Interim report Nordax Group AB (publ)

JANUARY-JUNE 2016

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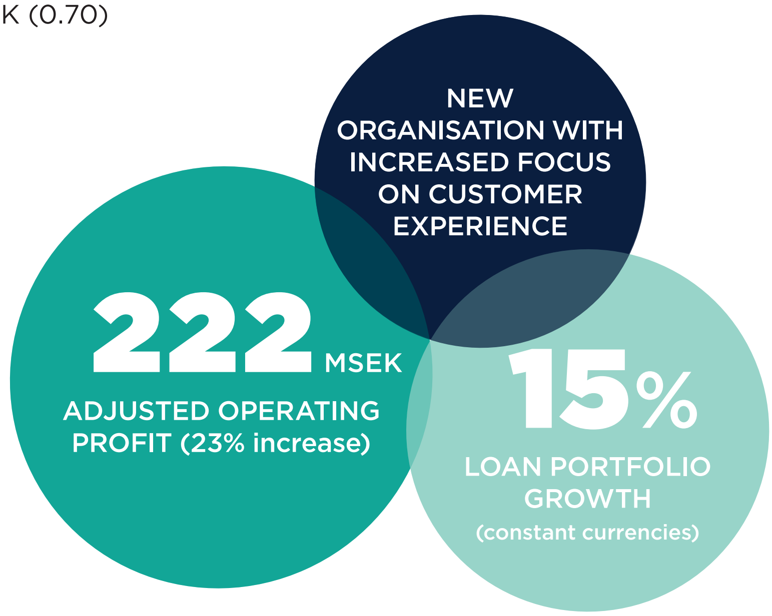
Numbers compared with January-June 2015

- Loan portfolio increased by 14.8% in constant currencies
- Net interest margin increased to 9.3% (8.5%)
- Total operating income amounted to 570 MSEK (434). Adjusted[1] total operating income amounted to 533 MSEK (446)
- Adjusted[1] cost to income ratio (rolling 12 months) decreased to 28.2% (28.9%)
- Operating profit amounted to 265 MSEK (87). Adjusted[1] operating profit increased by 23% to 222 MSEK (180)
- Net profit increased to 205 MSEK (68)
- Earnings per share were 1.85 SEK (0.61). Adjusted[1] earnings per share were 1.56 SEK (1.26)

2nd QUARTER 2016

Numbers compared with 2nd quarter 2015

- Loan portfolio increased by 14.8% in constant currencies
- Net interest margin increased to 9.2% (8.6%)
- Total operating income amounted to 290 MSEK (216). Adjusted[1] total operating income amounted to 272 MSEK (227)
- Adjusted[1] cost to income ratio (rolling 12 months) decreased to 28.2% (28.9%)
- Operating profit increased to 146 MSEK (13). Adjusted[1] operating profit amounted to 123 MSEK (100)
- Net profit increased to 112 MSEK (10)
- Earnings per share were 1.01 SEK (0.08). Adjusted[1] earnings per share amounted to 0.86 SEK (0.70)



[1] The adjusted numbers are presented in order to show the underlying performance of the business reflecting constant currencies and excluding non-recurring items primarily related to the IPO 2015. A bridge between statutory and adjusted accounts can be found on page 36.

Another strong quarter

The second quarter was another quarter in the right direction for us to become one of Northern Europe's leading niche banks for large personal loans and deposits.

During the first half of 2016 our adjusted operating profit increased by 23% to 222 MSEK and our loan portfolio grew by 15% in constant currencies compared to the first half of 2015. Net profit rose to 205 (68) MSEK and the solid return we generated strengthened our capital position, which creates room for continued high growth and dividends to our shareholders.

"Net profit rose to 205 MSEK and the solid return creates room for continued high growth and dividends to our shareholders"

We continued to grow in all our markets in Northern Europe, where, using our many effective marketing channels, we reach financially strong customers who need to bridge the gap between income and spending with a loan when life has the most to offer. On a relative basis, the portfolio grew the most in Germany and Norway. Total new lending increased by 23% compared to the first half of 2015.

Germany is our newest and fastest-growing market. Just like when we established our business in other markets, we initially want to learn and evaluate the market. Since the portfolio began to grow at the end of 2013, we have grown at a stable, controlled rate and our total lending now amounts to 672 MSEK. The quarter reaffirmed the potential we see in Germany with good margins, an effective marketing model and a sound credit assessment process. After further evaluating the process for recoveries our assessment is that we will adjust our provision level positively during the year. As part of our diversified funding strategy, we began taking deposits in Germany in March, which has received a positive response.

Demand for personal loans remains high in Northern Europe, and while growing faster would be easy, we want to safeguard our credit quality. Our credit quality remained stable at a credit loss level of 1.5% for the first half of 2016. In Norway credit losses continue to trend positively and the credit loss level was 1.3% in the second quarter. Our extensive experience in the industry has taught us that thorough credit assessments translate into strong credit quality. Together with strong capitalisation and liquidity, diversified funding and good margins, credit assessment is perhaps the most important parameter to build a sustainable business model over time.

A sustainable business model with responsible lending is fundamental to us. The strategic sustainability project we launched in 2015 is progressing through dialogues with employees, customers, owners and other stakeholders to understand their priorities and what they expect of our sustainability work. We will present the results in the annual report for 2016.

During the quarter a mortgage amortisation requirement was introduced in Sweden. All our personal loans are being amortized and on average our customers amortise about 24% per year. It is still too early to tell how the requirement will affect loan demand for personal loans in Sweden, but there could be potential for increased growth.

The British referendum to exit the EU at the end of the quarter led to increased macroeconomic uncertainty and expectations that low interest rates will continue for some time. Long before the referendum we conducted a thorough analysis of our business, which showed that a Brexit will not have a direct impact. We haven't noticed any changes in behaviour on the part of our customers due to the referendum; demand for personal loans remains strong and our credit quality is solid, though we continue to carefully monitor developments.

"Growing faster would be easy, but we want to safeguard our credit quality"

We are working intensely at Nordax to further improve the customer experience and their interaction with us. As part of this, we established a new country organisation during the quarter at our office in Stockholm for units that service customers. The new organisation will allow us to better interact with customers while at the same time giving employees more wide-ranging and stimulating assignments. We are also digitising and automating processes to make it easier for customers and improve our efficiency. Higher efficiency leads to stable costs and together with a growing portfolio it will further improve our adjusted cost to income ratio (excluding marketing costs). We have made progress, but there is still a lot more work to do.

I am very pleased with what our employees have accomplished in the past half-year. Hard work, combined with a focus on the customer, has made possible our fine growth and strong financial results. I see many exciting opportunities ahead.

Have a nice summer!

Morten Falch
CEO

Nordax at a glance

Nordax is a leading niche bank in Northern Europe providing personal loans and deposit accounts to more than 100,000 customers in Sweden, Norway, Finland, Denmark and Germany. Nordax employs about 200 people, all working in its office in Stockholm. The underwriting process is Nordax's core competency; it is thorough, sound and data driven. Nordax's customers are financially stable individuals. The typical customer is 49 years old and has an income above the national average.

As of June 30, 2016 lending to the general public amounted to SEK 11.8 billion and deposits amounted to SEK 6.3 billion. Nordax has been supervised by the Swedish Financial Supervisory Authority since 2004 and deposits are covered by the Swedish deposit guarantee scheme. Read more on www.nordaxgroup.com. For more information about Nordax's customer offerings, read more on each country's web site: www.nordax.se, www.nordax.no, www.nordax.fi and www.nordax.de.

Key figures

KEY FIGURES*	Q2 2016	Q1 2016	Q2 2015	JAN-JUN 2016	JAN-JUN 2015
Income statement					
Total operating income, MSEK	290	280	216	570	434
Adjusted total operating income, MSEK	272	261	227	533	446
Operating profit, MSEK	146	119	13	265	87
Adjusted operating profit, MSEK	123	99	100	222	180
Net interest margin, %	9.2	9.3	8.6	9.3	8.5
Profit before credit losses, MSEK	186	164	46	350	165
Net profit, MSEK	112	93	10	205	68
Earnings per share, SEK	1.01	0.84	0.08	1.85	0.61
Adjusted earnings per share, SEK	0.86	0.70	0.70	1.56	1.26
Balance sheet					
Lending to the general public, MSEK	11,823	11,325	10,368	11,823	10,368
Deposits, MSEK	6,273	6,120	6,454	6,273	6,454
New lending volumes, MSEK	1,124	1,122	898	2,246	1,819
KPI					
Common Equity Tier 1 capital ratio %	13.2	13.0	12.6	13.2	12.6
Total capital ratio %	15.2	15.0	14.6	15.2	14.6
Return on equity %	24.2	20.9	2.5	22.7	8.7
Net credit loss level (cost of risk) %	1.4	1.6	1.3	1.5	1.5
Net credit loss level %, 12m roll	1.5	1.5	1.3	1.5	1.3
Cost to income ratio %	35.9	41.4	78.7	38.6	62.0
Adjusted cost to income ratio %, 12m roll	28.2	28.6	28.9	28.2	28.9
Adjusted return on tangible equity %	23.5	22.9	26.0	23.5	26.0
Adjusted return on average net loans %, 12m roll	3.9	3.8	4.0	3.9	4.0
Exchange rates					
NOK Income statement (average)	0.99	0.98		0.99	1.08
NOK Balance sheet (at end of period)	1.01	0.98		1.01	1.04
EUR Income statement (average)	9.27	9.32		9.30	9.34
EUR Balance sheet (at end of period)	9.42	9.23		9.42	9.22

* For definitions of key figures see page 35

Contents

January-June 2016 compared to January-June 2015

The report includes statutory accounts as well as certain numbers that have been adjusted in order to show the underlying performance of the business excluding FX-effects and non-recurring items primarily related to the IPO 2015. Please refer to page 35 for definitions and page 36 for a bridge between statutory and adjusted accounts.

Net interest income increased by 21% to 526 MSEK (436). Contributing to the increase were higher lending volumes and higher margins on new loans than the existing portfolio. Net interest income improved in all markets and the net interest margin increased by 0.8 percentage points compared to the same period in 2015 to 9.3%.

