

Nordax Bank AB (publ)

INTERIM REPORT JANUARY-DECEMBER 2022

About the Group

ABOUT THE GROUP

Nordax Bank AB (publ) (Corporate Identity Number 556647-7286) (hereinafter "Nordax" or "Nordax Bank"), with its registered office in Stockholm at Box 23124, SE-104 35 Stockholm, Sweden, telephone number +46 8 508 808 00, www.nordaxgroup.com, 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 to about 35 per cent, Nordic Capital Fund IX to about 45 per cent and Sampo Oyi to about 20 per cent. On December 31 2022, Nordax Group AB controlled 100 per cent of the shares in the Company. This is Nordax's nineteenth financial year.

A cross-border legal merger has been implemented between Nordax and Bank Norwegian ASA. Bank Norwegian ASA's operations will hereafter be carried through a norwegian branch Nordax Bank, Bank Norwegian, a branch to Nordax Bank AB (publ). Thereafter the Nordax Bank Group consists of Nordax Bank AB (publ) and its subsidiary Svensk Hypotekspension AB (hereinafter "SHP") and its subsidiaries. SHP consists of Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ). Furthermore, Nordax Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgage 1 AB (publ) and Lilienthal Finance Ltd 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–December 2022, Bank Norwegian is fully included in the outcome for the Group, but only for November – December 2021 in the corresponding comparison period.

Nordax Bank AB was authorized on 27 January 2004 as a credit market company to carry out finance activities. On 5 December 2014, Nordax received approval to carry out 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 and Oslo, Nordax conducts cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany, the Netherlands and Spain 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 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 now merged subsidiary Bank Norwegian ASA, 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. Since 2018, loans secured against residential property are offered in Sweden and, as 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 branch Bank Norwegian.

Nordax also offers savings accounts to the general public in Sweden, Norway, Finland, Denmark, 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 – DECEMBER

Portfolio development

Total lending as of 31 December 2022 amounted to SEK 88.8 billion (SEK 70.7 billion as of 31 December 2021), during 2022 approximately 85 per cent was driven by increased volumes and approximately 15 per cent by currency effects. All products contributed to the increase in volume.

Personal loans and credit cards

During 2022 Nordax's portfolios of both private loans and credit cards continued to show good growth. As of 31 December, the total volume of personal loans and credit cards amounted to SEK 73.0 billion (SEK 58.0 billion as of 31 December 2021), during 2022 approximately 80 per cent was driven by higher volumes and approximately 20 per cent due to currency effects.

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 6.9 billion as of 31 December 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 8.8 billion as of 31 December 2022 (SEK 7.6 billion as

of 31 December 2021).

Capital and liquidity

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

The CET1-capital ratio for the period is 15.07% (15.22% as of 30 September 2022), the Tier 1 capital ratio is 17.08% (17.32% as of 30 September 2022) and the total capital ratio is 18.90% (19.01% as of 30 September 2022).

The CET1-capital ratio requirement for the period is 10.36% (12.25% as of 30 September 2022), Tier 1 requirement is 12.15% (14.09% as of 30 September 2022) and the total capital ratio requirement is 15.01% (17.07% as of 30 September 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 decreased during the period mainly due to the systemic risk buffer, that at the end of the third period of 2022 amounted to 1.79%, is no longer applicable for Nordax after the legal merger of Bank Norwegian. During the period the countercyclical capital buffer in Denmark and Norway has increased to 2%, which increases Nordax's countercyclical capital buffer requirements to 1.04% (0.85% as of 30 September 2022).

Nordax's CET1 capital increased during the fourth quarter amounting to SEK 10,724 billion (SEK 10,270 billion as of 30 September 2022) mostly driven by the positive net profit but also by repossessed credit provisions.

The leverage ratio is 10.42% (10.64% as of 30 September 2022).

Nordax's liquidity reserve amounts to SEK 20.3 billion (SEK 18.7 billion as of 30 September 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 253.2% (135.0%¹ as of 30 September 2022).

Net stable funding ratio (NSFR) is 122.0% (122.8% as of 30 September 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 77.1 billion for the period (72.0 billion as of 30 September 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 fourth quarter. The war in Ukraine, soaring energy prices and generally high inflation continued to pressure both households and corporations and during December the already high energy prices reached new all-time high levels. The central banks thereby continued their planned cycles for interest rate hikes, with further upward revisions from the Swedish and Norwegian central banks, as well as from their peers in other countries. The interest rate increase and high energy prices, together with generally increased prices, has had an impact on the customers of Nordax, as well as on the society at large, and Nordax has continued to carefully monitor the potential effects. Because of the rising interest rate levels, Nordax has continued to raise interest rates on lending and deposits in

all markets.

Subsequent events during 2022

During December, Nordax completed the sale of two NPL portfolios in Norway, Finland, and Denmark. This resulted in a decrease of MSEK 2.328 in gross loans. Together with the sale of six NPL portfolios earlier during the year the total portfolio sale during 2022 now amounts to MSEK 5.681, which generated a positive impact on results of just below MSEK 50. This has contributed to the decrease in the ratio between Stage 3 gross lending and total gross lending, reaching 10.3% for full year 2022 compared to 16.7% for the full year 2021.

On November 30, 2022, the intra-group legal merger between Nordax and Bank Norwegian ASA was implemented. The legal merger was carried out with Nordax as the acquiring company and Bank Norwegian as the transferring company, and Bank Norwegian activities will thereafter be carried on through a Norwegian branch to Nordax, which formal name is Bank Norwegian a branch of Nordax Bank AB (publ). The legal merger does not affect the services and products that Nordax and Bank Norwegian offer. In conjunction with the intra-group legal merger, Daniel Bertlin was elected to the Nordax board as an employee representative and Klara-Lise Aasen, Merete Gillund as well as Fredrik Mundal were elected to the Management team.

On November 14, 2022, Nordic Credit Rating awarded Bank Norwegian a credit rating of BBB with stable outlook and the short term credit rating N3, for the period up to the date of the execution of the legal merger.

On November 11, 2022 S&P Global Ratings recalled at the request of Bank Norwegian, its BBB-/A-3 credit rating for Bank Norwegian. S&P Global Ratings assessed Bank Norwegian forecasts as stable at the time of the withdrawal of the credit rating.

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.

During the fourth quarter two of Nordax unsecured bonds, with a total of SEK 1.7 billion, matured. The total maturity and repurchases of unsecured bonds during 2022 amounts to SEK 3.7 billion.

During the fourth quarter Nordax terminated a couple of financing sources. After approval from the Norwegian Finanstilsynet the, at the time, subsidiary, Bank Norwegian settled a subordinated loan of MNOK 200 and a Tier 1 capital loan of MNOK 300. In addition to this the subsidiary SHP terminated a bilateral finance of MSEK 500.

In June 2022, Nordax obtained a confirmed credit rating of BBB with stable forecasts from Nordic Credit Rating. This credit rating strengthens Nordax opportunities to seek more market finance to attractive terms as well as attract new investors within capital markets.

In April 2022 Stabelo, where Nordax owns about 9%, completed a rights issue of MSEK 200. Nordax subscribed its pro rata part of MSEK 19 MSEK in the rights issue.

During the first quarter SHP, via its subsidiary Svensk Hypotekspension 5 AB (publ), received a new bilateral secured financing of SEK 1,75 billion with an international bank. The financing was paid out in April and contributed

to further strengthen the Group's liquidity and financial position.

Subsequent events

In the beginning of 2023 Anna Storåkers left the Nordax Board and Ragnhild Wiborg has been elected to the Board.

In the beginning of the year, it was communicated that during the first half year of 2023, Klara-Lise Aasen will resign from the role as Branch Manager and will be replaced by Merete Gillund, who at the moment is a member of the Management team and responsible for Innovation and Strategic Projects. In February Tore Andresen, the COO for Nordax Banks Norwegian branch Bank Norwegian, became a member of the Management team.

Result January–December 2022

GROUP

Operating profit amounted to MSEK 1,329 (-33). The increase is explained by Bank Norwegian operation affecting the full 2022, as opposed to the comparison period 2021 which only includes Bank Norwegian during November–December, growing lending and by 2021 being affected by negative technical accounting effects regarding credit losses relating to the acquisition of Bank Norwegian. Operating profit for 2022 also includes increased costs, among other things, driven by the ongoing integration of Bank Norwegian, impairment of intangible assets related to Lilienthal Finance Ltd of MSEK 201 during the fourth quarter and increased provisions for expected credit losses.

