, capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
- of which, countercyclical capital buffers	0.85%	0.31%	1.16%	0.60%
- of which systemic risk buffer	1.79%	1.91%	-	-
Common Equity Tier 1 capital available as buffer ¹	8.22%	9.21%	11.52%	14.20%
Specification own funds				
Common Equity Tier 1 capital:				
Capital instruments and related share premium	20,920	20,920	4,550	4,553
-of which share capital	2	2	73	73
- of which other contributed capital	20,917	20,918	4,476	4,476
-of which other funds	-	-	2	4
Retained earnings	397	612	4,680	3,547
Accumulated other comprehensive income	-	-	-	-
Deferred tax liabilities attributable to other intangible assets	566	593	-	-
Other transition adj. of common equity Tier 1 capital ⁵	174	275	156	240
Minority interest	-	-	-	-
Independently audited interim results after deductions of foreseeable dividends	722	9	1,264	1,020
Common Equity Tier 1 capital before regulatory adjusted	22,778	22,409	10,651	9,360
Regulatory adjustments:				
(-)Intangible assets	-12,313	-12,550	-4	-8
Additional value adjustments	-195	-23	-112	-3
Total regulatory adjustment to Common Equity Tier 1 capital	-12,508	-12,573	-116	-11
Common Equity Tier 1 capital	10,270	9,836	10,534	9,349
Additional Tier 1 capital				
-AT1 capital instrument, directly issued	1,333	1,332	1,333	1,320
-AT1 capital instrument, issued by subsidiaries that are given recognition in AT1 Capital	88	213	-	-
Tier 1 capital, total	11,691	11,381	11,867	10,669
Tier 2 capital instrument				
Tier 2 capital instrument, directly issued	610	634	970	972
Tier 2 capital instrument, issued by subsidiaries that are given recognition in T2 Capital	526	627	-	-
Total capital	12,827	12,642	12,837	11,641
Total risk exposure amount	67,485	60,691	56,875	44,110
Specification of risk exposure amount²				
Exposures to national governments and central banks	32	187	9	129
Exposures to regional governments and local authorities	244	1,159	-	-
Exposures to institutions	570	972	407	353
Exposures in the form of covered bonds	676	1,191	140	134
Retail exposures	47,389	38,205	18,504	14,106
Exposures secured by mortgages on immovable property	5,234	4,479	2,229	1,786
Equity exposures	177	154	21,956	21,611
Exposures in default	6,786	8,310	2,919	2,916
Exposures to corporates	-	-	-	-
Other items	430	507	215	305
Total risk exposure amount for credit risk, Standardized Approach	61,537	54,964	46,381	41,340

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
Foreign exchange risk	243	0	8,892	1,145
Total risk exposure amount for foreign exchange risk	243	0	8,892	1,145
Operational risk according to Alternative Standardized Approach	5,526	5,526	1,495	1,495
Total risk exposure amount for operational risks	5,526	5,526	1,495	1,495
Credit valuation adjustment risk (CVA)	179	200	106	130
Total risk exposure amount for credit valuation adjustment risk	179	200	106	130
Total risk exposure amount	67,485	60,691	56,875	44,110
Specification Own funds requirement ²				
Creditrisk				
Exposures to national governments and central banks	3	15	1	10
Exposures to regional governments and local authorities	20	93	-	0
Exposures to institutions	46	78	33	28
Exposures in the form of covered bonds	54	95	11	11
Retail exposures	3,791	3,057	1,480	1,130
Exposures secured by mortgages on immovable property	419	357	178	142
Equity exposures	14	12	1,757	1,729
Exposures in default	543	665	234	233
Exposures to corporates	-	0	-	0
Other items	34	41	17	24
Total capital requirement for creditrisk	4,923	4,397	3,710	3,307
Market risk				
Foreign exchange risk	19	0	711	92
Total risk exposure amount for market risk	19	0	711	92
Operational risk				
Operational risk according to Alternative standardized Approach	442	442	120	120
Total risk exposure amount for operational risk	442	442	120	120
Credit valuation adjustment risk (CVA)				
Credit valuation adjustment risk (CVA)	14	16	8	10
Total capital requirement for CVA risk	14	16	8	10
Total Capital Requirement	5,399	4,855	4,550	3,529
Capital Requirement, percent of REA				
Pillar 1	8.00%	8.00%	8.00%	8.00%
Pillar 2	3.93%	4.76%	1.14%	1.04%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	0.85%	0.31%	1.16%	0.60%
Systemic risk buffer - Norway	1.79%	1.91%	-	-
Total Capital Requirement	17.07%	17.48%	12.79%	12.14%
Capital Requirement, MSEK				
Pillar 1	5,399	4,855	4,550	3,529
Pillar 2	2,655	2,892	646	460
Capital conservation buffer	1,687	1,517	1,422	1,102
Institution-specific countercyclical buffer	574	185	658	266
Systemic risk buffer - Norway	1,208	1,159	-	-
Capital Requirement	11,522	10,608	7,276	5,357
LEVERAGE RATIO				
Total exposure measure for calculating leverage ratio, MSEK	109,848	105,585	63,924	54,123
Tier 1 capital, MSEK	11,691	11,381	11,867	10,669
Leverage ratio	10.64%	10.78%	18.56%	19.71%
Overall leverage ratio requirements, MSEK	3,295	3,168	1,918	1,624
Overall leverage ratio requirements, percentage	3%	3%	3%	3%