Net profit from financial transactions amounted to 35 MSEK (-11), with a stronger NOK and EUR having a positive effect. Nordax has open positions in currencies to protect its capital adequacy ratio from currency fluctuations. The FX effect on regulatory capital has a corresponding impact on profit from financial transactions.

Total operating income increased by 31% to 570 MSEK (434) mainly driven by a larger loan portfolio and higher net interest margins, but also by positive FX effects.

The adjusted cost to income ratio (rolling 12 months) improved 28.2% (28.9%). General administrative expenses rose by 16% to 148 MSEK (128). The increase was due to larger business volumes, operating investments and increased costs driven by regulation. The rate of increase has slowed and the focus is on continuing to improve the adjusted cost to income ratio (which excludes marketing costs).

Other operating expenses, which mainly consist of marketing costs, rose by 29% to 72 MSEK (56) as a result of expanded marketing activities, which generated higher new lending. Marketing efficiency, measured as marketing costs in relation to new lending, remained high.

Non-recurring items related to cost reductions and VAT-reversal associated with the IPO 2015 were recognised during the period, which reduced costs by a total of 13 MSEK. The same period in 2015 included a non-recurring cost of 75 MSEK related to the IPO.

The credit loss level was stable at 1.5% (1.5%). Credit losses remained well below the target of 2% over a business cycle.

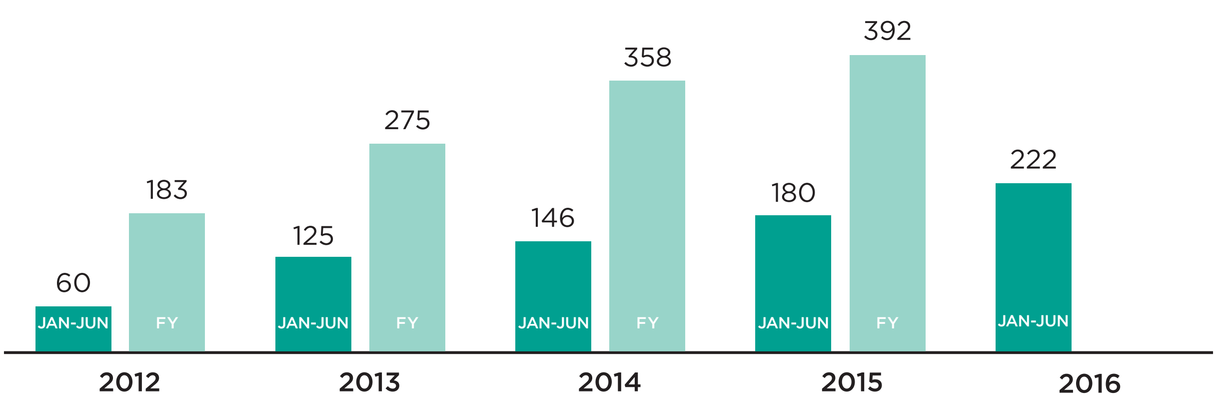
Tax amounted to 60 MSEK (19). The effective tax rate was 23% (22%).

Net profit rose to 205 MSEK (68) mainly due to higher net interest income and a non-recurring cost of MSEK 75 in 2015 connected with the IPO. Adjusted operating profit increased by 23% to 222 MSEK (180) mainly as a result of the improved net interest income.

The adjusted return on tangible equity (rolling 12 months) was 23.5% (26.0%). The lower return is due to higher equity. The adjusted return on average net loans (rolling 12 months) was 3.9% (4.0%).

Earnings per share increased to 1.85 SEK (0.61). Adjusted earnings per share rose by 23% to 1.56 SEK (1.26).

ADJUSTED OPERATING PROFIT 2012-2016, MSEK



Second quarter 2016 compared to second quarter 2015

Net interest income increased by 20% to 267 MSEK (223). The improvement was due to a growing loan portfolio and an increase in the net interest margin to 9.2% (8.6%).

Net profit from financial transactions amounted to 18 MSEK (-1 1) because of a stronger NOK and EUR against the SEK. Nordax has open positions in currencies to protect its capital adequacy ratio from currency fluctuations. The FX effect on regulatory capital has a corresponding impact on profit from financial transactions.

Total operating income increased by 34% to 290 MSEK (216) due to rising net interest income and positive FX effects.

The adjusted cost to income ratio (rolling 12 months) improved to 28.2% (28.9%). The quarterly adjusted cost to income ratio improved to 28.3% compared to 30.4% in the same quarter in 2015. General administrative expenses increased to 75 MSEK (68). The rate of increase has slowed and the focus remains on improving the adjusted cost to income ratio (which excludes marketing costs).

Other operating expenses rose by 41% to 31 MSEK (22) due to increased marketing activities, which generated higher new lending. Marketing efficiency remained high and was in line with the same quarter in 2015.

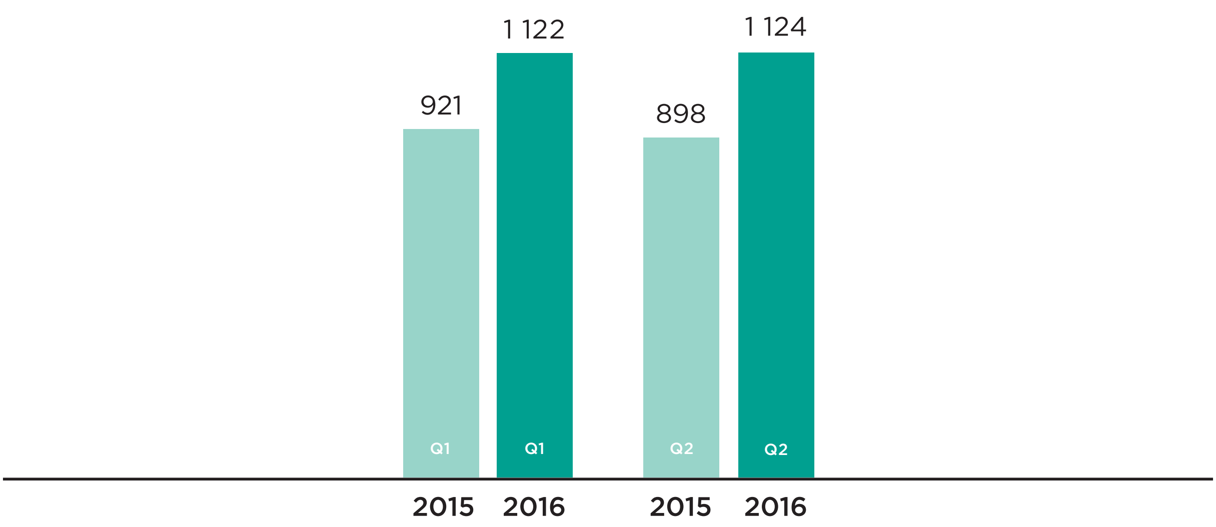
The net credit loss level increased slightly to 1.4% (1.3%).

Tax amounted to 34 MSEK (3) during the period. The effective tax rate was 23% (23%).

Net profit increased to 112 MSEK (10) compared to the same quarter in 2015 and adjusted operating profit rose by 23% to 123 MSEK. The increase in net profit is mainly due to higher net interest income and the non-recurring cost of 75 MSEK in 2015 related to the IPO.

Earnings per share increased to 1.01 SEK (0.08). Adjusted earnings per share rose by 23% to 0.86 SEK (0.70).

NEW LENDING Q1-Q2 2015-2016, MSEK



Lending volumes

JANUARY-JUNE 2016 COMPARED TO JANUARY-JUNE 2015
New lending amounted to 2,246 MSEK for the period, a year-over-year increase of 23%. New sales in local currency rose by 43% in Sweden, 33% in Germany, 29% in Norway and were stable in Finland.

Compared to the same period in 2015 the loan portfolio grew by 14% to 11,823 MSEK (10,368). In constant currencies growth was 14.8%. Growth was positive in all markets, with the highest rate in Germany followed by Norway.

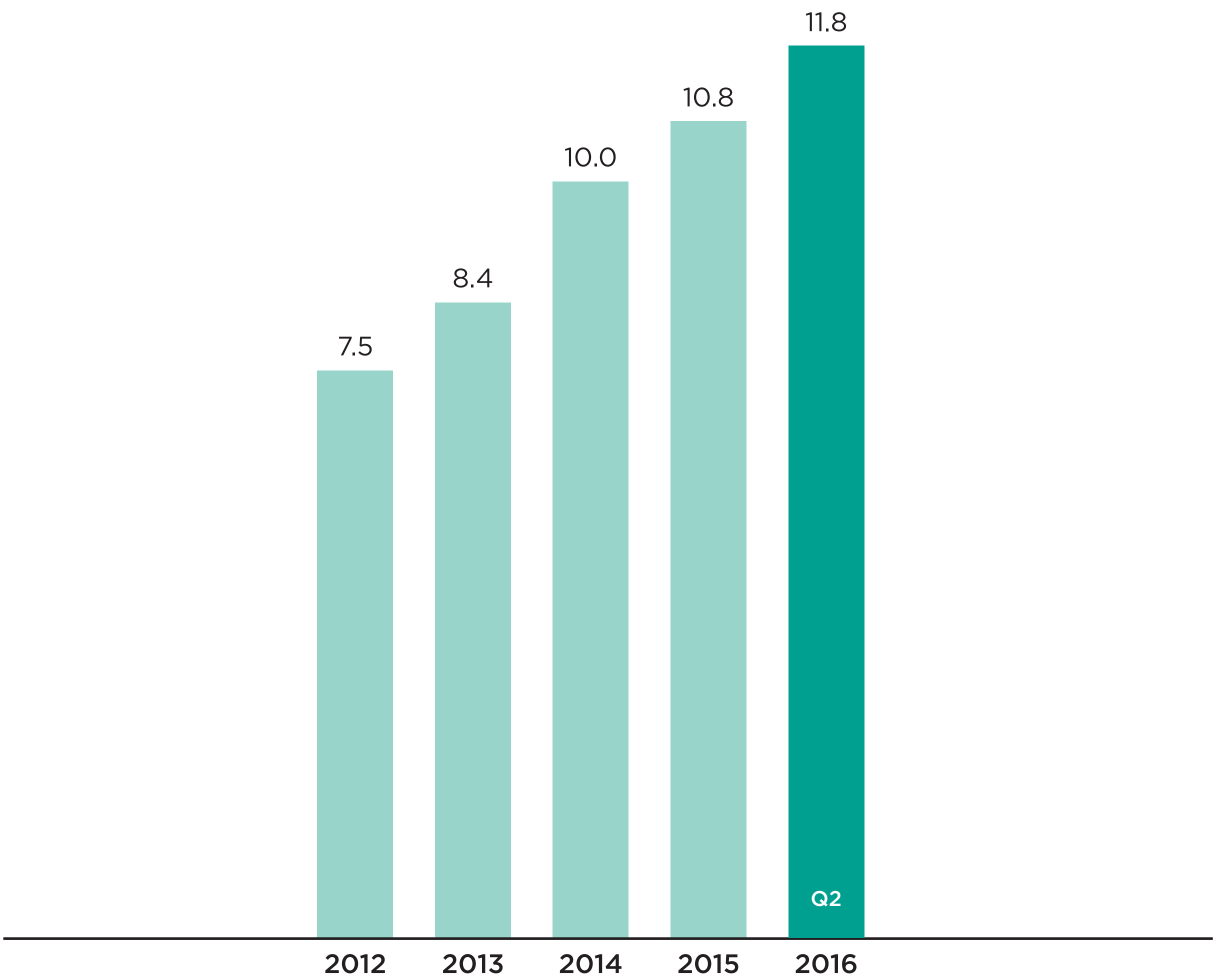
SECOND QUARTER 2016 COMPARED TO SECOND QUARTER 2015 AND FIRST QUARTER 2016
New lending amounted to 1,124 MSEK in the quarter, compared to 898 MSEK in the second quarter of 2015 and 1,122 MSEK in the first quarter of 2016.