Net interest income amounted to MSEK 6,747 (2,532). 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.

Depreciation, amortization and impairment of property, plant and equipment and intangible assets amounted to MSEK -449 (-62). The increase is mainly assignable to impairment of intangible assets relating to Lilienthal Finance Ltd of MSEK 201 in the fourth quarter as well as depreciation according to plan of intangible assets upon acquisition of Bank Norwegian ASA of MSEK 143 and other depreciations of MSEK 105.

Other operating expenses amounted to MSEK -2,751 (-1,588). 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.

Credit losses amounted to MSEK -2,425 (-1,013), corresponding to 3.0 per cent (2.1) of average lending. The increase is mainly explained by the consolidation of Bank Norwegian, but also by the estimated effective interest rate and increased provisions for expected credit losses. Credit losses were also affected negatively by increased provisions related to a deteriorated macroenvironment which contributed with MSEK -120 credit losses in the fourth quarter and with MSEK -162 during 2022.

Taxes amounted to MSEK -356 (MSEK 10) for the full year. Depreciation on intangible assets is the main explanation to the deviation to the Group's nominal taxbase.

PARENT COMPANY

Operating profit amounted to MSEK 1,053 (1,061). The unchanged operating profit contains an increase driven by a dividend from the previous subsidiary Bank Norwegian, increased revenue as a result of increased lending and a decrease related to higher costs, higher credit losses. The operating profit was affected by credit losses amounting to MSEK 79 and a write-down of shares of MSEK 141 both related to Lilienthal Finance Ltd. As from the legal merger day the Norwegian branch's operating profit is included in the parent company.

Net interest income amounted to MSEK 2,320 (1,481). The increase is mainly due to increased lending in Sweden, the branch's contribution and the review regarding estimated effective interest rate.

Credit losses amounted to MSEK -984 (-213), whereof MSEK 79 assignable to Lilienthal Finance Ltd. The total credit losses correspond to 1.8 per cent (0.9) of average lending. The increase is primarily explained by increased lending, increased provisions for expected credit losses and the review regarding the estimated effective interest rate.

Operating expenses amounted to MSEK -1,282 (-809). The increase is mainly explained by increased costs regarding the legal merger of Bank Norwegian as well as by investments in operations, increased personnel costs, and sales-related costs.

Taxes amounted to MSEK 91 (MSEK -79). The deviation to the nominal tax base is substantially explained by taxable amounts like dividends from subsidiary as well as translation of fair value hedges of shares in subsidiary.

Risks and internal control

RISKS AND UNCERTAINTIES

2022 has featured Russia's invasion of Ukraine. High demand in combination with different interferences in production, transportation and energy supply has pushed up the rate of price increases in the world economy. In order to decrease the inflation, central banks around the world have raised their policy rates during the last year as well as communicated that they will continue to raise for a period of time. Largely rising inflation, higher living costs, increased interest rates and decreased real income implies stress on households and poses a risk to increased credit losses.

On November 30 the last step was taken regarding the acquisition of Bank Norwegian ASA, when there was a legal merger with Nordax as the acquiring company and Bank Norwegian as the transferred company. Bank Norwegian will hereafter be carried out via a Norwegian branch to Nordax.

During 2022 extensive work has been applied on developing a framework for Governance, Risk Management and Compliance (GRC) within and between the legal entities. The overall raise of the GRC-maturity has aimed at meeting the increased complexity and the increased and new demands that meets the Group due to the acquisition and the legal merger. This work has among other things included the establishment of a new group common framework for risk appetite, further development of processes for ongoing risk management and regulatory compliance. In parallel work with further developing the Group's independent governing framework for credit risk, market risk, liquidity risk and

operative risk has been conducted, which has helped to further strengthen the independent control of key risks, an important work not the least given the macroeconomic development.

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.

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.

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. All independent control functions report directly to their respective Board of Directors and CEOs. Since January 2022 the internal audit is performed by EY.

Key Figures

GROUP	Q4 2022	Q3 2022	Q4 2021	JAN-DEC 2022	JAN-DEC 2021
Common Equity Tier 1 Capital Ratio in %	15.1	15.2	16.2	15.3	16.2
Return on equity in %	0.3	9.4	-18.4	5.0	-0.2
Return on assets in %	0.0	0.4	-0.5	0.8	0.0
Net credit loss level % ¹	4.0	2.4	7.0	3.0	2.1
Credit losses in % excl. initial effect of acquisitions	-	-	2.8	-	1.0
Cost to income ratio %	52	39	82	46	63
C/I ratio in % excl. acquisition costs	-	-	41	-	41
Number of employees ²	592	595	474	592	474

PARENT COMPANY	Q4 2022	Q3 2022	Q4 2021	JAN-DEC 2022	JAN-DEC 2021
Common Equity Tier 1 Capital Ratio in %	15.7	18.5	21.2	15.7	21.2
Return on equity in %	0.5	2.2	18.8	6.0	8.9
Return on assets in %	0.0	0.2	1.0	1.0	1.8
Net credit loss level in % ³	4.5	1.7	1.6	1.8	0.9
Cost to Income ratio in %	42	42	27	37	39
Number of employees ²	573	438	348	573	348

¹ Including new estimated effective interest rate from Q1 2022 and including Lilienthal Finance Ltd credit losses of MSEK 79.

² Number of employees is recalculated to full time employees.

³ Including Lilienthal Finance Ltd credit losses of MSEK 79.

Consolidated income statement

GROUP		Q4	Q3	Q4	JAN-DEC	JAN-DEC
All amounts are in MSEK						
	Note	2022	2022	2021	2022	2021
Operating income						
Interest income	8	2,259	2,023	1,370	8,025	3,011
Interest expense	8	-478	-309	-190	-1,278	-479
Total net interest income		1,781	1,714	1,180	6,747	2,532
Commission income	8	117	120	107	414	166
Net profit from financial transactions	8	27	-51	-62	-207	-68
Other operating income		0	0	0	0	0
Total operating income		1,925	1,783	1,225	6,954	2,630
Operating expenses						
General administrative expenses	8	-537	-458	-813	-1,876	-1,319
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8	-262	-62	-43	-449	-62
Other operating expenses	8	-194	-178	-148	-875	-269
Total operating expenses		-993	-698	-1,004	-3,200	-1,650
Profit before credit losses		932	1,085	221	3,754	980
Net credit losses	3,8	-855	-492	-362	-2,425	-476
Credit losses, initial effect of acquisitions ²		-	-	-537	-	-537
Operating profit		77	593	-678	1,329	-33
Tax on profit for the period		-62	-142	157	-356	10
NET PROFIT FOR THE PERIOD		15	451	-521	973	-23

Consolidated statement of comprehensive income

	Note	Q4	Q3	Q4	JAN-DEC	JAN-DEC
All amounts are in MSEK						
		2022	2022	2021	2022	2021
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		-23	23	3	203	3
Tax on gains and losses on revaluation during the year		5	-5	-	-46	0
Total cash flow hedges		-18	18	3	157	3
Translation of foreign subsidiaries		740	-374	402	582	402
Hedge accounting of net investment before tax		-510	212	-369	-911	-369
Tax on hedge accounting		105	-43	-	188	76
Tax on translation differences		18	-	76	18	-
Total translation differences		353	-205	109	-123	109
Items not to be reclassified in the income statement						
Changes in value of other shares		-	-	-	4	-
Total		-	-	-	4	-
Total other comprehensive income		335	-187	112	38	112
COMPREHENSIVE INCOME		350	264	-409	1,011	89
Attributable to:						
The Parent Company's shareholders		320	264	-426	964	72
Holders of Tier 1 capital		30	0	17	47	17

Parent Company income statement

PARENT COMPANY		Q4	Q3	Q4	JAN-DEC	JAN-DEC
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Operating income						
Interest income		1,313	741	533	3,341	2,008
Interest expense		-397	-239	-184	-1,021	-527
Total net interest income		916	502	349	2,320	1,481
Received group contribution		150	-	387	907	387
Commission income		63	29	16	133	62
Net profit from financial transactions		-29	-49	-60	-266	-66
Other operating income ¹		96	91	96	366	219
Total operating income		1,196	573	788	3,460	2,083
Operating expenses						
General administrative expenses		-299	-196	-172	-933	-664
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-56	-2	-3	-62	-10
Other operating expenses		-148	-41	-40	-287	-135
Total operating expenses		-503	-239	-215	-1,282	-809
Profit before credit losses		693	334	573	2,178	1,274
Net credit losses	3	-635	-136	-105	-984	-213
Impairment loss on financial fixed assets ²		-141	-	-	-141	-
Operating profit		-83	198	468	1,053	1,061
Tax on profit for the period		111	-86	59	91	-79
NET PROFIT FOR THE PERIOD		27	112	527	1,144	982

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

² Impairment loss of shares in Lilienthal Finance Ltd.