¹Available CET1 capital less CET1 capital used to fulfill the requirements under Pillar 1 and the capital conservation buffer requirement as a percentage of REA.

²The capital requirement amounts to 8% of the risk exposure amount in accordance with Regulation (EU) No 575/2013.

³The amount of capital instruments issued on solo-level by Nordax Bank and Bank Norwegian may only be included in the consolidated situation's own funds to cover each bank's capital requirements. As of 30 September 2022, the amount of T2 capital eligible to include from Nordax Bank was MSEK 122 and from Bank Norwegian MSEK 404. In October and November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Tier 2 capital with a value of MSEK 650.

⁴In November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Additional Tier 1 capital instrument amounting MSEK 1,400. Bank Norwegian's Additional Tier 1 capital instrument issued on solo-level was included in the consolidated situation's AT1 capital by MSEK 88.

⁵Nordax Bank AB and its consolidated situation applies the transitional arrangements in accordance with article 473a of Regulation (EU) no. 575/2013 with application of paragraphs 2 and 4. Template "Final report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements", EBA/GL/2018/01.

CONSOLIDATED SITUATION		a	b	c	d	e
All amounts are in MSEK		20220930	20220630	20220331	20211231	20210930
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,270	9,844	9,659	9,836	3,671
2	Tier 1 capital	11,691	11,262	11,276	11,381	3,671
3	Total capital	12,827	12,397	12,536	12,642	3,894
Risk-weighted exposure amounts						
4	Total risk exposure amounts	67,485	65,162	63,161	60,691	23,535
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.22%	15.11%	15.29%	16.21%	15.60%
6	Tier 1 ratio (%)	17.32%	17.28%	17.85%	18.75%	15.60%
7	Total capital ratio (%)	19.01%	19.03%	19.85%	20.83%	16.55%
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 (%)	3.46%	3.46%	3.56%	3.69%	-
EU 7b	of which: to be made up of CET1 capital (%)	2.35%	2.35%	3.56%	3.69%	-
EU 7c	of which: to be made up of Tier 1 capital (%)	2.59%	2.59%	-	-	-
EU 7d	Total SREP own funds requirements (%)	11.46%	11.46%	11.56%	11.69%	8%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	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 (%)	0.85%	0.42%	0.30%	0.31%	0.21%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	1.79%	1.79%	1.84%	1.91%	-
11	Combined buffer requirement (%)	5.14%	4.71%	4.64%	4.72%	2.71%
EU 11a	Overall capital requirements (%)	17.07%	16.75%	16.66%	17.48%	10.71%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.37%	8.26%	7.23%	8.02%	8.55%
Leverage ratio						
13	Leverage ratio total exposure measure (amounts)	109,848	109,165	109,173	105,585	41,965
14	Leverage ratio (%)	10.64%	10.32%	10.33%	10.78%	8.75%
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 (%)	-	-	-	-	-
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%	3.00%	3.00%	3.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio¹						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,060	7,830	7,236	6,008	4,729
EU 16a	Cash outflows - Total weighted value	9,451	7,622	5,738	3,857	2,653
EU 16b	Cash inflows - Total weighted value	4,514	4,029	3,461	3,154	2,820
16	Total net cash outflows (adjusted value)	4,937	3,593	2,277	964	663
17	Liquidity coverage ratio (%)	163.26%	217.94%	317.73%	623.03%	713.04%
Net Stable Funding Ratio						
18	Total available stable funding	104,763	104,949	105,445	102,580	42,216
19	Total required stable funding	85,342	81,800	79,357	76,258	33,262
20	NSFR ratio (%)	122.76%	128.30%	132.87%	134.52%	127%