The loan portfolio grew by 4.4% or 498 MSEK compared to the previous quarter. In constant currencies growth was 2.6%, or 10.6% if annualised. Growth in local currency was highest in Germany, followed by Norway, but was lower in Sweden and Finland. Tax refunds and vacation compensation in Sweden and Norway in June contributed to higher early redemptions and lower credit losses.

Growth in the loan portfolio is impacted by new lending, write-offs, loan amortisations and early redemptions.

	Q2 vs Q1	Y/Y	2015
Portfolio growth, MSEK	498	1,455	799
of which FX effects, MSEK	199	-78	-477
Growth excluding FX effects, %	2.6	14.8	12.7

LENDING PORTFOLIO DEVELOPMENT 2012-2016 Q2 IN BILLION SEK



Funding

Maintaining a diversified funding structure and not having to rely on a single funding source is a cornerstone of our business model. Nordax has a funding mix of asset backed securities, senior unsecured bonds, warehouse funding facilities provided by international banks and deposits from the public. Nordax offers attractive deposit products with competitive interest rates to customers in all four core markets and in three different currencies: SEK, NOK and EUR.

Nordax's funding costs continued to fall during the period, which benefitted our existing Swedish customers in the form of two rate adjustments, one in the first quarter and one in the second quarter.

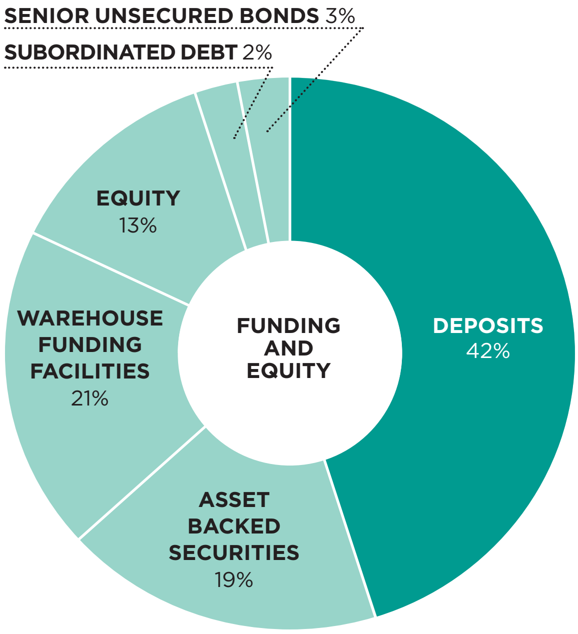
At the end of the period nominal funding was as follows: 2,828 MSEK (2,763 at 31 December 2015) in asset backed securities, 500 MSEK (453) in senior unsecured bonds, 3,114 MSEK (2,891) in warehouse funding facilities provided by international banks and 6,274 MSEK (5,991) in deposits from the public.

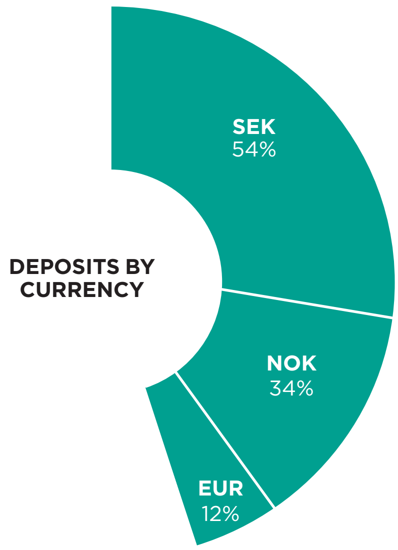
At the end of March deposits were launched in Germany and at June 30 they totalled 296 MSEK.

Nordax had a liquidity reserve of 2,237 MSEK at 30 June 2016 (2,552 at 31 December 2015). Of these investments, 47% (55) was in the Nordic banks, 18% (16) in Swedish covered bonds and 35% (29) in Swedish municipal bonds. All investments had credit ratings ranging from AAA to A+ from Standard & Poor's, with an average rating of AA. The average maturity was 61 (48) days. All bank holdings are immediately available and all securities are eligible for refinancing with central banks.

Lending to credit institutions, which corresponds to cash at bank, has decreased slightly since the beginning of the year and amounted to 1,576 MSEK (1,810), of which 579 MSEK (597) was pledged cash holdings for the funding structure and the rest was cash liquidity.

Total assets at 30 June 2016 amounted to 14,953 MSEK (14,162).





Capital

Equity generation continued to be strong and total equity grew to 1,883 MSEK (1,733 as of 31 Dec 2015).

REGULATORY CAPITAL

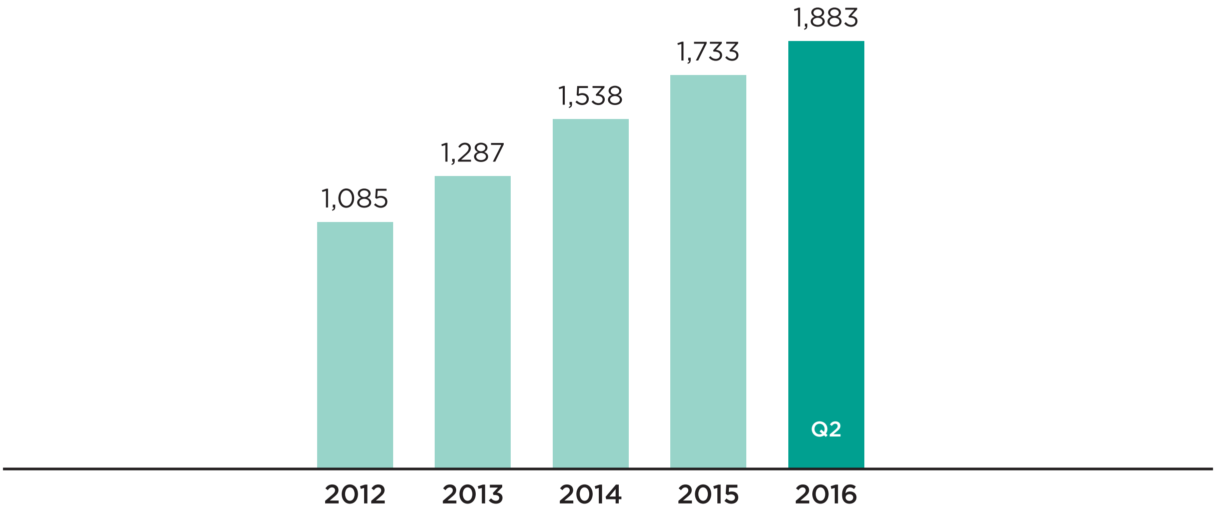
As of June 30 the total capital ratio was 15.2% (14.6% at 31 December 2015). The improvement during the year is due to the solid return Nordax generated and because the method used to calculate operational risk was switched from the basic indicator approach to the standardised approach, which led to a lower risk exposure amount. The capital ratio includes a dividend provision equal to 40% of net profit, in accordance with the dividend policy.

The Common Equity Tier 1 capital ratio was 13.2% (12.6% at 31 December 2015), compared to an estimated requirement of 9.0% including the buffer requirement within Pillar 2 and the target of at least 12%. The Common Equity Tier 1 capital requirement is comprised of the Common Equity Tier 1 Minimum Requirement of 4.5%, the Capital Conservation Buffer of 2.5%, 1.1% for the Countercyclical Capital Buffer and 0.9% for Pillar II buffers. The countercyclical buffer is calculated as a weighted average of the required level for each country's portfolio.

The risk exposure amount increased to 11,324 MSEK (10,834 at 31 December 2015), of which 9,474 MSEK (8,745) relates to credit risk, 678 MSEK (624) to market risk and 1,172 MSEK (1,465) to operational risk. Nordax uses the standardised approach to measure credit risk, which means a 75% risk weight for household exposures that are not past due and a 100% risk weight for past due household exposures.