Parent company statement of comprehensive income

All amounts are in MSEK		Q4	Q3	Q4	JAN-DEC	JAN-DEC
		2022	2022	2021	2022	2021
	Note					
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		-19	21	3	113	3
Tax on gains and losses on revaluation during the year		4	-4	-	-23	-
Total cash flow hedges		-15	17	3	90	3
Translation of foreign subsidiaries		-197	-	-	-197	-
Hedge accounting of net investment before tax		95	-	-	95	-
Tax on hedge accounting		-19	-	-	-19	-
Tax on translation differences		18	-	-	18	-
Total translation differences		-103	-	-	-103	-
Items not to be reclassified in the income statement						
Changes in value of other shares		-	-	-	4	-
Total		-	-	-	4	-
Total other comprehensive income		-118	17	3	-9	3
COMPREHENSIVE INCOME		-91	129	530	1,135	985
Attributable to:						
The Parent Company's shareholders		-100	126	513	1,111	968
Holders of Tier 1 capital		9	3	17	24	17

Consolidated statement of financial position

All amounts are in MSEK	Note	GROUP		PARENT COMPANY	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
ASSETS					
Lending to central banks	6,7	3,723	1,924	3,723	1,088
Lending to credit institutions	6,7,9	3,332	3,080	2,650	1,503
Lending to the general public	4,6-9	88,756	70,681	79,957	26,647
Bonds and other fixed-income securities	6,7	13,608	23,318	13,608	2,531
Derivatives	6,7	419	140	419	3
Shares in subsidiaries		-	-	1,030	21,115
Change in the value of currency-hedged shares in subsidiaries		-	-	-	369
Other shares	6,7	168	154	168	127
Intangible assets		8,892	9,044	7,579	8
Tangible assets		9	11	10	7
Right-of-use assets		68	82	-	-
Current tax assets		2	2	94	15
Deferred tax assets		0	-	-	51
Other assets	6,7	282	81	2,214	1,670
Prepaid expenses and accrued income		66	63	55	38
TOTAL ASSETS		119,325	108,580	111,507	55,172
LIABILITIES, PROVISIONS AND EQUITY					
Liabilities					
Liabilities to credit institutions	6,7	9,739	6,609	-	-
Deposits from the general public	6,7	77,104	67,424	77,104	30,035
Issued securities	6,7	8,416	10,866	6,166	1,480
Liabilities to securitization firms ¹		-	-	4,373	2,528
Derivatives	6,7	307	437	307	295
Current tax liabilities		186	485	265	-
Deferred tax liability		701	787	758	1
Other liabilities	6,7	1,128	810	1,300	527
Accrued expenses and deferred income		459	476	430	244
Subordinated liabilities	6,7	1,531	1,733	1,531	972
Total liabilities		99,571	89,627	92,234	36,082
Equity					
Share capital		73	73	73	73
Other reserves		4,476	4,476	4,476	4,476
Other funds		-	-	1	5
Fair value reserve		39	35	39	35
Cash flow hedges		161	3	161	3
Tier 1 capital instruments		1,470	1,757	1,470	1,320
Translation of foreign operations, net		-42	109	-108	-
Retained earnings, incl. profit for the year ²		13,577	12,500	13,161	13,178
Total equity		19,754	18,953	19,273	19,090
TOTAL LIABILITIES, PROVISIONS AND EQUITY		119,325	108,580	111,507	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 9,652 million.

Statement of cash flows

GROUP	JAN-DEC 2022	JAN-DEC 2021
All amounts are in MSEK		
Operating activities		
Operating profit ¹	1,329	-33
Adjustment for non-cash items		
Exchange rate effects	-252	23
Depreciation, amortization and impairment of property, plant & equipment	449	61
Amortization of financing costs	22	8
Reversal of acquired surplus value in lending to the general public	184	35
Unrealized changes in value of bonds and other fixed income securities	-10	-2
Net changes in hedged items in hedge accounting	34	-290
Value changes shares	4	-
Credit losses	3,633	1,583
Reclassification in connection with business combinations	-	-5
Income tax paid	-696	-202
Dividend to parent company	-	-150
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-21,930	-6,608
Decrease/Increase in other assets	-240	170
Decrease/Increase in deposits from the general public	9,537	4,254
Decrease/Increase in other liabilities	2	1,621
Cash flow from operating activities	-7,934	465
Investing activities		
Purchase of shares	-19	10
Business combinations	-	-13,651
Value change shares	-42	-10
Investment in bonds and other interest-bearing securities	-32,024	-47,426
Sale/disposal of bonds and other fixed income securities	41,823	46,971
Cash flow from investing activities	9,738	-14,106
Financing activities		
Change to liability to credit institutions	3,124	4,002
Change issued securities	-2,390	1,369
Change subordinated liabilities	-218	619
Tier 1 capital instruments issued, net ²	-	1,310
Tier 1 capital dividend ²	-81	-
Repayment of tier 1 capital	-311	-
Shareholder contributions received	-	9,450
New share issue	-	0
Cash flow from financing activities	124	16,750
Cash flow for the period	1,928	3,109
Cash and cash equivalents at the beginning of the period	5,004	1,829
Exchange rate differences and cash equivalents	123	66
Cash and cash equivalents at the end of the period	7,055	5,004

¹ Whereof received interest 6,913 MSEK (2,590 MSEK) and paid interest 1,120 MSEK (464 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 ²	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments	-	-	-	-	-	-10	-10	-4	-14
Transactions with shareholders									
Non-cash issue ³	23	4,469	-	-	-	-	4,492	-	4,492
New share issue ⁴	0	-	-	-	-	-	0	-	0
Shareholder contribution ⁴	-	-	-	-	-	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	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	-	-	-	-	-	954	954	19	973
Other comprehensive income	-	-	-151	4	158	-	11	28	38
Total comprehensive income	-	-	-151	4	158	954	965	47	1,011
Paid interest Tier 1 capital instruments	-	-	-	-	-	-81	-81	-	-81
Change in Tier 1 capital instruments	-	-	-	-	-	14	14	-23	-8
Repayment of Tier 1 capital instruments ⁵	-	-	-	-	-	-	-	-311	-311
Transactions with shareholders									
Shareholder contribution	-	-	-	-	-	202	202	-	202
Capital contribution	-	-	-	-	-	-15	-15	-	-15
Tax effect on capital contribution	-	-	-	-	-	3	3	-	3
Total transactions with shareholders	-	-	-	-	-	190	190	-	190
CLOSING BALANCE 31 DECEMBER 2022	73	4,476	-42	39	161	13,577	18,284	1,470	19,754

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.

²Tier 1 capital instruments issued amounting to MSEK 1,316 are deemed to meet the conditions of equity instrument.

³A non-cash issue has taken place in connection with the closing of the acquisition of 100% of the shares in Bank Norwegian. The contingent shareholder contribution amounts to MSEK 8,449 and an inter-company loan of MSEK 202 has in December 2022 converted to unconditional shareholder contribution.

⁴New share issue and shareholder contributions have been received as part of the financing of the acquisition of Bank Norwegian.

⁵Bank Norwegian has repaid MNOK 300 of Tier 1 capital in June 2022.

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	Translation of foreign operations	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										
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	-	-	-	-	-	-	1,125	1,125	19	1,144
Other comprehensive income	-	-	-	4	-108	90	-	-14	5	-9
Total comprehensive income	-	-	-	4	-108	90	1,125	1,111	24	1,135
Paid interest in Tier 1 capital instruments	-	-	-	-	-	-	-62	-62	-	-62
Change in Tier 1 capital instruments	-	-	-	-	-	-	7	7	-7	-
Acquired Tier 1 capital	-	-	-	-	-	-	-	-	133	133
Effect of legal merger	-	-	-	-	-	68	-1,281	-1,213	-	-1,213
Other reserves										
Depreciation	-	-	-4	-	-	-	4	-	-	-
Total other reserves	-	-	-4	-	-	-	4	-	-	-
Transactions with shareholders										
Shareholder contribution	-	-	-	-	-	-	202	202	-	202
Capital contribution	-	-	-	-	-	-	-15	-15	-	-15
Tax effect on capital contribution	-	-	-	-	-	-	3	3	-	3
Total transactions with shareholders	-	-	-	-	-	-	190	190	-	190
CLOSING BALANCE 31 DECEMBER 2022	73	4,476	1	39	-108	161	13,161	17,803	1,470	19,273

Share capital amounts to 72 676 783 shares of the same type with quota value of SEK 1.