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

The tabel below presents information in accordance with Regulation EU No 575/2013 Article 473a paragraph 6 and the disclosure requirement in Part 8 of the same Regulation.

Template IFRS 9-FL: Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

All amounts are in MSEK		T	T-1	T-2	T-3	T-4
		20220930	20220630	20220331	20211231	20210930
1	Common Equity Tier 1 (CET1) capital	10,270	9,844	9,659	9,837	3,671
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,096	9,706	9,522	9,562	3,456
3	Tier 1 capital	11,691	11,262	11,276	11,382	3,671
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,517	11,124	11,139	11,107	3,456
5	Total capital	12,827	12,397	12,536	12,643	3,894
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,653	12,260	12,398	12,368	3,679
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	67,485	65,162	63,161	60,690	23,535
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	67,311	65,025	63,023	60,416	23,320
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.22%	15.11%	15.29%	16.21%	15.60%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.00%	14.93%	15.11%	15.83%	14.82%
11	Tier 1 (as a percentage of risk exposure amount)	17.32%	17.28%	17.85%	18.75%	15.60%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.11%	17.11%	17.67%	18.38%	14.82%
13	Total capital (as a percentage of risk exposure amount)	19.01%	19.03%	19.85%	20.83%	16.55%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.80%	18.85%	19.67%	20.47%	15.78%
Leverage ratio						
15	Leverage ratio total exposure measure	109,848	109,165	109,173	105,310	41,964
16	Leverage ratio	10.64%	10.32%	10.33%	10.81%	8.75%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10.48%	10.19%	10.20%	10.55%	8.23%

Internally assessed capital requirement

As of 30 September 2022, the internally assessed capital requirement in the consolidated situation amounts to MSEK 2,655 (MSEK 2,629 as of 30 June 2022). Capital requirements according to pillar 2 are assessed using internal models for economic capital. Where applicable, methods established by the Financial Supervisory Authority are used. The total capital requirement, including combined buffer requirement, for the period amounts to MSEK 11,522 (MSEK 10,913 as of 30 June 2022).

Bank Norwegian has through the Norwegian Financial Supervisory Authority's (Finanstilsynet) SREP process received a Pillar 2 requirement of 5.8% and a recommended CET1 margin of 1%, of Bank Norwegian's total risk-weighted exposure amount. This exceeds the internally assessed capital requirements. Nordax includes Finanstilsynet's Pillar 2 requirement (5.8%) in the consolidated situation's total Pillar 2 requirement through the aggregation method.

Bank Norwegian's Pillar 2 requirements was previously considered to be covered by CET1 capital, in accordance with Finanstilsynet's requirement on Bank Norwegian at solo level. In the consolidated situation's ICLAAP process in Q2 the assessment of type of capital was revaluated resulting to a change in type of capital needed to cover Bank Norwegian's Pillar 2 capital requirements.

The requirement is covered in accordance with the same principle as the Swedish Financial Supervisory Authority's (Finansinspektionen) requirements. The result of this revaluation is, for risks that are also evaluated in Pillar 1 must be covered by 75% CET1 capital and the remaining part may be covered by T2 capital. For risks that arises only in Pillar 2 the capital requirements must be covered by 75% of T1 capital, of which 56,26% must be covered by CET1 capital. The remaining part may be covered by T2 capital.