RISK EXPOSURE AND CAPITAL RATIOS ACCORDING TO BASEL III	**30 JUN** 2016	**31 DEC** 2015
Risk exposure amount, MSEK	11,324	10,834
Total Common Equity Tier 1 capital, MSEK	1,499	1,369
Common Equity Tier 1 capital ratio %	13.2	12.6
Tier 1 capital ratio %	13.2	12.6
Total capital ratio %	15.2	14.6
Leverage ratio %	10.2	9.9
Liquidity Coverage Ratio %	684	676
Net stable funding ratio %	127	127

DEVELOPMENT OF TOTAL EQUITY 2012-2016 I MSEK

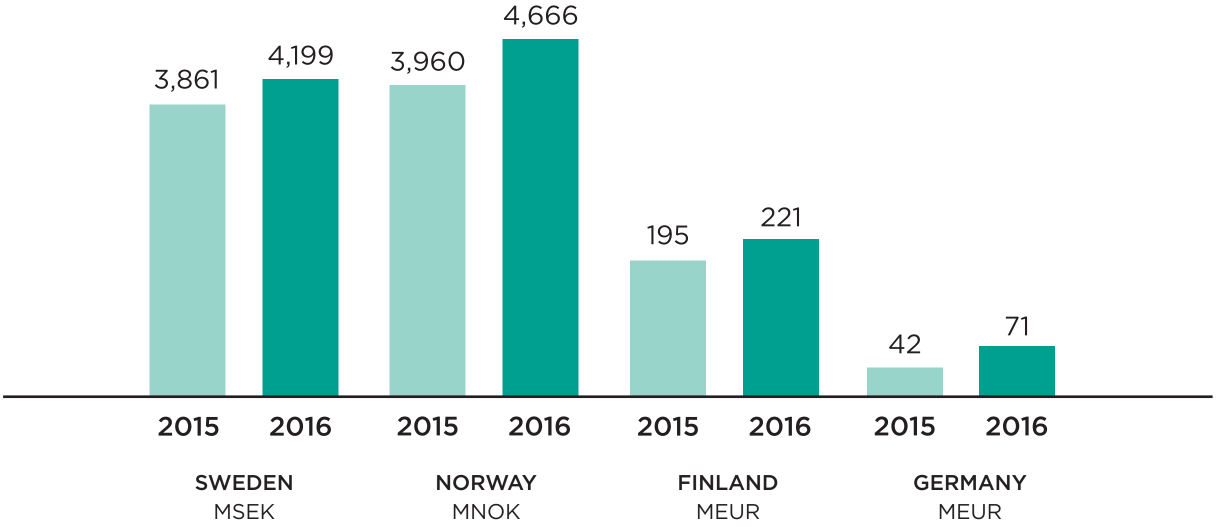


Market segment overview Q2

BY COUNTRY	SWEDEN Q2	NORWAY Q2	FINLAND Q2	GERMANY Q2	TOTAL[1] Q2
Total net interest income, MSEK	88	108	55	14	267
Net interest margin, %	8.4	9.5	10.8	8.8	9.2
Net credit losses, MSEK	-11	-15	-8	-6	-40
Net credit loss level (cost of risk), %	1.1	1.3	1.6	3.8	1.4
Operating profit, MSEK	48	62	32	-6	146
Lending. end of period, MSEK	4,199	4,713	2,079	672	11,823
New lending volume, MSEK	375	483	161	105	1,124
Deposits, MSEK	3,368	2,115	494	296	6,273

[1] Includes Denmark

LENDING PORTFOLIO END OF SECOND QUARTER 2016 IN MILLION LOCAL CURRENCY



Sweden

SWEDEN	Q2 2016	Q1* 2016	Q2 2015	%	JAN-JUN 2016	JAN-JUN 2015	%
Total net interest income, MSEK	88	90	76	15.8	178	148	20.3
Net interest margin %	8.4	8.8	7.8		8.7	7.6	
Net credit losses, MSEK	-11	-13	-9	22.2	-24	-27	-11.1
Net credit loss level (cost of risk) %	1.1	1.3	0.9		1.2	1.4	
Operating profit, MSEK	48	44	29	65.5	92	50	84.0
Lending, end of period, MSEK	4,199	4,134	3,861	8.8	4,199	3,861	8.8
New lending volumes, MSEK	375	404	259	44.8	779	545	42.9

*The calculation of net interest income in the segments has been finetuned which has effected Q1 figures.

	Q2 vs Q1	Y/Y	2015
Portfolio growth, MSEK	65	338	145
Growth, %	1.6	8.8	3.7

The Swedish business continued to grow during the period and the loan portfolio amounted to 4,199 MSEK, an increase of 8.8% compared to the same period in 2015 and 1.6% compared to the previous quarter. New lending rose by 43% compared to first half of 2015. New lending was slightly lower than the previous quarter.

The net interest margin for the period improved to 8.7% (7.6% for the first half of 2015). The improvement was mainly driven by higher margins on new lending. Lending rates for existing customers in Sweden and Norway are adjusted when Nordax's funding costs change beyond certain levels. During the last two quarters Nordax passed on its lower funding costs to customers in Sweden, which had a negative impact on the net interest margin in the quarter.

Net credit losses were 1.2% in the first half of 2016 (1.4%). Credit losses decreased in the second quarter compared to the first quarter of 2016. Normally, credit losses are seasonally lower in the second quarter, partly because customers use their tax refunds in June to pay back overdue loans.

Operating profit increased by 42 MSEK year-over-year and amounted to 92 MSEK (50) mainly due to better net interest income from higher volumes and improved margins. Lower credit losses and adjusted model for cost allocation contributed positively.

Norway

NORWAY	Q2 2016	Q1* 2016	Q2 2015	%	JAN-JUN 2016	JAN-JUN 2015	%
Total net interest income, MSEK	108	100	91	18.7	208	177	17.5
Net interest margin %	9.5	9.4	8.8		9.4	8.8	
Net credit losses, MSEK	-15	-20	-13	15.4	-35	-29	20.7
Net credit loss level (cost of risk) %	1.3	1.9	1.3		1.6	1.4	
Operating profit, MSEK	62	43	44	40.9	105	79	32.9
Lending, end of period, MSEK	4,713	4,414	4,118	14.4	4,713	4,118	14.4
New lending volumes, MSEK	483	481	396	22.0	964	812	18.7
New lending volumes MNOK	486	489	369	31.7	975	754	29.3

*The calculation of net interest income in the segments has been finetuned which has effected Q1 figures.

	Q2 vs Q1	Y/Y	2015
Portfolio growth, MSEK	299	595	191
of which FX effects, MSEK	140	-140	-387
Growth excluding FX effects, %	3.6	17.8	14.7

Growth remained high in Norway and the loan portfolio amounted to 4,713 MSEK, an increase of 595 MSEK or 17.8% in constant currency compared to 30 June 2015. Compared to the previous quarter the loan portfolio grew by 299 MSEK; excluding FX effects the portfolio grew by 3.6%, or 14.4% if annualised. New lending amounted to 964 MSEK during the period, compared to 812 MSEK in the same period in 2015.

The net interest margin rose compared to the same period in 2015 to 9.4% (8.8%), which reflects better new lending margins compared to the portfolio margin. Lending rates on existing portfolios in Sweden and Norway are adjusted when Nordax's funding costs change beyond a specific level. During the third quarter Nordax will adjust its rate for customers in Norway due to lower funding costs.

The net credit loss level for the quarter decreased to 1.3% (1.9% Q1 2016) compared to the first quarter of 2016 Year-over-year the net credit loss level increased to 1.6% (1.4%). Overall the credit quality is stable despite declining macroeconomic conditions in Norway in recent years. Credit losses are well below the 2% level that Nordax aims for over a business cycle.

Operating profit for the period increased to 105 MSEK (79) mainly as a result of higher net interest income from a larger portfolio and better margins. The increase in operating profit compared to the previous quarter is due to higher net interest income, lower credit losses and positive FX effects.

Finland

FINLAND	Q2 2016	Q1* 2016	Q2 2015	%	JAN-JUN 2016	JAN-JUN 2015	%
Total net interest income, MSEK	55	54	47	17.0	109	93	17.2
Net interest margin %	10.8	10.9	10.7		10.8	10.7	
Net credit losses, MSEK	-8	-6	-7	14.3	-14	-14	0.0
Net credit loss level (cost of risk) %	1.6	1.2	1.6		1.4	1.6	
Operating profit, MSEK	32	31	26	23.1	63	53	18.9
Lending, end of period, MSEK	2,079	2,011	1,797	15.7	2,079	1,797	15.7
New lending volumes, MSEK	161	153	171	-5.8	314	325	-3.4
New lending volumes, MEUR	17	17	18	-5.6	34	34	0.0

*The calculation of net interest income in the segments has been finetuned which has effected Q1 figures.

	Q2 vs Q1	Y/Y	2015
Portfolio growth. MSEK	68	282	276
of which FX effects. MSEK	42	44	-82
Growth excluding FX effects. %	1.3	13.2	21.2

The loan portfolio amounted to 2,079 MSEK, an increase of 282 MSEK or 13.2% in constant currency compared to the same period in 2015. Compared to the previous quarter the loan portfolio grew by 68 MSEK. Excluding FX effects, the loan portfolio increased by 1.3%, or 5.2% if annualised. New lending was 314 MSEK, in line with the same period in 2015.

The loan offering was improved during the quarter through the launch of e-signature, an increase in the maximum loan amount to EUR 50,000 and other improvements of the product and the process for the customers. The effects of these initiatives are expected in the second half of 2016.

The net interest margin increased slightly year-over-year to 10.8% (10.7%).

The net credit loss level decreased to 1.4% (1.6%) compared to the same period in 2015, but increased compared to the previous quarter and was stable year-over-year.

Operating profit increased by 19% year-over-year to 63 MSEK (53). The positive trend was mainly because the portfolio grew, which raised net interest income.

Germany

GERMANY	Q2 2016	Q1 2016	Q2 2015	%	JAN-JUN 2016	JAN-JUN 2015	%
Total net interest income, MSEK	14	13	7	100.0	27	12	125.0
Net interest margin %	8.8	9.1	7.4		8.9	7.3	
Net credit losses, MSEK	-6	-6	-4	50.0	-12	-6	100.0
Net credit loss level (cost of risk) %	3.8	4.2	4.5		3.9	3.5	
Operating profit, MSEK	-6	-4	-9	-33.3	-10	-17	-41.2
Lending, end of period, MSEK	672	597	383	75.5	672	383	75.5
New lending volumes, MSEK	105	84	73	43.8	189	138	37.0
New lending volumes, MEUR	11	9	8	37.5	20	15	33.3

	Q2 vs Q1	Y/Y	2015
Portfolio growth, MSEK	75	289	254
of which FX effects, MSEK	14	14	-16
Growth excluding FX effects, %	10.3	71.7	91.9

The loan portfolio grew to 672 MSEK, a year-over-year increase of 289 MSEK or 71.7% in constant currency. Compared to the previous quarter the loan portfolio rose by 75 MSEK. Excluding FX effects, growth was 10.3%, or 41.2% if annualised for the quarter. New lending amounted to 189 MSEK in the period, compared to 138 MSEK in the first half of 2015.