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 and an inter-company loan of MSEK 202 has in December 2022 converted to unconditional shareholder contribution.

Notes

Amounts stated in the notes are in MSEK unless otherwise stated. The information on pages 1-4 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.

On November 30, 2022, an intra-group cross-border legal merger has been implemented between Nordax and Bank Norwegian ASA. Bank Norwegian ASA's operation will hereafter be carried on through a Norwegian branch to Nordax Bank, whose name of the legal entity is Bank Norwegian, a branch to Nordax Bank AB (publ) (hereinafter "The Branch"). The previous subsidiary to Bank Norwegian ASA, Lilienthal Finance Ltd, is since the legal merger a whole-owned subsidiary to Nordax Bank AB. Lilienthal Finance Ltd has no independent operation moreover than to own an intangible asset. The legal merger does not affect the services and products that Nordax and previous Bank Norwegian ASA offer.

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.

Applied new accounting policies in the parent company due to the legal merger

Legal merger of foreign subsidiary

The Swedish Accounting Standard Board (BFN) general advice and guidelines BFN 2020:5 Accounting by legal merger has been applied. The transferred entity's comprehensive income is included in the period's comprehensive income as from the date the cross-border legal merger is executed. The fair value of the transferred entity's assets and liabilities as per the legal merger date is included in the balance sheet. The difference between the transferred entity's value of assets and liabilities on the legal merger date is accounted for after deduction of acquired Tier 1 capital as a legal merger difference within equity.

Translation av foreign branch and tax

Assets and liabilities in the branch is translated to Swedish kronor at the closing day rate. Revenue and costs are translated to the Groups functional currency at an average annual rate. Translation differences that occur are recognized as a component of Other comprehensive income and are included in the translation reserve in equity. For the part of the translation difference that is applicable to the taxable income it is accounted for as tax.

Goodwill and other intangible assets

Goodwill as well as customer relations has arise as an effect of the legal merger and is assigned to the acquisition of Bank Norwegian ASA. In conjunction to the legal merger the Groups amortization period of 13 years is applicable. Goodwill and customer relations are monitored, and an impairment test is conducted annually.

Hedge accounting

In conjunction with the legal merger, the parent company ceases to apply fair value hedges on shares in subsidiaries. As from the legal merger hedging on net investments in foreign operations is applied. Hedging on foreign net investments is applied in order to protect the parent company from currency effects differences as a result of the branch's operations abroad. Derivatives, mainly interest rate swaps and cross-currency interest swaps, are used as hedging instruments. If the derivative's value change is effective it is recognized as a component of Other comprehensive income and in the hedge reserve in equity. Ineffective components of the derivative's value change are recognized in the income statement under Net gains/losses on financial transactions. Accumulated gains or losses within equity is recognized in the income statement from discontinued operations.

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	Q4	Q3	Q4	JAN-DEC	JAN-DEC
All amounts are in MSEK	2022	2022	2021	2022	2021
Credit losses, net - lending to the general public					
Stage 1	-114	-37	-305	-209	-335
<i>of which initial effect of acquisitions</i>	-	-	-304	-	-304
Stage 2	-166	-67	-253	-295	-154
<i>of which initial effect of acquisitions</i>	-	-	-233	-	-233
Stage 3	-575	-388	-341	-1,921	-524
Total credit losses, net	-855	-492	-899	-2,425	-1 013
<i>Total of which initial effect of acquisitions</i>	-	-	-537	-	-537
PARENT COMPANY	Q4	Q3	Q4	JAN-DEC	JAN-DEC
All amounts are in MSEK	2022	2022	2021	2022	2021
Credit losses, net - lending to the general public ¹					
Stage 1	-123	-3	-3	-92	-27
Stage 2	-166	-34	-22	-180	77
Stage 3 ²	-346	-99	-80	-712	-263
Total credit losses	-635	-136	-105	-984	-213

¹ Refers to credit losses to lending to the general public including the inter-company loan to Lilienthal Finance Ltd.

²In the parent company MSEK 79 is included, assignable to Lilienthal Finance Ltd during the fourth quarter.

Note 4 Lending to the general public

GROUP

31 December 2022	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	26,075	8,787	19,015	18,476	1,566	5,749	79,668	-932	1%
Stage 2	1,823	38	1,413	1,673	128	242	5,317	-761	14%
Stage 3	2,201	3	3,035	3,540	427	522	9,728	-4,264	44%
Total	30,099	8,828	23,463	23,689	2,121	6,513	94,713	-5,957	6%
Reserve	-1,756	-30	-1,462	-1,917	-380	-412	-5,957		
Total	28,343	8,798	22,001	21,772	1,741	6,101	88,756		

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 31 December 2022 the lending acquired in Stage 3 has decreased, partly due to sales of NPL portfolios, and amounts to gross MSEK 2,314 and net MSEK 1,330. These have been reported gross in the table above.

PARENT COMPANY

31 December 2022	Sweden	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	26,074	19,015	18,476	1,566	5,749	70,880	-902	1%
Stage 2	1,823	1,413	1,673	128	242	5,279	-761	14%
Stage 3	2,201	3,035	3,540	427	522	9,725	-4,264	44%
Total	30,098	23,463	23,689	2,121	6,513	85,884	-5,927	7%
Reserve	-1,756	-1,462	-1,917	-380	-412	-5,927		
Total	28,342	22,001	21,772	1,741	6,101	79,957		

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		

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 31 December 2022 the lending acquired in Stage 3 has decreased, partly due to sales of NPL portfolios, and amounts to gross MSEK 2,314 and net MSEK 1,330. These have been reported gross in the table above.

Note 5 Capital adequacy analysis

The information in this note 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).

Merger with Bank Norwegian

On 30 November 2022, the merger between Nordax Bank AB and Bank Norwegian ASA has been completed. The merger was implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian being continued through Nordax's Norwegian branch, the legal name of which is Bank Norwegian, a branch of Nordax Bank AB (publ) (the "Branch").

The capital requirements for the consolidated situation did not change as result of merger, however, the capital requirement for Nordax Bank AB has increased due to replacing Nordax Bank AB shares in Bank Norwegian by the assets of Bank Norwegian, as well as the excess value of lending portfolio that arose in connection with the acquisition.

Exemption as per article 352.2

On 18 March 2022 the Swedish FSA granted Nordax an exemption for the Consolidation Situation according to article 352.2 in Regulation (EU) No 575/2013 to include an amount of MNOK 7,459 in goodwill and intangible assets resulting from the acquisition of Bank Norwegian when calculating the open FX position. With this exemption, the corresponding FX swap position has been closed, in line with current risk management strategy.

On 30 December 2022, a similar exemption has been granted for Nordax Bank AB for including MNOK 7,129 in goodwill and intangible assets which, after the merger with Bank Norwegian, has become part of Nordax Bank's balance sheet. The Swedish FSA decision means a corresponding reduction in Nordax Bank's risk exposure amount for the market risk.

IFRS9 transitional arrangement

Nordax has notified the Swedish FSA that the bank has decided to use the transitional arrangement regarding IFRS 9 which entail a gradual phasing-in of credit provisions that arise during the transition to IFRS 9 and credit provisions for stages 1 and 2 until December 31, 2019. For the calculation of own funds this means that reduction in shareholder equity is amortized during the period 2018–2022 as follows:

–2018 95% reversal of the initial negative effect on equity

–2019 85% reversal of the initial negative effect on equity
–2020 70% reversal of the initial negative effect on equity
–2021 50% reversal of the initial negative effect on equity
–2022 25% reversal of the initial negative effect on equity

Nordax also applies the transitional rules for credit provisions for stages 1 and 2 that arose after December 31, 2019. The calculation of own funds in capital adequacy incorporates the scale below for reversal during the period 2020–2024:

–2020 100% reversal of the initial negative effect on equity
–2021 100% reversal of the initial negative effect on equity
–2022 70% reversal of the initial negative effect on equity
–2023 50% reversal of the initial negative effect on equity
–2024 25% reversal of the initial negative effect on equity

Combined buffer requirement

The combined buffer requirement for the Consolidated Situation consists of a capital conservation buffer and a countercyclical capital buffer. Since November 2021, a system risk buffer requirement has been also added following the acquisition of Bank Norwegian, however, as a result of merger through absorption, the requirement for systemic risk buffer disappeared. The required capital conservation buffer amounts to 2.5 percent of the risk-weighted exposure sum. The countercyclical capital buffer is weighted based on geographical requirements.