Bank Norwegian's recommended CET1 margin, 1% of Bank Norwegian's total risk-weighted exposure amount, is not included in the consolidated situation's capital requirement, instead the CET1 margin is indirectly included in Nordax's combined board and management limit (1.5%). Nordax has not been subject to a SREP process by Finansinspektionen.

Leverage ratio

As of 28 June 2021 the capital requirement regulation (CRR) introduced a minimum leverage ratio requirement of 3.0%. The consolidated situation's leverage ratio for the period is 10.64% (10.32% as of 30 June 2022), which is well above the requirement of 3%.

Information about funding and liquidity risk

Nordax 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. Nordax uses asset-backed financing, where portions of the asset portfolios are pledged as collateral for funding. The long-term strategy is to match the maturity of the assets with the maturity of the liabilities. The strategy is to achieve a diversified funding platform consisting of equity, subordinated liabilities, asset-backed securities ("ABS"), credit facilities from banks, deposits from the general public and corporate bonds.

Nordax's funding strategy is to use funding sources that meet the following criteria:

- Provide a high level of matching, both currency and fixed-interest period, as well as the maturity of assets and liabilities.
- Offer diversification in terms of markets, investors, instruments, maturity, currency and counterparties, as well as geographically.
- Provide a low liquidity risk with a high capacity to refinance on maturity, as indicated by price stability, regular issue frequency and broad investor base.
- Provide access to relatively large volumes in order to satisfy the need of funding a growing balance sheet.

Nordax has an independent liquidity risk control function. The function reports directly to the Board of Directors and the CEO. The liquidity risk is reported at each Board meeting. The cash flows are calculated from expected maturity of all assets, liabilities and off-balance-sheet items. Key figures from the balance sheet (such as cash ratio, loan to deposit ratio, liquidity coverage ratio, net stable funding ratio and deposit usage) are calculated and monitored over time to highlight the financial structure and the liquidity risk. The liquidity risk is measured monthly with different scenarios and events (such as poorer advance rates and changed cash flows) and is highlighted on an individual basis and in combination.

The contingency funding plan contains clear responsibility and instructions of how to address a liquidity crisis. The plan specifies appropriate measures for handling the consequences of different types of crisis situations and contains definitions of events that trigger and escalate the contingency plan. The contingency funding plan has been tested and updated.

As of 30 September 2022, Nordax consolidated situation's Liquidity Coverage Ratio (LCR) is 135.0%¹ (140.4%¹ as of 30 June 2022). The Net Stable Funding Ratio (NSFR) is 122.8% (128.3% as of 30 June 2022), calculated in accordance with the definition in Regulation (EU) No 575/2013.

The consolidated situation's liquidity reserve as of September 30, 2022 amounts to SEK 18.7 billion (SEK 23.3 billion as of June 30, 2022). Of these investments, 36.1% (33.8% as of June 30, 2022) are invested in covered bonds, 8.4% (15.8% as of June 30, 2022) in Nordic credit institutions. The remaining part is invested in central banks and interest-bearing securities issued by central governments, municipalities, and supra nationals. The credit ratings of the investments are between AAA and A+. The average maturity of the liquidity reserve is 412 days (421 as of 30 June 2022).

As of 30 September 2022, Nordax's funding sources consists of MSEK 2,250 (2,250 as of 30 June 2022) asset-backed securities, MSEK 7,613 (8,576 as of 30 June 2022) corporate bonds, MSEK 7,872 (7,792 as of 30 June 2022) collateral funding from international banks and MSEK 71,985 (70,553 as of 30 June 2022) in deposits from the general public.

¹When calculating the consolidated situation's LCR, Nordax only includes the liquidity buffer required to cover Bank Norwegian's net outflow, as Nordax does not consider the liquidity in excess of 100% of Bank Norwegian's net outflow can be freely used by the consolidated situation. If Bank Norwegian's excess liquidity includes in the consolidated situation, the LCR would be 224.9% (352.4% as of 30 June 2022).