The net interest margin increased to 8.9% (7.3%) compared to the first half of 2015.

Nordax started operations in Germany in 2012 and is still building expertise and fine-tuning its business model in the market. The German market provides future growth potential for Nordax. The growth in new lending has been controlled and stable. We have verified that our sales/direct marketing model and margin are attractive.

The net credit loss level was 3.9% (3.5%) during the first half of the year. The provision rate in Germany for loans past due by more than 180 days is a conservative 90%, compared to 63% for Nordax's total portfolio. After further evaluating the process for recoveries our assessment is that we will adjust our provision level positively during the year. As in other markets, we have now hired a second collection agency to evaluate which firm performs better and create competition between the two.

The operating profit improved to -10 MSEK (-17) for the period. The loss reflects the fact that Germany is still in an investment phase as well as the conservative reserves for credit losses. Excluding marketing costs, the operating result was positive.

Other information

EMPLOYEES

The number of full-time employees was 214 (212) on June 30, 2016.

LARGEST OWNERS AS OF JUNE 30

1.	Vision Capital	36.1%
2.	Swedbank Robur fonder	9.5%
3.	Carnegie fonder	7.4%
4.	Handelsbanken fonder	5.4%
5.	Allianz Global Investors	3.4%
6.	Morten Falch	2.4%
7.	Andra AP-fonden	2.2%
8.	Didner & Gerge fonder	2.0%
9.	JP MORGAN CHASE N.A	1.8%
10.	Per Bodlund	1.7%

Foreign owners:	58.1%
Swedish owners:	41.9%

Source: Euroclear

EVENTS AFTER JUNE 30

Nothing to report

FINANCIAL TARGETS

- Maintaining a sustainable return on average net loans through the cycle on a 12-month rolling basis of above 3%.
- Dividend target of maintaining a pay-out ratio of approximately 40% of profit after tax for the year. The dividend target is based on current regulatory capital requirements, and any future changes regarding regulatory capital requirements could affect Nordax's dividend target.

- Capital target of maintaining a CET 1 capital ratio above 12% and a total capital ratio above 14% under current capital requirements. Nordax targets maintaining a buffer of at least 1.5 percentage points above its CET 1 capital ratio and total capital ratio requirements.

RISKS AND UNCERTAINTIES

The Group is exposed to both credit risk and to other financial risks such as market risk (including currency risk, interest-rate risk at fair value, interest-rate risk in cash flow and price risk) and liquidity risk. The Group is also exposed to IT and operational risks. The Group's overall risk and capital policy details the risk framework as well as risk management roles and responsibilities for the Group. The Group's risk profile as well as related risk, liquidity and capital management is described in Nordax Group Annual Report for 2015 and Risk Management and Capital Adequacy Report.

INTERNAL CONTROL

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

ACCOUNTING PRINCIPLES

This quarterly 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 as well as the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2008:25. The Parent Company's report has been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2, Accounting for legal entities. In all material aspects, the Group's and the Parent Company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2015 Annual Report.

Board of Directors' affirmation

The Board of Directors declares that the interim report for January–June 2016 provides a fair overview of the Parent Company's and the Group's operations, their financial positions and results and describe material risks and uncertainties facing the Parent Company and the Group.

Stockholm July 15, 2016

Arne Bernroth
Chairman

Christian A. Beck
Non-Executive Director

Katarina Bonde
Non-Executive Director

Morten Falch
CEO, Executive Director

Hans Larsson
Non-Executive Director

Andrew Rich
Non-Executive Director

Jenny Rosberg
Non-Executive Director

Synnöve Trygg
Non-Executive Director

For translation purpose only

Report of Review of Interim Financial Information

INTRODUCTION
We have reviewed the interim financial information (interim report) of Nordax Group AB (corporate identity number 556993-2485) as of 30 June 2016 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Security Companies for the Group, and for the parent company in accordance with the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

CONCLUSION
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Security Companies for the Group, and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm July 15, 2016
Öhrlings PricewaterhouseCoopers AB

Helena Kaiser de Carolis
Authorized Public Accountant

Contact

For more information, please contact

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Andreas Frid, Head of Investor relations,
+46 705 29 08 00,
andreas.frid@nordax.se

Conference call

Media, analysts and investors are welcome to take part in a conference call on July 15, at 8.15 am CET. CEO Morten Falch and CFO Camilla Wirth will present the results. After the presentation there will be a Q&A session.

Call-in numbers:
Sweden: +46 8 566 426 65
UK: +44 203 008 98 13
US: +1 855 753 22 36

Link to audiocast:
https://wonderland.videosync.fi/2016-07-15-nordax-q2report

You can also follow the presentation on
https://www.nordaxgroup.com/en/investors/financial-reports/presentations/

Financial calendar 2016

Oct 26, 7.30am CET	Interim report January-September
Feb 8 7.30am CET	Year-end report 2016

More information: www.nordaxgroup.com

For more information about Nordax's customer offerings, read more on each country's web site: www.nordax.se, www.nordax.no, www.nordax.fi, and www.nordax.de.

This information is information that Nordax Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.30 CET on July 15, 2016.

Consolidated income statement

GROUP All amounts in MSEK	Not	**APR-JUN 2016**	JAN-MAR 2016	APR-JUN 2015	**JAN-JUN 2016**	JAN-JUN 2015
Operating income						
Interest income	7	331	323	315	654	622
Interest expense	7	-64	-64	-92	-128	-186
Total net interest income		**267**	**259**	**223**	**526**	**436**
Commission income	7	5	4	4	9	9
Net profit from financial transactions	7	18	17	-11	35	-11
Other operating income	7	0	0	0	0	0
Total operating income		**290**	**280**	**216**	**570**	**434**
Operating expenses						
General administrative expenses	7	-75	-73	-68	-148	-128
Depreciation, amortisation and impairment of tangible and intangible assets	7	-7	-6	-5	-13	-10
Other operating expenses	7	-31	-41	-22	-72	-56
Non-recurring items	7, 8	9	4	-75	13	-75
Total operating expenses		**-104**	**-116**	**-170**	**-220**	**-269**
Profit before credit losses		**186**	**164**	**46**	**350**	**165**
Net credit losses	2,7	-40	-45	-33	-85	-78
Operating profit		**146**	**119**	**13**	**265**	**87**
Tax on profit for the period		-34	-26	-3	-60	-19
NET PROFIT FOR THE PERIOD/ COMPREHENSIVE INCOME		**112**	**93**	**10**	**205**	**68**
Attributable to:						
The Parent Company's shareholders		112	93	10	205	68
Non-controlling interest		0	0	0	0	0
Earnings per share, SEK		1.01	0.84	0.08	1.85	0.61
Diluted earnings per share, SEK		1.01	0.84	0.08	1.85	0.61
Average number of shares		110,945,598	110,945,598	110,945,598	110,945,598	110,945,598

Consolidated statement of financial position

GROUP All amounts in MSEK	Note	30 JUNE 2016	31 DECEMBER 2015
ASSETS			
Lending to credit institutions	5,6	1,576	1,810
Lending to the general public	2,3,5,6,7	11,823	10,841
Bonds and other fixed income securities	5,6	1,190	1,157
Property, plant and equipment		8	8
Intangible assets		312	320
Current tax receivables		-	-
Other assets		25	9
Prepaid expenses and accrued income		19	17
Total assets		**14,953**	**14,162**
LIABILITIES, PROVISIONS AND EQUITY			
Liabilities			
Liabilities to credit institutions	5,6	3,105	2,880
Deposits from the public	5,6	6,273	6,001
Issued securities	5,6	3,303	3,187
Current tax liability		31	10
Deferred tax liability		10	9
Other liabilities		25	24
Accrued expenses and deferred income		77	72
Subordinated liabilities	5,6	246	246
Total liabilities		**13,070**	**12,429**
Equity			
Share capital		111	111
Other contributed capital		736	736
Retained earnings, incl. net profit for the year		1,036	886
Total equity		**1,883**	**1,733**
TOTAL LIABILITIES, PROVISIONS AND EQUITY		**14,953**	**14,162**
Memorandum items			
Pledged assets for own liabilities	9	9,940	9,787
Contingent liabilities		None	None

Statement of cash flows

GROUP All amounts in MSEK	**JAN-JUN** 2016	**JAN-JUN** 2015	**JAN-DEC** 2015
Operating activities			
Operating profit	265	87	250
Adjustment for non-cash items:			
Exchange rate effects	161	-75	-277
Income tax paid	-82	-47	-81
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	13	10	21
Amortisation of financing costs	3	15	21
Unrealised changes in value of bonds and other fixed-income securities	1	-1	0
Change in operating assets and liabilities			
Decrease/Increase in lending to the public	-982	-326	-799
Decrease/Increase in other assets	26	14	2
Decrease/Increase in deposits from the public	272	-25	-478
Decrease/Increase in other liabilities	6	44	7
Cash flow from operating activities	**-317**	**-304**	**-1,334**
Investing activities			
Purchase of equipment	-5	-16	-26
Investment in bonds and other interest-bearing securities	-1, 636	-1,900	-3,403
Sale/disposal of bonds and other fixed income securities	1, 602	1,998	3,830
Cash flow from investing activities	**-39**	**82**	**401**
Financing activities			
Change in liability to credit institutions	148	517	3,136
Repayment of debt to credit institutions	-	-	-2,395
Issue of subordinated loans	-	244	244
Redemption of subordinated loans	-	-200	-194
Issued bonds	500	-	1,079
Repayment of issued bonds	-471	-422	-1,339
Dividends paid	-55	-	-
Cash flow from financing activities	**122**	**139**	**531**
Cash flow for the period	**-234**	**-83**	**-402**
Cash and cash equivalents at beginning of period	**1, 810**	**2,212**	**2,212**
Cash and cash equivalents at end of period	**1, 576**	**2,129**	**1,810**

Cash and cash equivalents are defined as treasury bills eligible for refinancing and lending to credit institutions. Pledged cash and cash equivalents according to note 9 are available for Nordax in connection with monthly settlements under financing arrangement and are thus defined as cash equivalents.