For Finland, Spain, and Germany, the requirement amounted 0%, for Norway and Denmark the requirement amounted 2% while the requirement was 1% for Sweden.

Information on the consolidated situation

The top 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, Nordax Group AB, Nordax Bank AB (publ), Nordax Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgages 1 AB, Svensk Hypotekspension AB and affiliated subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ), in addition to Lilienthal Finance Ltd.

In addition to the change resulting from the merger with Bank Norwegian, the consolidated situation has changed during the period as a result of adding Nordax Sweden Mortgages 1 AB, as well as the addition of Nordax Nordic 2 AB, Nordax Nordic 4 AB and Nordax Sverige 4 AB which has been liquidated in a short time during December.

The acquisition of Bank Norwegian ASA was financed via a new share issue by Nordax Holding AB (publ) amounting SEK 9.7 billion. In addition to this, the Company has also issued SEK 1.4 billion of additional Tier 1 capital and SEK 650 million of Tier 2 capital which were subscribed to by external investors. Nordax Group AB subsequently issued corresponding instruments and amounts which were subscribed to by Nordax Holding AB (publ). Nordax Bank AB then issued corresponding amounts and instruments which were subscribed to by Nordax Group AB.

Nordax Bank also financed the acquisition via an issue for noncash consideration of Bank Norwegian shares amounting SEK 4.4 billion, unconditional shareholder contributions in an amount of SEK 1 billion and conditional shareholder contributions amounting to SEK 8.4 billion and a loan from Nordax Holding AB amounting SEK 200 million. As a result of the merger, the conditional shareholder contribution has been changed to unconditional. On 20 December 2022, the loan from Nordax Holding AB including accrued interest of the loan has been converted to unconditional shareholder contribution amounting SEK 203 million.

The capital base of the Consolidated Situation includes, in addition to the capital instruments issued above, the additional Tier 1 capital amounting SEK 90 million and supplementary capital amounting SEK 681 million issued by Nordax Bank AB.

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
OWN FUNDS				
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	23,268	22,409	18,487	9,360
Total deduction of regulatory adjustment to CET1 capital	-12,544	-12,573	-7,759	-11
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	10,724	9,836	10,728	9,349
Additional Tier 1 capital ⁴	1,428	1,545	1,470	1,320
Sum Tier 1 Capital	12,152	11,381	12,198	10,669
Tier 2 Capital ³	1,299	1,261	1,531	972
Total capital	13,451	12,642	13,729	11,641
Risk exposure amount, credit risk	65,196	54,965	62,420	41,340
Risk exposure amount, market risk	0	0	277	1,145
Risk exposure amount, operational risk	5,782	5,526	5,278	1,495
Risk exposure amount, credit value adjustment (CVA)	183	200	183	130
Total risk exposure amount (risk weighted assets)	71,161	60,691	68,158	44,110
Capital ratios and buffers				
Common Equity Tier 1 capital ratio	15.07%	16.21%	15.74%	21.20%
Tier 1 capital ratio	17.08%	18.75%	17.90%	24.19%
Total capital ratio	18.90%	20.83%	20.14%	26.39%
Total Common Equity Tier 1 capital requirement including buffer requirement	8.04%	9.22%	8.04%	7.60%
- of which, capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
- of which, countercyclical capital buffers	1.04%	0.31%	1.04%	0.60%
- of which systemic risk buffer	-	1.91%	-	-
Common Equity Tier 1 capital available as buffer ¹	8.07%	9.21%	8.74%	14.20%
Specification own funds				
Common Equity Tier 1 capital:				
Capital instruments and related share premium	20,920	20,920	4,549	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	389	612	12,018	3,547
Accumulated other comprehensive income	-	-	-	-
Deferred tax liabilities attributable to other intangible assets	564	593	420	-
Other transition adj. of common equity Tier 1 capital ⁵	371	275	264	240
Minority interest	-	-	-	-
Independently audited interim results after deductions of foreseeable dividends	1,024	9	1,236	1,020
Common Equity Tier 1 capital before regulatory adjusted	23,268	22,409	18,487	9,360
Regulatory adjustments:				
(-) Intangible assets	-12,364	-12,550	-7,579	-8
Additional value adjustments	-180	-23	-180	-3
Total regulatory adjustment to Common Equity Tier 1 capital	-12,544	-12,573	-7,759	-11
Common Equity Tier 1 capital	10,724	9,836	10,728	9,349
Additional Tier 1 capital				
-AT1 capital instrument, directly issued	1,338	1,332	1,470	1,320
-AT1 capital instrument, issued by subsidiaries that are given recognition in AT1 Capital	90	213	-	-
Tier 1 capital, total	12,152	11,381	12,198	10,669
Tier 2 capital instrument				
Tier 2 capital instrument, directly issued	620	634	1,531	972
Tier 2 capital instrument, issued by subsidiaries that are given recognition in T2 Capital	679	627	-	-
Total capital	13,450	12,642	13,729	11,641
Total risk exposure amount	71,161	60,691	68,158	44,110
Specification of risk exposure amount²				
Exposures to national governments and central banks	0	187	0	129
Exposures to regional governments and local authorities	179	1,159	179	-
Exposures to institutions	868	772	724	353
Exposures in the form of covered bonds	708	1,191	708	134
Retail exposures	50,909	38,205	50,510	14,106
Exposures secured by mortgages on immovable property	5,535	4,479	2,426	1,786
Equity exposures	168	154	1,197	21,611
Exposures in default	6,169	8,310	6,099	2,916
Exposures to corporates	-	-	-	-
Other items	660	507	577	305
Total risk exposure amount for credit risk, Standardized Approach	65,196	54,964	62,420	41,340

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Foreign exchange risk	0	0	277	1,145
Total risk exposure amount for foreign exchange risk	0	0	277	1,145
Operational risk according to Alternative Standardized Approach	5,782	5,526	5,278	1,495
Total risk exposure amount for operational risks	5,782	5,526	5,278	1,495
Credit valuation adjustment risk (CVA)	183	200	183	130
Total risk exposure amount for credit valuation adjustment risk	183	200	183	130
Total risk exposure amount	71,161	60,691	68,158	44,110
Specification Own funds requirement ²				
Credit risk				
Exposures to national governments and central banks	0	15	-	10
Exposures to regional governments and local authorities	14	93	14	0
Exposures to institutions	69	62	58	28
Exposures in the form of covered bonds	57	95	57	11
Retail exposures	4,073	3,057	4,041	1,130
Exposures secured by mortgages on immovable property	443	357	194	142
Equity exposures	13	12	96	1,729
Exposures in default	494	665	488	233
Exposures to corporates	-	0	-	0
Other items	53	41	46	24
Total capital requirement for credit risk	5,216	4,397	4,994	3,307
Market risk				
Foreign exchange risk	0	0	22	92
Total risk exposure amount for market risk	0	0	22	92
Operational risk				
Operational risk according to Alternative standardized Approach	463	442	422	120
Total risk exposure amount for operational risk	463	442	422	120
Credit valuation adjustment risk (CVA)				
Credit valuation adjustment risk (CVA)	15	16	15	10
Total capital requirement for CVA risk	15	16	15	10
Total Capital Requirement	5,694	4,855	5,453	3,529
Capital Requirement, percent of REA				
Pillar 1	8.00%	8.00%	8.00%	8.00%
Pillar 2	3.48%	4.76%	3.55%	1.04%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	1.04%	0.31%	1.04%	0.60%
Systemic risk buffer - Norway	-	1.91%	-	-
Total Capital Requirement	15.01%	17.48%	15.09%	12.14%
Capital Requirement, MSEK				
Pillar 1	5,694	4,855	5,453	3,529
Pillar 2	2,475	2,892	2,421	460
Capital conservation buffer	1,779	1,517	1,704	1,102
Institution-specific countercyclical buffer	738	185	708	266
Systemic risk buffer - Norway	-	1,159	-	-
Capital Requirement	10,686	10,608	10,286	5,357
LEVERAGE RATIO				
Total exposure measure for calculating leverage ratio, MSEK	116,664	105,585	107,553	54,123
Tier 1 capital, MSEK	12,152	11,381	12,198	10,669
Leverage ratio	10.42%	10.78%	11.34%	19.71%
Overall leverage ratio requirements, MSEK	3,500	3,168	3,227	1,624
Overall leverage ratio requirements, percentage	3%	3%	3%	3%

¹ In November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Additional Tier 1 capital instrument amounting MSEK 1,400. At the time of the merger the bank has taken over Bank Norwegian's Additional Tier 1 capital previously issued on solo-level amounting NOK 125 million. During the period, SEK 90 million of these were qualified to be included the capital base of the Consolidated Situation.