Note 6 Classification of financial assets and liabilities

GROUP

30 September 2022	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					
Lending to central banks	-	3,529	-	-	3,529
Lending to credit institutions	-	1,905	-	-	1,905
Lending to the general public	-	83,879	-	-	83,879
Bonds and other fixed-income securities	13,627	-	-	-	13,627
Other shares	27	-	-	150	177
Derivatives	754	-	-	91	845
Other assets	-	191	-	-	191
Total assets	14,408	89,504	-	241	104,153
Liabilities					
Liabilities to credit institutions	-	-	7,872	-	7,872
Deposits from the general public	-	-	71,985	-	71,985
Issued securities	-	-	9,863	-	9,863
Derivatives	520	-	-	-	520
Other liabilities	-	-	329	-	329
Subordinated liabilities	-	-	1,519	-	1,519
Total liabilities	520	-	91,568	-	92,088

GROUP

31 December 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	SUMMA
Assets					
Lending to central banks	-	1,924	-	-	1,924
Lending to credit institutions	-	3,080	-	-	3,080
Lending to the general public	-	70,681	-	-	70,681
Bonds and other fixed-income securities	23,318	-	-	-	23,318
Other shares	27	-	-	127	154
Derivatives	140	-	-	0	140
Other assets	-	2	-	-	2
Total assets	23,485	75,687	-	127	99,299
Liabilities					
Liabilities to credit institutions	-	-	6,609	-	6,609
Deposits from the general public	-	-	67,424	-	67,424
Issued securities	-	-	10,866	-	10,866
Subordinated liabilities	-	-	1,733	-	1,733
Derivatives	437	-	-	-	437
Other liabilities	-	-	119	-	119
Total liabilities	437	-	86,751	-	87,188

PARENT COMPANY

30 September 2022	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					
Lending to central banks	-	2,833	-	-	2,833
Lending to credit institutions	-	835	-	-	835
Lending to the general public	-	33,701	-	-	33,701
Bonds and other fixed-income securities	3,114	-	-	-	3,114
Other shares	-	-	-	150	150
Derivatives	547	-	-	-	547
Other assets	-	117	-	-	117
Total assets	3,661	37,486	-	150	41,297
Liabilities					
Liabilities to credit institutions	-	-	37,754	-	37,754
Deposits from the general public	-	-	1,282	-	1,282
Deemed loan liabilities	-	-	2,573	-	2,573
Derivatives	126	-	-	-	126
Other liabilities	-	-	251	-	251
Subordinated liabilities	-	-	970	-	970
Total liabilities	126	-	42,830	-	42,956

PARENT COMPANY

31 December 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					
Lending to central banks	-	1,088	-	-	1,088
Lending to credit institutions	-	1,503	-	-	1,503
Lending to the general public	-	26,647	-	-	26,647
Bonds and other fixed-income securities	2,531	-	-	-	2,531
Other shares	-	-	-	127	127
Derivatives	3	-	-	-	3
Other assets	-	0	-	-	0
Total assets	2,534	29,238	-	127	31,899
Liabilities					
Liabilities to credit institutions	-	-	30,035	-	30,035
Deposits from the general public	-	-	1,480	-	1,480
Deemed loan liabilities	-	-	2,528	-	2,528
Subordinated liabilities	-	-	972	-	972
Derivatives	295	-	-	-	295
Other liabilities	-	-	87	-	87
Total liabilities	295	-	35,102	-	35,397

Note 7 Fair value of financial assets and liabilities

GROUP

30 September 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	3,529	3,529	-
Lending to credit institutions ¹	1,905	1,905	-
Lending to the general public ²	83,879	88,478	4,599
Bonds and other fixed-income securities	13,627	13,627	-
Other shares	177	177	-
Derivatives	845	845	-
Other assets	191	191	-
Total assets	104,153	108,752	4,599
Liabilities			
Liabilities to credit institutions ¹	7,872	7,872	-
Deposits from general public ¹	71,985	71,985	-
Issued securities ³	9,863	9,742	-121
Derivatives	520	520	-
Other liabilities	329	329	-
Subordinated liabilities ³	1,519	1,509	-10
Total liabilities	92,088	91,957	-131

GROUP

31 December 2021	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	1,924	1,924	-
Lending to credit institutions ¹	3,080	3,080	-
Lending to the general public ²	70,681	74,375	3,694
Bonds and other fixed-income securities	23,318	23,318	-
Other shares	154	154	-
Derivatives	140	140	-
Total assets	99,297	102,991	3,694
Liabilities			
Liabilities to credit institutions ¹	6,609	6,609	-
Deposits from general public ¹	67,424	67,424	-
Issued securities ³	10,866	10,947	81
Derivatives	437	437	-
Subordinated liabilities ³	1,733	1,756	23
Total liabilities	87,069	87,173	104

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.