Statement of changes in equity

GROUP	**Restricted equity**	**Non-restricted equity**		**Total**
All amounts in MSEK	Share capital	Other contri-buted capital	Retained earnings	
OPENING BALANCE, 1 JANUARY 2015	**1**	**846**	**691**	**1,538**
Comprehensive income				
Net profit for the period			68	**68**
Total comprehensive income			**68**	**68**
Transactions with shareholders				
Group reorganisation	110	-110	-	0
Total transactions with shareholders	**110**	**-110**	**-**	**0**
CLOSING BALANCE 30 JUNE 2015	**111**	**736**	**759**	**1,606**
OPENING BALANCE, 1 JANUARY 2015	**1**	**846**	**691**	**1,538**
Comprehensive income				
Net profit for the year			195	**195**
Total comprehensive income			**195**	**195**
Transactions with shareholders				
Group reorganisation (see note 1)	110	-110	-	**0**
Total transactions with shareholders	**110**	**-110**	**-**	**0**
CLOSING BALANCE, 31 DECEMBER 2015	**111**	**736**	**886**	**1,733**
OPENING BALANCE, 1 JANUARY 2016	**111**	**736**	**886**	**1,733**
Comprehensive income				
Net profit for the period			205	**205**
Total comprehensive income			**205**	**205**
Transactions with shareholders				
Dividends paid			-55	-55
Total transactions with shareholders			**-55**	**-55**
CLOSING BALANCE 30 JUNE 2016	**111**	**736**	**1,036**	**1,883**

Notes

Amounts stated in the notes are in MSEK unless otherwise stated.
The information on pages 1-20 is an integrated part of this interim report

Note 1 General information

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

Information on the consolidated situation
The top company in the consolidated situation is Nordax Group AB (publ). The following companies are included in the consolidated financial statements for the group of financial companies in accordance with full IFRS and in the group-based financial statements for calculation of capital requirements: Nordax Group AB (publ), Nordax Group Holding AB, Nordax Holding AB, Nordax Bank AB (publ), Nordax Finans AS, PMO Sverige OY, Nordax Nordic AB (publ), Nordax Sverige AB, Nordax Sverige 3 AB (publ), Nordax Sverige 4 AB (publ), Nordax Nordic 2 AB and Nordax Nordic 3 AB (publ).

Nordax Group AB (publ) acquired as of May 11 2015, through a share exchange, Nelson Luxco Sarl which was the former ultimate parent company for the Nordax Group. The transaction was purely a share exchange under common control and is considered to be a pure reorganisation. Since this is a reorganisation under common control, and it was carried out through a share exchange Nordax Group AB (publ) cannot be considered the accounting acquirer. Accordingly, the consolidated financial statements prepared as a continuation of the previous Nordax Group.

Note 2 Credit risk

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

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

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

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

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

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

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

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

(iv) Principles for credit risk provisions
Principles for credit risk provisions are indicated in the annual report for Nordax Group AB for 2015, Note 2 and Note 4. When the value of a loan receivable has declined, the carrying amount is written down to the recoverable amount, which is defined as the estimated future cash flow discounted the effective interest rate of the loan receivable when fully performing. Management uses estimates based on historical credit losses for assets with the same credit risk and attributes as those in the loan portfolio. The methods and assumptions used to forecast future cash flows are reviewed regularly to reduce the difference between estimated and actual losses.

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

GROUP All amounts in MSEK	**APR-JUN 2016**	JAN-MAR 2016	APR-JUN 2015	**JAN-JUN 2016**	JAN-JUN 2015
Credit losses					
Write-offs for the period pertaining to actual credit losses	-13	-9	-11	-22	-16
Gross value of new receivables during the period due more than 180 days	-112	-118	-90	-230	-183
Payments received during the period pertaining to loans due more than 180 days	62	52	51	114	93
Adjustment to recoverable value pertaining to receivables due more than 180 days	27	34	18	61	38
Total provision for loans with individually identified loss event[1]	-23	-32	-21	-55	-52
Group provision for receivables valued as a group[2]	-4	-4	-1	-8	-10
Credit losses for the period	**-40**	**-45**	**-33**	**-85**	**-78**

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

Note 3 Lending to the general public

GROUP

30 June 2016	Sweden	Norway	Denmark	Finland	Germany	TOTAL	Allocation of provision past due receivables	
Not yet payable	3,848	4,316	132	1,801	655	10,752		
30 days past due	34	99	3	76	11	223	-22	10%
60 days past due	30	43	2	30	6	111	-28	25%
90 days past due	16	27	2	15	4	64	-25	39%
120-150 days past due	27	34	1	22	5	89	-46	52%
More than 180 days past due	630	597	306	331	23	1,887	-1,182	63%
Total past due	**737**	**800**	**314**	**474**	**49**	**2,374**	**-1,303**	**55%**
Total	**4,585**	**5,116**	**446**	**2,275**	**704**	**13,126**		
Provision[1]	-386	-403	-286	-196	-32	-1,303		
Total lending to the general public	**4,199**	**4,713**	**160**	**2,079**	**672**	**11,823**		

GROUP

31 December 2015	Sweden	Norway	Denmark	Finland	Germany	TOTAL	Allocation of provision past due receivables	
Not yet payable	3,690	3,772	150	1,699	537	9,848		
30 days past due	44	96	5	82	8	235	-23	10%
60 days past due	21	37	3	27	4	92	-20	22%
90 days past due	18	28	3	14	2	65	-24	36%
120-150 days past due	29	29	1	23	3	85	-43	51%
More than 180 days past due	574	513	292	282	13	1,674	-1,048	63%
Total past due	**686**	**703**	**304**	**428**	**30**	**2,151**	**-1,158**	**54%**
Total	**4,376**	**4,475**	**454**	**2,127**	**567**	**11,999**		
Provision[1]	-351	-350	-275	-163	-19	-1,158		
Total lending to the general public	**4,025**	**4,125**	**179**	**1,964**	**548**	**10,841**		

[1] Provision for receivables which are more than 180 days past due are assessed individually and total MSEK -1,182 (-1,048). The group provision is MSEK -121 (-110). The difference between the provision recognised above and credit losses as indicated in the income statement is due to exchange rate effects, which are accounted for under Net profit from financial transactions.

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

Note 4 Capital adequacy analysis

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

Information on the consolidated situation

The top company in the consolidated situation is Nordax Group AB (publ). The following companies are included in the consolidated financial statements for the group of financial companies in accordance with full IFRS and in the group-based financial statements for calculation of capital requirements: Nordax Group AB (publ), Nordax Group Holding AB, Nordax Holding AB, Nordax Bank AB (publ), Nordax Finans AS, PMO Sverige OY, Nordax Nordic AB (publ), Nordax Sverige AB, Nordax Sverige 3 AB (publ), Nordax Sverige 4 AB (publ), Nordax Nordic 2 AB and Nordax Nordic 3 AB (publ).

All amounts in MSEK	Consolidated situation 30 June 2016	31 December 2015
OWN FUNDS		
Common Equity Tier 1 capital	1,801	1,678
Deduction from own funds	-302	-309
Total Common Equity Tier 1 capital	**1,499**	**1,369**
Tier 2 capital	226	217
Net own funds	**1,725**	**1,586**
Risk exposure amount for credit risk	9,474	8,745
Risk exposure amount for market risk	678	624
Risk exposure amount for operational risks[4]	1,172	1,465
Total risk exposure amount	**11,324**	**10,834**
Common Equity Tier 1 capital ratio	13.24%	12.64%
Tier 1 capital ratio	13.24%	12.64%
Total capital ratio	15.24%	14.64%
Capital adequacy ratio (own funds / capital requirement)	1.90	1.83
Total Common Equity Tier 1 capital requirement including buffer requirement	8.13%	7.72%
- of which, capital conservation buffer requirement	2.50%	2.50%
- of which, countercyclical capital buffers	1.13%	0.72%
Common Equity Tier 1 capital available for use as buffer[1]	8.74%	8.14%
Specification own funds		
Common Equity Tier 1 capital:		
- Capital instruments and the related share premium accounts	847	847
-of which share capital	111	111
-of which other contributed capital	736	736
- Retained earnings	831	691
- Independently reviewed interim profits	205	195
- Calculated dividend[2]	-82	-55
Common Equity Tier 1 capital before regulatory adjustments	**1,801**	**1,678**
Regulatory adjustments:		
- Intangible assets	-302	-309
Total regulatory adjustments to Common Equity Tier 1	**-302**	**-309**
Common Equity Tier 1	**1,499**	**1,369**
Tier 2 capital:		
- Tier 2 capital instrument	226	217
Tier 2 capital	**226**	**217**
Total capital	**1,725**	**1,586**
Specification of risk exposure amount[3]		
Institutional exposures	317	365
Covered bonds	41	41
Household exposures	8,307	7,629
Past due items	748	669
Other items	61	41
Total risk exposure amount for credit risk, Standardised Approach	**9,474**	**8,745**
Exchange rate risk	678	624
Total risk exposure amount for market risk	**678**	**624**
Operative risk according to Standardized Method 2016 and Basic Indicator Approach 2015[4]	1,172	1,465
Total risk exposure amount for operational risks	**1,172**	**1,465**
LEVERAGE RATIO		
Exposure measure for calculating leverage ratio	14,661	13,862
Leverage ratio	**10.22%**	**9.88%**

[1] Common Equity Tier 1 capital ratio 13.24% less the statutory minimum requirement of 4.5% excluding the buffer requirement. A total capital requirement of a further 3.63% of which capital conservation buffer of 2.50% and 1.13% for the countercyclical capital buffers is also applicable.

[2] Calculated dividend consists of MSEK 82 attributable to the current financial year. The Swedish Financial Supervisory Authority has approved Nordax's application to include earnings in the capital base on condition that the responsible auditor has reviewed the surplus, that the surplus has been calculated in accordance with applicable accounting rules, that predicted costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU)No 241/2014.

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

[4] During the period the method for calculating operational risk was changed from basic indicator approach to the standardized method.