² Nordax Bank has previously issued Tier 2 capital, however, during the merger the bank has taken over Bank Norwegian's subordinated loan. These could only be included in the capital base of the Consolidated Situation with the part required to cover the bank's capital requirements. As of 31 December 2022, the eligible amount of Tier 2 capital to be included has amounted to SEK 679 million. During October and November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB has issued additional amount of Tier 2 capital of SEK 650 million.

³ Available CET1 capital that can be used as buffer after deducting CET1 capital required to fulfill the requirements under Pillar 1 and the capital conservation buffer requirement given as a percentage of REA.

⁴ Nordax 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 can be read at the end of the report.

CONSOLIDATED SITUATION		a	b	c	d	e
All amounts are in MSEK		20221231	20220930	20220630	20220331	20211231
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,724	10,270	9,844	9,659	9,836
2	Tier 1 capital	12,152	11,691	11,262	11,276	11,381
3	Total capital	13,451	12,827	12,397	12,536	12,642
Risk-weighted exposure amounts						
4	Total risk exposure amounts	71,161	67,485	65,162	63,161	60,691
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.07%	15.22%	15.11%	15.29%	16.21%
6	Tier 1 ratio (%)	17.08%	17.32%	17.28%	17.85%	18.75%
7	Total capital ratio (%)	18.90%	19.01%	19.03%	19.85%	20.83%
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 (%)	3.50%	3.46%	3.46%	3.56%	3.69%
EU 7b	of which: to be made up of CET1 capital (%)	2.33%	2.35%	2.35%	3.56%	3.69%
EU 7c	of which: to be made up of Tier 1 capital (%)	2.61%	2.59%	2.59%	-	-
EU 7d	Total SREP own funds requirements (%)	11.50%	11.46%	11.46%	11.56%	11.69%
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 (%)	1.04%	0.85%	0.42%	0.30%	0.31%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	1.79%	1.79%	1.84%	1.91%
11	Combined buffer requirement (%)	3.54%	5.14%	4.71%	4.64%	4.72%
EU 11a	Overall capital requirements (%)	15.01%	17.07%	16.75%	16.66%	17.48%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.24%	8.37%	8.26%	7.23%	8.02%
Leverage ratio						
13	Leverage ratio total exposure measure (amounts)	116,664	109,848	109,165	109,173	105,585
14	Leverage ratio (%)	10.42%	10.64%	10.32%	10.33%	10.78%
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)	9,532	8,060	7,830	7,236	6,008
EU 16a	Cash outflows - Total weighted value	10,216	9,451	7,622	5,738	3,857
EU 16b	Cash inflows - Total weighted value	4,550	4,514	4,029	3,461	3,154
16	Total net cash outflows (adjusted value)	5,666	4,937	3,593	2,277	964
17	Liquidity coverage ratio (%)	168.24%	163.26%	217.94%	317.73%	623.03%
Net Stable Funding Ratio						
18	Total available stable funding	108,873	104,763	104,949	105,445	102,580
19	Total required stable funding	89,268	85,342	81,800	79,357	76,258
20	NSFR ratio (%)	121.96%	122.76%	128.30%	132.87%	134.52%

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 table 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
		20221231	20220930	20220630	20220331	20211231
1	Common Equity Tier 1 (CET1) capital	10,724	10,270	9,844	9,659	9,837
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,353	10,096	9,706	9,522	9,562
3	Tier 1 capital	12,152	11,691	11,262	11,276	11,382
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,781	11,517	11,124	11,139	11,107
5	Total capital	13,451	12,827	12,397	12,536	12,643
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13,079	12,653	12,260	12,398	12,368
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	71,161	67,485	65,162	63,161	60,690
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	70,790	67,311	65,025	63,023	60,416
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.07%	15.22%	15.11%	15.29%	16.21%
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	14.62%	15.00%	14.93%	15.11%	15.83%
11	Tier 1 (as a percentage of risk exposure amount)	17.08%	17.32%	17.28%	17.85%	18.75%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.64%	17.11%	17.11%	17.67%	18.38%
13	Total capital (as a percentage of risk exposure amount)	18.90%	19.01%	19.03%	19.85%	20.83%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.48%	18.80%	18.85%	19.67%	20.47%
Leverage ratio						
15	Leverage ratio total exposure measure	116,664	109,848	109,165	109,173	105,310
16	Leverage ratio	10.42%	10.64%	10.32%	10.33%	10.81%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10.10%	10.48%	10.19%	10.20%	10.55%

Internal capital requirement

As at 31 December 2022, the internal capital assessed capital requirement in Consolidated Situation amounted to SEK 2,475 million (2,655 million as of 30 September 2022). The reduction is mainly explained by changes associated with the merger as described below.

Nordax Bank's internal capital requirements are assessed using internal models for economic capital. The Bank has not received any Pillar 2 guidance as Swedish FSA has not yet conducted its Review and Evaluation process. Bank Norwegian has been required by the Norwegian FSA to keep Pillar 2 requirement of 5.8% of total risk weighted exposure amount. This requirement has been taken into consideration after the acquisition and was included in the capital requirement for the Consolidated Situation.

The Norwegian FSA Pillar 2 requirements are connected to specific risks. For the risks where the Norwegian FSA has established methods for measuring capital requirements, the FSA requirement for Pillar 2 was replaced with these methods in connection with the merger. The remaining Pillar 2 requirement from the Norwegian FSA decision amounted to 4.3% of the total risk-weighted exposure amount originating from the branch.

Total capital requirement

The total capital requirement for the period amounts to SEK 10,686 million (SEK 11,522 million as of 30 September 2022) and this is entirely covered by CET1 capital. The total capital requirement has decreased primarily due to the buffer requirement for others systemically important institutions of 3% of Bank Norwegian's total risk-weighted exposure amounts which was no longer applicable due to merger through absorption.

Leverage ratio

Following amendments to the Prudential Regulation, a minimum leverage ratio of 3.0 percent has been implemented effective June 28, 2021. As of 31 December 2022, the Consolidated Situation has a leverage ratio amounting to 10.42%, which is well in excess of the 3% requirement.

Information on liquidity risk

The Group defines liquidity risk as the risk of failing to fulfill 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 strives to achieve a diversified funding platform comprising equity, subordinated debt, securitizations ("ABS"), credit facilities provided by banks, deposits from the public and senior uncovered bonds.

The goal is to use funding sources that meet the following criteria:

- 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 of Directors and CEO. Liquidity risk is reported at each meeting of the Board of Directors. 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. Measurement and reporting of liquidity risk is also performed by the Treasury function on a daily basis, which reports to the Company's management.

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 31 December 2022, Nordax consolidated situation's Liquidity Coverage Ratio (LCR) is 253.2%¹ (135.0%² as of 30 September 2022). The net stable funding ratio (NSFR) is 122.0% (122.8% as of 30 September 2022), calculated in accordance with the definition in Regulation (EU) No. 575/2013.

The consolidated situation's liquidity reserves as of 31 December 2022 amounts to SEK 20.3 billion (SEK 18.7 billion per 30 September 2022). Of these investments, 34.8% (36.1% as of 30 September 2022) are invested in covered bonds, 18.3% (18.8% as of 30 September 2022) invested with central banks, 14.6% (8.4% as of 30 September 2022) in Nordic credit institutions. The remaining balance is invested in interest bearing securities issued by central governments, municipalities and supra nationals. The credit assessment of these investments is generally high and therefore have high credit rating, between AAA and AA, from leading credit rating agencies. As a rule, Norwegian municipalities do not have a credit rating, but are considered from risk management and risk measurement view as AA assets in line with the Norwegian FSA recommendation, which corresponds to a credit rating lower than the Norwegian government. The average maturity of the liquidity reserve amounts to 391 (412 as of 30 September 2022) days.