PARENT COMPANY

30 September 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	2,833	2,833	-
Lending to credit institutions ¹	835	835	-
Lending to the general public ²	33,701	38,196	4,495
Bonds and other fixed-income securities	3,114	3,114	-
Other shares	150	150	-
Derivatives	547	547	-
Other assets	117	117	-
Total assets	41,297	45,792	4,495
Liabilities			
Deposits from general public ¹	37,754	37,754	-
Liabilities to securitization firms ¹	2,573	2,573	-
Issued securities ³	1,282	1,282	0
Derivatives	126	126	-
Other liabilities	251	251	-
Subordinated liabilities ³	970	962	-8
Total liabilities	42,956	42,948	-8

PARENT COMPANY

31 December 2021	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	1,088	1,088	-
Lending to credit institutions ¹	1,503	1,503	-
Lending to the general public ²	26,647	30,279	3,632
Bonds and other fixed-income securities	2,531	2,531	-
Other shares	127	127	-
Derivatives	3	3	-
Total assets	31,899	35,531	3,632
Liabilities			
Deposits from general public ¹	30,035	30,035	-
Liabilities to securitization firms ¹	2,528	2,528	-
Issued securities ³	1,480	1,485	5
Derivatives	295	295	-
Subordinated liabilities ³	972	983	11
Total liabilities	35,310	35,326	16

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.

Calculation of fair value

Valuation technique for measuring fair value – level 1.

The fair value of financial instruments traded in an active market (e.g. financial assets held for trading and available-for-sale financial assets) is based on quoted market prices on the balance sheet date. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or monitoring authority are readily and regularly available and these prices represent real and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current purchase price.

Valuation techniques for measuring fair value – level 2.

- The value of lending to the general public has been measured based on observable market data by discounting the expected future cash flows of the assets to present value using a discount factor. The expected future cash flows have been based on the size of the portfolio at the end of the balance sheet date and an expected future cash flow on the maximum maturity of the portfolio.
- Fair value for bonds are measured, as in level 1, from market prices, with the difference that the prices are not considered from an active market. The market price derived in this case from buy and sell position prices, but regular trading does not take place in the bond. If market prices are missing, the value is calculated by discounting expected cash flows. For discounting, the current market interest rate on securities issued by similar issuers.

- The fair value of currency futures contracts is measured as the present value of future cash flows based on currency futures rates at the balance sheet date.

Fair value measurement using material, unobservable inputs – level 3.

Nordax has a holding of unlisted shares in Stabelo AB that is valued at fair value based on unobservable inputs. As of 30 September 2022 the value has been determined based on the issue price at the latest new issue which was in May 2022. Nordax subscribed for its pro rata share in the new issue, the value of which has been determined based on the issue price at the latest new issue. In addition to Stabelo, there are further unlisted shares that were included in the acquisition of Bank Norwegian.

The table below shows the changes that have occurred in relation to level 3 instruments:

Unlisted shares	MSEK
Opening balance 1 January 2021	127
Transfers from level 2	-
Acquisitions	27
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	-
Closing balance 31 December 2021	154
Acquisitions	19
Currency change	0
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	4
Closing balance 30 September 2022	177

GROUP

30 September 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities ¹	10,070	3,557	-	13,627
Other shares	-	-	177	177
Derivatives	-	845	-	845
Total assets	10,070	4,402	177	14,649
Liabilities				
Derivatives	-	520	-	520
Total liabilities	-	520	-	520

GROUP

31 December 2021	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	1,716	21,602	-	23,318
Other shares	-	-	154	154
Derivatives	-	140	-	140
Total assets	1,716	21,742	154	23,612
Liabilities				
Derivatives	-	437	-	437
Total liabilities	-	437	-	437

¹ During Q2, a thorough review has been made of what is considered an active market.