Internal capital requirement

As of 30 June 2016 the internal capital assessment for Nordax consolidated situation amounted to 93 MSEK (83 at year-end). The internal capital requirement is assessed using Nordax internal models for economic capital and is not fully comparable to the estimated capital requirement published by the Swedish Financial Supervisory Authority due to differences in assumptions and methodologies.

Information on liquidity risk pursuant to FFFS 2014:12

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

The goal is to use funding sources which:

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

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

Liquidity is measured on a daily basis and reported to the Company's management. Liquidity risk is reported to the Board of Directors at each board meeting. Cash flows expected to result from the liquidation of all assets, liabilities and off-balance sheet items are calculated. Key ratios from the balance sheet (such as the cash ratio, loan-to-deposit ratio, liquidity coverage ratio, net stable funding ratio and deposit usage) are calculated and monitored over time to illustrate the financial structure and the Group's liquidity risk. Liquidity risk is measured monthly for different scenarios and events (such as less favourable advance rates and changed cash flows) and illustrated separately and in combination.

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

At 30 June 2016, Nordax had a liquidity coverage ratio (EBA definition) of 6.84 (6.76) and a net stable funding ratio of 1.27 (1.27) according to the definition of the Basel Committee, which has not yet been adopted.

Nordax had a liquidity reserve at 30 June 2016 of MSEK 2,237 (2,552). Of these investments, 47 (55) per cent was in Nordic banks, 18 (16) per cent in Swedish covered bonds and 35 (29) per cent in Swedish municipal papers. All investments had credit ratings ranging from AAA to A+ from Standard & Poor's, with an average rating of AA (except 24 MSEK in exposure to Avanza Bank AB). The average maturity was 61 (48) days. All bank holdings are accessible and all securities are repo-able with central banks.

At 30 June 2016 Nordax's sources of funding comprised MSEK 2,828 (2,763) in funding through the asset-backed securities market (securitised), MSEK 500 (453) in senior unsecured bonds, MSEK 3,114 (2,891) in warehouse funding facilities provided by international banks in addition to MSEK 6,274 (5,991) in Deposits from the general public. The figures refer to the nominal amounts.

Note 5 Classification of financial assets and liabilities

GROUP

30 June 2016	Financial instruments carried at fair value through profit or loss		Investments held to maturity	Loans and receivables	Other financial liabilities	Total
	Held for trading	Designated at initial recognition				
Assets						
Lending to credit institutions	-	-	-	1,576	-	1,576
Lending to the general public	-	-	-	11,823	-	11,823
Bonds and other fixed income securities	-	1,190	-	-	-	1,190
Total assets	-	**1,190**	-	**13,399**	-	**14,589**
Liabilities						
Liabilities to credit institutions	-	-	-	-	3,105	3,105
Deposits from the public	-	-	-	-	6,273	6,273
Issued securities	-	-	-	-	3,303	3,303
Subordinated liabilities	-	-	-	-	246	246
Derivatives	10	-	-	-	-	10
Total liabilities	**10**	-	-	-	**12,927**	**12,937**

GROUP

31 December 2015	Financial instruments carried at fair value through profit or loss		Investments held to maturity	Loans and receivables	Other financial liabilities	Total
	Held for trading	Designated at initial recognition				
Assets						
Lending to credit institutions	-	-	-	1,810	-	1,810
Lending to the general public	-	-	-	10,841	-	10,841
Bonds and other fixed income securities	-	1,157	-	-	-	1,157
Derivatives	3	-	-	-	-	3
Total assets	3	**1,157**	-	**12,651**	-	**13,811**
Liabilities						
Liabilities to credit institutions	-	-	-	-	2,880	2,880
Deposits from the public	-	-	-	-	6,001	6,001
Issued securities	-	-	-	-	3,187	3,187
Subordinated liabilities	-	-	-	-	246	246
Total liabilities	-	-	-	-	**12,314**	**12,314**

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

Note 6 Fair values of financial assets and liabilities

GROUP

30 June 2016	Carrying amount	Fair value	Fair value gain (+)/fair value loss (-)
Assets			
Lending to credit institutions[1]	1,576	1,576	-
Lending to the general public[2]	11,823	14,603	2,780
Bonds and other fixed income securities	1,190	1,190	-
Total assets	**14,589**	**17,369**	**2,780**
Liabilities			
Liabilities to credit institutions[1]	3,105	3,105	-
Deposits from the public[1]	6,273	6,273	-
Issued securities	3,303	3,302	-1
Subordinated liabilities[3]	246	251	5
Derivatives	10	10	-
Total liabilities	**12,937**	**12,941**	**4**

GROUP

31 December 2015	Carrying amount	Fair value	Fair value gain (+)/fair value loss (-)
Assets			
Lending to credit institutions[1]	1,810	1,810	-
Lending to the general public[2]	10,841	13,342	2,501
Derivatives	1,157	1,157	-
Bonds and other fixed income securities	3	3	-
Total assets	**13,811**	**16,312**	**2,501**
Liabilities			
Liabilities to credit institutions[1]	2,880	2,880	-
Deposits from the public[1]	6,001	6,001	-
Issued securities	3,187	3,205	18
Subordinated liabilities[3]	246	254	8
Total liabilities	**12,314**	**12,340**	**26**

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

Calculation of fair value

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

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

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

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

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

In 2016, no transfers between levels were made.

GROUP

30 June 2016	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed income securities	1,190	-	-	1,190
Total assets	**1,190**	**-**	**-**	**1,190**
Liabilties				
Derivatives	-	10	-	10
Total liabilitieas	**-**	**10**	**-**	**10**

GROUP

31 December 2015	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed income securities	1,157	-	-	1,157
Derivatives	-	3	-	3
Total assets	**1,157**	**3**	**-**	**1,160**

Note 7 Operating segments

Segment information is presented based on the chief operating decision-maker's perspective, and the segments are identified based on the internal reporting to the CEO, who is identified as the chief operating decision-maker. Nordax has the following operating segments: Sweden, Norway, Finland, Denmark and Germany, which reflects Nordax's lending portfolio.

Profit/loss that cannot be attributed to a segment is allocated using distribution keys according to internal principles that the Management believes provide a fair allocation to the segments. The chief operating decision-maker will primarily apply to the performance concept of operating profit/loss.

2015				2016			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	**Apr-Jun**	Jul-Sep	Oct-Dec

Q2 2016	Sweden	Norway	Denmark	Finland	Germany	TOTAL
Income statement						
Interest income[1]	105	143	2	64	17	**331**
Interest expenses	-17	-35	0	-9	-3	**-64**
Total net interest income	**88**	**108**	**2**	**55**	**14**	**267**
Commission income	2	1	-	2	-	**5**
Depreciation and amortisation of tangible and intangible assets	-3	-2	0	-1	-1	**-7**
Operating expenses[2]	-20	-21	-1	-11	-3	**-56**
Non-recurring items[3]						**9**
Marketing costs[2]	-8	-9	0	-5	-10	**-32**
Profit before credit losses	**59**	**77**	**1**	**40**	**0**	**186**
Net credit losses	-11	-15	0	-8	-6	**-40**
Operating profit/loss	**48**	**62**	**1**	**32**	**-6**	**146**
Balance sheet						
Lending to the general public	**4,199**	**4,713**	**160**	**2,079**	**672**	**11,823**

2015				2016			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	**Jan-Mar**	Apr-Jun	Jul-Sep	Oct-Dec

Q1 2016	Sweden	Norway	Denmark	Finland	Germany	TOTAL
Income statement						
Interest income[1]	106	135	3	63	16	**323**
Interest expenses	-16	-35	-1	-9	-3	**-64**
Total net interest income*	**90**	**100**	**2**	**54**	**13**	**259**
Commission income	2	2	-	0	-	**4**
Depreciation and amortisation of tangible and intangible assets	-3	-2	0	-1	0	**-6**
Operating expenses[2]	-22	-20	-1	-10	-3	**-56**
Non-recurring items[3]						**4**
Marketing costs[2]	-10	-17	0	-6	-8	**-41**
Profit before credit losses	**57**	**63**	**1**	**37**	**2**	**164**
Net credit losses	-13	-20	0	-6	-6	**-45**
Operating profit/loss	**44**	**43**	**1**	**31**	**-4**	**119**
Balance sheet						
Lending to the general public	**4,134**	**4,414**	**169**	**2,011**	**597**	**11,325**

*The calculation of net interest income in the segments has been finetuned which has effected Q1 figures.

Jan-Mar	**Apr-Jun**	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
2015				**2016**			

Q2 2015	Sweden	Norway	Denmark	Finland	Germany	TOTAL
Income statement						
Interest income[1]	104	139	4	59	9	**315**
Interest expenses	-28	-48	-1	-12	-2	**-92**
Total net interest income	**76**	**91**	**3**	**47**	**7**	**223**
Commission income	1	2	-	1	-	**4**
Depreciation and amortisation of tangible and intangible assets	-1	-1	0	-2	-1	**-5**
Operating expenses[2]	-33	-25	-5	-9	-4	**-76**
Non-recurring items[3]						**-75**
Marketing costs[2]	-5	-9	0	-5	-6	**-25**
Profit before credit losses	**38**	**57**	**-3**	**33**	**-5**	**46**
Net credit losses	-9	-13	0	-7	-4	**-33**
Operating profit/loss	**29**	**44**	**-3**	**26**	**-9**	**13**
Balance sheet						
Lending to the general public	**3,861**	**4,118**	**209**	**1,797**	**383**	**10,368**

Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	**Jan-Mar**	**Apr-Jun**	Jul-Sep	Oct-Dec
2015				**2016**			

January-June 2016	Sweden	Norway	Denmark	Finland	Germany	TOTAL
Income statement						
Interest income[1]	211	278	5	127	33	**654**
Interest expenses	-33	-70	-1	-18	-6	**-128**
Total net interest income	**178**	**208**	**4**	**109**	**27**	**526**
Commission income	4	3	0	2	-	**9**
Depreciation and amortisation of tangible and intangible assets	-6	-4	0	-2	-1	**-13**
Operating expenses[2]	-42	-41	-2	-21	-6	**-112**
Non-recurring items[3]						**13**
Marketing costs[2]	-18	-26	0	-11	-18	**-73**
Profit before credit losses	**116**	**140**	**2**	**77**	**2**	**350**
Net credit losses	-24	-35	0	-14	-12	**-85**
Operating profit/loss	**92**	**105**	**2**	**63**	**-10**	**265**
Balance sheet						
Lending to the general public	**4,199**	**4,713**	**160**	**2,079**	**672**	**11,823**

Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
2015				2016			

January-June 2015	Sweden	Norway	Denmark	Finland	Germany	TOTAL
Income statement						
Interest income[1]	209	272	8	116	17	**622**
Interest expenses	-61	-95	-2	-23	-5	**-186**
Total net interest income	**148**	**177**	**6**	**93**	**12**	**436**
Commission income	4	4	-	1	-	**9**
Depreciation and amortisation of tangible and intangible assets	-4	-3	0	-1	-1	**-10**
Operating expenses[2]	-60	-49	-6	-15	-9	**-139**
Non-recurring items[3]						**-75**
Marketing costs[2]	-10	-21	0	-11	-14	**-56**
Profit before credit losses	**77**	**108**	**-1**	**67**	**-11**	**165**
Net credit losses	-27	-29	-2	-14	-6	**-78**
Operating profit/loss	**50**	**79**	**-3**	**53**	**-17**	**87**
Balance sheet						
Lending to the general public	**3,861**	**4,118**	**209**	**1,797**	**383**	**10,368**

1 Interest income refers to income from external customers.
2 Operating expenses consist of net profit/loss from financial transactions, other operating income, general administrative expenses and the portion of other operating expenses that does not relate to marketing (which are reported separately).
3 Non-recurring items refer to expenses arising in conjunction with the publication of the prospectus and the listing of the Nordax share on the Nasdaq Stockholm exchange.

Note 8 Non-recurring items

Non-recurring costs of MSEK -13 (75) refer to events and transactions which have an impact on profit of such magnitude that it is prudent to highlight these when the financial performance of the period is compared with earlier periods. Non-recurring items related to VAT reversal from the IPO 2015 and other cost reductions associated with the IPO were recognised during the period, which reduced costs by a total of 13 MSEK. The same period in 2015 included a non-recurring cost of 75 MSEK related to the IPO. The total net cost for the IPO in 2015 amounted to 62 MSEK, after the dissolution of the reserve in 2016.

Note 9 Pledged assets

GROUP All amounts in MSEK	**31 JUNE** 2016	**31 DECEMBER** 2015
Pledged assets for own liabilities		
Lending to the general public	9,335	9,190
Lending to credit institutions	579	597
Total	**9,914**	**9,787**

Note 10 Transactions with related parties

The Group has not had any transactions with related parties.

Note 11 Events after closing of the reporting period

No events with significant impact on the information in this report have occurred after the end of the reporting period.

Parent Company income statement

THE PARENT COMPANY All amounts in MSEK	**APR-JUN 2016**	JAN-MAR 2016	APR-JUN 2015	**JAN-JUN 2016**	JAN-JUN 2015
Net income	1	1	-	2	
Operating expenses					
Personnel expenses	-1	-1	-	-2	-
Other external expenses	9	2	-75	11	-75
Total operating expenses	**8**	**1**	**-75**	**9**	**-75**
Operating profit	**9**	**2**	**-75**	**11**	**-75**
Profit/loss from financial investments					
Group contributions	0	0	-	0	-
Interest and similar expenses	-1	0	-	-1	-
Profit/loss from financial investments	**-1**	**0**	**0**	**-1**	**0**
Profit/loss after financial items	**8**	**2**	**-75**	**10**	**-75**
Tax on profit for the period	-	-	-	-	-
NET PROFIT FOR THE PERIOD/COMPREHENSIVE INCOME	**8**	**2**	**-75**	**10**	**-75**

Parent Company statement of financial position

THE PARENT COMPANY All amounts in MSEK	30 JUNE 2016	31 DECEMBER 2015
ASSETS		
Financial assets		
Shares in Group companies	4,970	4,970
Total financial assets	**4,970**	**4,970**
Total non-current assets	**4,970**	**4,970**
Current receivables		
Receivables from Group companies	2	141
Prepaid expenses and accured income	0	0
Total current receivables	**2**	**141**
Cash and bank balances	**26**	**83**
Total current assets	**28**	**224**
TOTAL ASSETS	**4,998**	**5,194**
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Share capital	111	111
Share premium reserve	4,859	4,859
Retained earnings, incl. net profit for the year	24	69
Total equity	**4,994**	**5,039**
Liabilities		
Current liabilities		
Accrued expenses and deferred income	1	0
Other liabilities	0	0
Liabilities to Group companies	3	155
Total current liabilities	**4**	**155**
TOTAL LIABILITIES	**4**	**155**
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**4,998**	**5,194**
Memorandum items		
Pledged assets for own liabilities	None	None
Contingent liabilities	None	None

Statement of changes in equity, parent company

THE PARENT COMPANY	Restricted equity	Non-restricted equity		Total
All amounts in MSEK	Share capital	Other contributed capital	Retained earnings	
OPENING BALANCE, 2 MARCH 2015	1	-	-	1
Comprehensive income				
Net profit for the period			-75	-75
Total comprehensive income			**-75**	**-75**
Transactions with shareholders				
Group reorganisation	110	4,859	0	4,969
Total transactions with shareholders	**110**	**4,859**	**0**	**4,969**
CLOSING BALANCE, 30 JUNE 2015	**111**	**4,859**	**-75**	**4,895**
OPENING BALANCE, 2 MARCH 2015	1	-	-	1
Comprehensive income				
Net profit for the year			63	63
Total comprehensive income			**63**	**63**
Transactions with shareholders				
Group reorganisation			6	6
Results from liquidation of Nelson Luxco Sarl	110	4,859	0	4,969
Total transactions with shareholders	**110**	**4,859**	**6**	**4,975**
CLOSING BALANCE, 31 DECEMBER 2015	**111**	**4,859**	**69**	**5,039**
OPENING BALANCE, 1 JANUARY 2016	111	4,859	69	5,039
Comprehensive income				
Net profit for the period			10	10
Total comprehensive income			**10**	**10**
Transactions with shareholders				
Dividends paid			-55	-55
Total transactions with shareholders			**-55**	**-55**
CLOSING BALANCE, 30 JUNE 2016	**111**	**4,859**	**24**	**4,994**

The share capital consists of 110,945,598 ordinary shares of the same share class and with a quota value of SEK 1. All shares have equal voting rights.

Definitions

The Group considers that the key figures are relevant to the users of the financial report as a complement to assess the financial performance of the Group.

Adjusted operating income[1]
Total operating income excluding foreign exchange gains/losses.

Adjusted cost to income ratio (C/I ratio)[1]
Adjusted operating expenses excluding marketing costs as a percentage of adjusted operating income. Adjusted cost to income ratio is presented on a 12-month rolling basis.

Adjusted operating expenses[1]
Total operating expenses excluding amortization of acquired intangible assets and non-recurring items.

Adjusted operating profit[1]
Operating profit excluding amortization of acquired intangible assets, foreign exchange gains/losses and non-recurring items.

Adjusted profit[1]
Profit excluding amortization of acquired intangible assets, foreign exchange gains/losses and non-recurring items as well as the tax effect thereof.

Adjusted return on average net loans[1]
Adjusted operating profit as a percentage of average loan portfolio. Return on average net loans is presented on a 12-month rolling basis.

Adjusted return on tangible equity[1]
Adjusted net profit in relation to average tangible equity on a 12-month rolling basis.

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

Common Equity Tier 1 capital[2]
Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR).

Common Equity Tier 1 capital ratio[2]
Common Equity Tier 1 capital as a percentage of risk exposure amount.

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

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

Leverage ratio[2]
Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardized approach.

Liquidity Coverage Ratio (LCR)[2]
High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days, as defined by Swedish regulations (the SFSA's code FFFS 2012:6).

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

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

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

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

Tangible equity
Shareholders' equity less intangible assets.

Tier 1 capital ratio[2]
Tier 1 capital as a percentage of risk exposure amount.

Tier 1 capital[2]
Common Equity Tier 1 capital plus qualifying forms of subordinated loans.

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

Total capital ratio[2]
Total own funds as a percentage of risk exposure amount.

[1] The adjusted numbers are presented in order to show the underlying performance of the business reflecting constant currencies and excluding non-recurring items primarily related to the IPO 2015. A bridge between statutory and adjusted accounts can be found on page 36.

[2] These are reported with respect SFSA´s regulations and general recommendations see note 4, capital adequacy analysis.

Bridge statutory to adjusted accounts

BRIDGE STATUTORY TO ADJUSTED ACCOUNTS All amounts in MSEK	**APR-JUN 2016**	JAN-MAR 2016	APR-JUN 2015	**JAN-JUN 2016**	JAN-JUN 2015
Total operating income statutory accounts	**290**	**280**	**216**	**570**	**434**
Foreign exchange gain/loss	-18	-19	11	-37	12
Adjusted total operating income	**272**	**261**	**227**	**533**	**446**
Total operating expenses statutory accounts	**104**	**116**	**170**	**220**	**269**
Non-recurring items	9	4	-72	13	-74
Amortization of acquired intangible assets	-4	-3	-4	-7	-7
Adjusted total operating expenses	**109**	**117**	**94**	**226**	**188**
Marketing expenses	-32	-41	-25	-73	-56
Adjusted total operating expenses excluding marketing costs	**77**	**76**	**69**	**153**	**132**
Net credit losses (as reported)	**-40**	**-45**	**-33**	**-85**	**-78**
Operating profit statutory accounts	**146**	**119**	**13**	**265**	**87**
Non-recurring items	-9	-4	72	-13	74
Foreign exchange gain/loss	-18	-19	11	-37	12
Amortization of acquired intangible assets	4	3	4	7	7
Adjusted operating profit	**123**	**99**	**100**	**222**	**180**
Tangible equity	**1,571**	**1,510**	**1,289**	**1,571**	**1,289**
Shareholders' equity	1,883	1,826	1,606	1,883	1,606
Intangible assets	-312	-316	-317	-312	-317
Adjusted return on tangible equity (last 12 months)	**23.5%**	**22.9%**	**26.0%**	**23.5%**	**29.6%**