As of 31 December 2022, Nordax's consolidation situation funding sources comprises of SEK 2,250 million (2,250 million as of 30 September 2022) financing via the asset-backed securities market (securitized), SEK 6,166 million (7,613 million as of 30 September) in corporate bonds, SEK 9,739 million (7,872 million as of 30 September 2022) financing against pledges with international banks, and SEK 77,104 million (71,985 million as of 30 September 2022) of retail deposits.

¹When calculating the consolidated situation's LCR before the merger, Nordax choose to only include 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 included in the consolidated situation, the LCR would be 224.9%.

Note 6 Classification of financial assets and liabilities

GROUP

31 December 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	-	3,723	-	-	3,723
Lending to credit institutions	-	3,332	-	-	3,332
Lending to the general public	-	88,756	-	-	88,756
Bonds and other fixed-income securities	13,608	-	-	-	13,608
Other shares	18	-	-	150	168
Derivatives	419	-	-	-	419
Other assets	-	142	-	-	142
Total assets	14,045	95,953	-	150	110,148
Liabilities					
Liabilities to credit institutions	-	-	9,739	-	9,739
Deposits from the general public	-	-	77,104	-	77,104
Issued securities	-	-	8,416	-	8,416
Derivatives	307	-	-	-	307
Other liabilities	-	-	431	-	431
Subordinated liabilities	-	-	1,531	-	1,531
Total liabilities	307	-	97,221	-	97,528

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

31 December 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	-	3,723	-	-	3,723
Lending to credit institutions	-	2,650	-	-	2,650
Lending to the general public	-	79,957	-	-	79,957
Bonds and other fixed-income securities	13,608	-	-	-	13,608
Other shares	18	-	-	150	168
Derivatives	419	-	-	-	419
Other assets	-	142	-	-	142
Total assets	14,045	86,472	-	150	100,667
Liabilities					
Liabilities to credit institutions	-	-	77,104	-	77,104
Deposits from the general public	-	-	6,166	-	6,166
Deemed loan liabilities	-	-	4,373	-	4,373
Derivatives	307	-	-	-	307
Other liabilities	-	-	421	-	421
Subordinated liabilities	-	-	1,531	-	1,531
Total liabilities	307	-	89,595	-	89,902

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

31 December 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	3,723	3,723	-
Lending to credit institutions ¹	3,332	3,332	-
Lending to the general public ²	88,756	97,705	8,949
Bonds and other fixed-income securities	13,608	13,608	-
Other shares	168	168	-
Derivatives	419	419	-
Other assets	142	142	-
Total assets	110,148	119,097	8,949
Liabilities			
Liabilities to credit institutions ¹	9,739	9,739	-
Deposits from general public ¹	77,104	77,104	-
Issued securities ³	8,416	8,301	-115
Derivatives	307	307	-
Other liabilities	431	431	-
Subordinated liabilities ³	1,531	1,455	-76
Total liabilities	97,528	97,337	-191

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

31 December 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	3,723	3,723	-
Lending to credit institutions ¹	2,650	2,650	-
Lending to the general public ²	79,957	88,854	8,897
Bonds and other fixed-income securities	13,608	13,608	-
Other shares	168	168	-
Derivatives	419	419	-
Other assets	142	142	-
Total assets	100,667	109,564	8,897
Liabilities			
Deposits from general public ¹	77,104	77,104	-
Liabilities to securitization firms ¹	4,373	4,373	-
Issued securities ³	6,166	6,070	-96
Derivatives	307	307	-
Other liabilities	421	421	-
Subordinated liabilities ³	1,531	1,455	-76
Total liabilities	89,902	89,730	-172

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.

- Fair value for bonds is 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.

In those cases, one or more essential inputs are not based on observable market information the instrument is classified as level 3. The table below shows the financial instruments valued at fair value, regarding how the classification has been constructed by the fair value hierarchy.

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. Fair value on shares in VN Norge AS has as per 2022-12-31 been calculated based on the shares price for Visa Inc, foreign exchange USD/NOK, a liquidity discount as well as a conversion rate.

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
Opening balance 1 January 2022	154
Acquisitions	19
Currency change	1
Recognized in income statement	-10
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	4
Closing balance 31 December 2022	168

- 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.

GROUP

31 December 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed income securities ¹	11,356	2,252	-	13,608
Other shares	-	-	168	168
Derivatives	-	419	-	419
Total assets	11,356	2,671	168	14,195
Liabilities				
Derivatives	-	307	-	307
Total liabilities	-	307	-	307

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

31 December 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed income securities	11,356	2,252	-	13,608
Other shares	-	-	168	168
Derivatives	-	419	-	419
Total assets	11,356	2,671	168	14,195
Liabilities				
Derivatives	-	307	-	307
Total liabilities	-	307	-	307

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 decisionmaker. 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 are to conduct cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany, and Spain. Bank Norwegian is included in each country segment. Activities are also conducted in the form of SHP's lending of equity release mortgages.

Q4 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	653	143	638	601	45	179	2,259
Interest expenses	-180	-58	-129	-74	-9	-28	-478
Total net interest income	473	85	509	527	36	159	1,781
Commission income	44	2	48	15	0	8	117
Net profit from financial transactions ¹	1	0	7	-3	0	0	27
Total operating income	518	87	564	539	36	159	1,925
General administrative expenses	-169	-9	-245	-77	-18	-19	-537
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-8	-1	-218	-18	-1	-16	-262
Other operating expenses	-46	-11	-51	-51	-8	-27	-194
Total operating expenses	-223	-21	-514	-146	-27	-62	-993
Profit before credit losses	295	66	50	393	9	97	932
Net credit losses	-351	-6	-137	-234	-71	-56	-855
Operating profit	-56	60	-87	159	-62	41	77
Balance sheet							
Lending to the general public	28,343	8,798	22,001	21,772	1,741	6,101	88,756

¹FX effects amount to MSEK -22 for Q4 2022 (MSEK -53) and is not allocated.

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

Q4 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income	412	82	436	341	12	87	1,370
Interest expenses	-70	-28	-63	-27	-1	-1	-190
Total net interest income	342	54	373	314	11	86	1,180
Commission income	38	2	42	17	0	8	107
Net profit from financial transactions ¹	18	0	-21	-6	0	0	-62
Total operating income	398	56	394	325	11	94	1,225
General administrative expenses	-285	-8	-378	-109	-14	-19	-813
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-5	-1	-17	-10	-1	-9	-43
Other operating expenses	-31	-10	-39	-36	-14	-18	-148
Total operating expenses	-321	-19	-434	-155	-29	-46	-1,004
Profit before credit losses	77	37	-40	170	-18	48	221
Net credit losses	-296	4	-141	-376	-2	-88	-899
<i>of which initial effect of acquisitions</i>	-132	-	-104	-229	-	-72	-537
Operating profit	-219	41	-181	-206	-20	-40	-678
Balance sheet							
Lending to the general public	21,475	7,625	20,146	16,267	554	4,614	70,681

Full year 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	2,242	426	2,488	2,116	131	622	8,025
Interest expenses	-467	-154	-402	-182	-21	-52	-1,278
Total net interest income	1,775	277	2,086	1,934	110	570	6,747
Commission income	149	2	180	58	-1	26	414
Net profit from financial transactions ¹	-32	0	-67	-38	0	-11	-207
Total operating income	1,892	274	2,199	1,954	109	585	6,954
General administrative expenses	-614	-31	-799	-287	-65	-80	-1,876
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-28	-4	-298	-60	-4	-55	-449
Other operating expenses	-167	-41	-224	-210	-126	-107	-875
Total operating expenses	-809	-76	-1,321	-557	-195	-242	-3,200
Profit before credit losses	1,083	198	878	1,397	-86	343	3,754
Net credit losses	-926	-22	-540	-608	-193	-136	-2,425
Operating profit	157	176	338	789	-279	207	1,329
Balance sheet							
Lending to the general public	28,343	8,798	22,001	21,772	6,101	1,741	88,756

Full year 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
Income statement							
Interest income	1 106	308	839	621	50	87	3 011
Interest expenses	-189	-104	-128	-53	-4	-1	-479
Total net interest income	917	204	711	568	46	86	2 532
Commission income	67	2	57	32	0	8	166
Net profit from financial transactions ¹	15	1	-23	-6	0	0	-68
Total operating income	999	207	745	594	46	94	2 630
General administrative expenses	-547	-30	-512	-187	-24	-19	-1 319
Depreciation, amortization and impairment of property, plant and equipment and intangible assets ²	-14	-3	-22	-13	-1	-9	-62
Other operating expenses	-86	-36	-74	-41	-14	-18	-269
Total operating expenses	-647	-69	-608	-241	-39	-46	-1 650
Profit before credit losses	352	138	137	353	7	48	980
Net credit losses	-463	-1	-55	-408	-3	-83	-1 013
<i>of which initial effect of acquisitions</i>	<i>-132</i>	<i>-</i>	<i>-104</i>	<i>-229</i>	<i>-</i>	<i>-72</i>	<i>-537</i>
Operating profit	-111	137	82	-55	4	-35	-33
Balance sheet							
Lending to the general public	21,475	7,625	20,146	16,267	554	4,614	70,681

¹FX effects amount to MSEK -52 for Q1 - Q4 2022 (MSEK -55) and is not allocated.