PARENT COMPANY

30 September 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	2,243	871	-	3,114
Other shares	-	-	150	150
Derivatives	-	547	-	547
Total assets	2,243	1,418	150	3,811
Liabilities				
Derivatives	-	126	-	126
Total liabilities	-	126	-	126

PARENT COMPANY

31 December 2021	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	1,716	815	-	2,531
Other shares	-	-	127	127
Derivatives	-	140	-	140
Total assets	1,716	955	127	2,798
Liabilities				
Derivatives	-	295	-	295
Total liabilities	-	295	-	295

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. 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. The business models of both Nordax and Bank Norwegian are to conduct cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany and Spain. Activities are also conducted in the form of SHP's lending of equity release mortgages.

Q3 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	565	110	616	531	40	161	2 023
Interest expenses	-122	-39	-96	-40	-5	-7	-309
Total net interest income	443	71	520	491	35	154	1 714
Commission income	35	0	59	19	0	7	120
Net profit from financial transactions ¹	-8	-1	-18	-13	0	-4	-51
Total operating income	470	70	561	497	35	157	1 783
General administrative expenses	-143	-7	-207	-63	-17	-21	-458
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-6	-1	-27	-14	-1	-13	-62
Other operating expenses	-35	-9	-53	-47	-18	-16	-178
Total operating expenses	-184	-17	-287	-124	-36	-50	-698
Profit before credit losses	285	53	275	373	-1	107	1,085
Net credit losses	-199	-5	-85	-104	-68	-31	-492
Operating profit	86	48	190	269	-69	76	593
Balance sheet							
Lending to the general public	26,373	8,544	21,583	19,825	1,750	5,804	83,879

Q2 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	521	90	608	492	28	146	1,885
Interest expenses	-88	-30	-92	-34	-4	-10	-258
Total net interest income	433	60	516	458	24	136	1,627
Commission income	43	0	46	13	-1	7	108
Net profit from financial transactions ¹	-16	1	-30	-12	0	-5	-62
Total operating income	460	61	532	459	23	138	1,673
General administrative expenses	-164	-8	-196	-83	-17	-20	-488
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-7	-1	-26	-14	-1	-13	-62
Other operating expenses	-46	-8	-61	-58	-63	-35	-271
Total operating expenses	-217	-17	-283	-155	-81	-68	-821
Profit before credit losses	243	44	249	304	-58	70	852
Net credit losses	-198	-9	-197	17	-40	-39	-466
Operating profit	45	35	52	321	-98	31	386
Balance sheet							
Lending to the general public	24,208	8,226	21,137	18,211	1,456	5,480	78,718

Q3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income	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 ¹	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	-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

Q1-3 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	1,589	283	1,850	1,515	86	443	5,766
Interest expenses	-287	-96	-273	-108	-12	-24	-800
Total net interest income	1,302	187	1,577	1,407	74	419	4,966
Commission income	105	0	132	43	-1	18	297
Net profit from financial transactions ¹	-33	0	-74	-35	0	-11	-234
Total operating income	1,374	187	1,635	1,415	73	426	5,029
General administrative expenses	-445	-22	-554	-210	-47	-61	-1,339
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-20	-3	-80	-42	-3	-39	-187
Other operating expenses	-121	-30	-173	-159	-118	-80	-681
Total operating expenses	-586	-55	-807	-411	-168	-180	-2,207
Profit before credit losses	787	132	829	1,004	-95	246	2,822
Net credit losses	-575	-16	-403	-374	-122	-80	-1,570
Operating profit	212	116	426	630	-217	166	1,252
Balance sheet							
Lending to the general public	26,373	8,544	21,583	19,825	1,750	5,804	83,879

Q1-3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income	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 ¹	-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 ²	-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

¹FX effects amount to MSEK -81 for Q1 - Q3 2022 (MSEK -2) and is not allocated.

Note 9 Pledged assets and contingent liabilities

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-09-30	2021-12-31	2022-09-30	2021-12-31
Pledged assets for own liabilities				
Lending to the general public	11,089	10,007	4,000	4,000
Lending to credit institutions	415	412	-	-
Cash collateral for derivatives	191	309	117	309
Total	11,695	10,728	4,117	4,309

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-09-30	2021-12-31	2022-09-30	2021-12-31
Other commitments				
Granted but unpaid loans	192	215	151	177
Granted but unutilized card credits	48,520	47,721	-	-
Total	48,712	47,936	151	177

All pledged assets are for the Group's asset related funding operations; securitisation and funding with collateral with international banks and derivative contracts.

Note 10 Transactions with related parties

The intra-group loan agreement of MNOK 500 entered into at market terms in December 2021 between Nordax Bank AB (publ) (borrower) and Bank Norwegian ASA (lender) were paid out in January 2022.

In March 2022 Nordax Bank AB (borrower) and Bank Norwegian ASA (lender) entered into a intra-group loan agreement of MNOK 1,000 on market terms. Payment of the loan was made in April 2022.

In June 2022, Nordax Bank AB (publ) (lender) and Bank Norwegian ASA (borrower) entered into an agreement for a subordinated loan of SEK 700 million with a term of 3 years. The loan is based on standard documentation from Nordic Trustee and may be included in the capital base for Bank Norwegian ASA.

In April 2022 SHP AB raised a new bilateral secured financing of SEK 1.75 billion through its subsidiary SHP 5. Among other things, the intra-group financing between Nordax Bank AB (publ) (lender) and Svensk Hypotekspension AB (borrower) was reduced.

In June, the dividend from the subsidiary Svensk Hypotekspensions AB of MSEK 200 was paid to Nordax Bank AB (publ).

All amounts are in MSEK	ASSETS		LIABILITIES		INCOME		COSTS	
	22-09-30	21-12-31	22-09-30	21-12-31	22-09-30	21-12-31	22-09-30	21-12-31
Nordax Holding AB	5	4	-205	-205	-	-	-	0
Nordax Group AB	3	3	-109	-44	-	1	-5	-7
Bank Norwegian ASA inkl dotterbolag	700	-	-1,553	-	12	-	-26	-
Svensk Hypotekspension AB	1,489	1,657	0	-35	38	75	-2	-2
Nordax Sverige AB	58	58	-63	-63	-	73	0	-
Nordax Sverige 4 AB (publ)	0	0	-	-1	-	-	-	0
Nordax Sverige 5 AB	1,690	1,510	-87	-46	214	93	-	-
Nordax Sweden Mortgage 1 AB (publ)	-	-	-	-	-	-	0	-
Nordax Nordic 2 AB	5	1	-	-	-	-	0	0
Nordax Nordic 4 AB	0	0	-25	-23	0	0	-	-
Summa	3,951	3,232	-2,042	-418	264	242	-33	-9

Note 11 Important events after the balance sheet date

In October, Nordax through its subsidiary Nordax Sweden Mortgages 1 AB (publ), signed a new bilateral secured financing vehicle with a frame of SEK 2.3 billion with an international Bank.

As previously announced, Nordax Bank AB (publ) and Bank Norwegian ASA are in the process of implementing an intragroup merger between the companies. During Q4 2022, the Norwegian Financial Supervisory Authority (the "NFSA") and the Swedish Financial Supervisory Authority (the "SFSA") approved the merger. All necessary regulatory approvals to complete the merger have accordingly been obtained. The merger is expected to be completed during Q1 2023 at the latest.

The merger will be implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian newly established branch of Nordax, which has been approved by the NFSA and the SFSA. The merger will not impact the services and products offered by Nordax and Bank Norwegian, and the two respective brands will continue to coexist.

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.

Return on equity

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

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).

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.

C/I ratio excl. acquisition costs

Operating expenses, excluding acquisition costs for Bank Norwegian, as a percentage of operating income.

Credit loss level

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

Credit loss in % excl. initial effect of acquisitions

Net credit losses, excl. initial ECL effect, as a percentage of the average loan portfolio.

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.

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.

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.

Own funds¹

The sum of Tier 1 and Tier 2 capital.

Tier 1 capital ratio¹

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

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.

Net Stable Funding Ratio (NSFR)

Measures and monitors the relationship between available stable funding and required stable funding over a one-year period.

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.

Other Tier 1 capital¹

Subordinated liabilities that are perpetual and meet certain conditions to be counted as Tier 1 capital when calculating the size of the capital base.

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 2022 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 November 8, 2022

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