Note 9 Pledged assets and contingent liabilities

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Pledged assets for own liabilities				
Lending to the general public	13,455	10,007	6,410	4,000
Lending to credit institutions	581	412	-	-
Cash collateral for derivatives	142	309	142	309
Total	14,178	10,728	6,552	4,309

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Other commitments				
Granted but unpaid loans	140	215	126	177
Granted but unutilized card credits	50,196	47,721	50,196	-
Total	50,336	47,936	50,332	177

All pledged assets are for the Group's asset related funding operations; securitization and funding with collateral with international banks and derivative contracts. Nordax Bank AB (publ) has issued a letter of support to Lilienthal Finance Ltd that runs annually.

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 an 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 regard to the legal merger between Nordax Bank AB (publ) and Bank Norwegian ASA all intra-group receivables and liabilities ceased.

At the time of the legal merger Nordax Bank AB (publ) acquired a receivable on Lilienthal Finance Ltd as well as a letter of support.

In December 2022 a dividend amounting to MSEK 150 was initiated from Svensk Hypotekspension AB to Nordax Bank AB (publ) and in April 2022 a dividend of MSEK 757 was conducted from Bank Norwegian ASA to Nordax Bank AB (publ).

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.

The table below shows transactions with related parties from Nordax Bank AB's (publ) perspective.

All amounts are in MSEK	ASSETS		LIABILITIES		INCOME		COSTS	
	22-12-31	21-12-31	22-12-31	21-12-31	22-12-31	21-12-31	22-12-31	21-12-31
Nordax Holding AB	5	4	-16	-205	-	-	-2	0
Nordax Group AB	5	3	-143	-44	1	1	-7	-7
Svensk Hypotekspension AB	1,835	1,657	-55	-35	64	75	-2	-2
Nordax Sverige AB	58	58	-63	-63	-	73	-	-
Nordax Sverige 4 AB (publ)	-	0	-	-1	-	-	-	0
Nordax Sverige 5 AB	1,696	1,510	-133	-46	261	93	-	-
Nordax Sweden Mortgage 1 AB (publ)	742	-	-	-	12	-	-	-
Lilienthal Finance Ltd	-	-	-	-	-	-	-3	-
Nordax Nordic 2 AB	-	1	-	-	-	-	-	0
Nordax Nordic 4 AB	-	0	-	-23	-	0	-	-
Summa	4,341	3,232	-410	-418	338	242	-14	-9

Note 11 Disclosure regarding legal merger

On November 30, 2022, the legal merger between Nordax Bank AB (publ) and the fully owned subsidiary Bank Norwegian ASA was implemented. The legal merger was carried out with Nordax as the acquiring company and Bank Norwegian as the transferring company. Bank Norwegian's activities will after the merger be carried on through a Norwegian branch to Nordax.

All amounts are in MSEK

	2022-11-30
Accounting values attributable to transferring entity	
Shares in subsidiaries	-20,085
Fair value adjustment of shares in subsidiaries	-1,222
Total accounting values attributable to transferring company	-21,307
Acquired assets	
Lending to central banks ¹	1,140
Lending to credit institutions ¹	1,197
Lending to the general public ²	44,083
Bonds and other fixed-income securities	9,479
Derivatives	219
Shares in subsidiaries	143
Other shares	32
Intangible assets	7,704
Tangible assets	35
Prepaid expenses and accrued income	301
Intra-group claim on Nordax Bank AB	1,641
Total acquired assets	65,974
Acquired liabilities	
Liabilities to credit institutions	24
Deposits from the general public	36,065
Issued securities	6,599
Derivatives	128
Current tax liability	289
Deferred tax liability	850
Other liabilities	289
Accrued expenses and deferred income	242
Subordinated liabilities	554
Intra-group debt to Nordax Bank AB	707
Total acquired liabilities	45,747
Effect of merger, prior to deduction for Tier 1 capital	-1080
<i>of which acquired Tier 1 capital contribution</i>	<i>-133</i>
Effect of merger, after deduction of Tier 1 capital	-1,213

At the time of the merger the difference between book value of Nordax Bank AB's shares in Bank Norwegian ASA and acquired net assets, adjusted for Nordax Bank AB's remaining distributed acquisition value, is reported as a merger difference within equity. The merger difference is reported, after deduction of liabilities that Nordax Bank AB acquire regarding Tier 1 capital which at the time of the merger were issued by Bank Norwegian ASA.

Valuation of assets and liabilities in connection with merger
The valuation of the assets and liabilities acquired in connection with the merger was concluded based on the conditions that existed on the date of the merger and in accordance with the accounting and valuation principles applied by the acquiring company in the preparation of its annual report. Intra-group values such as goodwill, customer relationships and excess values in the lending portfolio as well as attributable deferred taxes that occurred in connection with the acquisition have, as a consequence of the merger, been transferred and assigned to Nordax Bank AB (publ). At the completion of the merger, assets and liabilities were transferred at book value to Nordax Bank AB (publ), subject to adjustments in accordance with applicable accounting principles of Nordax Bank AB (publ). Except for depreciation of goodwill and IFRS16, no revaluations were identified.

In connection with the merger of Bank Norwegian ASA and Nordax Bank AB, Nordax Bank AB assumed the commitment related to a letter of support to the fully owned subsidiary Lillienthal Finance Ltd.

The completed merger is a cross-border merger which entails that the new branch's result is included in Nordax Bank AB's result as from the time of the merger. Until the time of the merger, November 30, 2022, Bank Norwegian ASA's operating income amounted to MSEK 4 200 and the period's operating profit before tax amounted to MSEK 413 and is part of the merger effect. The amounts have been calculated by using Bank Norwegian ASA's result until November 30, 2022 including the additional items that are attributable to the parent company's allocated acquisitions values on assets and liabilities at the time of the merger as listed below.

- Adjustment of interest income to mirror effective interest rate in acquired loan portfolio
- Adjustment of exchange rate differences when recalculating the acquired loan portfolios in their respective lending currency as well as
- Depreciation of identified intangible assets as well as goodwill.

Note 12 Important events after the balance sheet date

In the beginning of 2023 Anna Storåkers left the Nordax Board of Directors and at the same time Ragnhild Wiborg was elected.

In the beginning of the year, it was communicated that during the first half year of 2023, Klara-Lise Aasen will resign from the role as Branch Manager and will be replaced by Merete Gillund, who at the moment is a member of the Management team and responsible for Innovation and Strategic Projects. In February Tore Andresen, the COO for Nordax Banks Norwegian branch Bank Norwegian, became a member of the Management team.

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 of the acquisition of Bank Norwegian ASA, 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–December 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 February 21, 2023

Hans-Ole Jochumsen
Chairman

Christopher Ekdahl
Non-Executive Director

Christian Frick
Non-Executive Director

Henrik Källén
Non-Executive Director

Ragnhild Wiborg
Non-Executive Director

Ville Talasmäki
Non-Executive Director

Ricard Wennerklint
Non-Executive Director

Daniel Bertlin
Non-Executive Director
Employee representative

The Swedish interim report has been reviewed by the company's auditors.

Auditors' review report

Introduction

We have reviewed the year-end report for Nordax Bank AB (publ) for the period 1 January to 31 December 2022. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this year-end report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not, in all material aspects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies, and for the Parent Company in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 21 February, 2023
Deloitte AB

Signature on Swedish original
Malin Lüning
Authorised Public Accountant