

Nordax Bank AB (publ)

INTERIM REPORT JANUARY-JUNE 2022

About the Group, Nordax Bank AB (publ)

ABOUT THE GROUP

Nordax Bank AB (publ) (Corporate Identity Number 556647-7286), with its registered office in Stockholm at Box 23124, SE-104 35 Stockholm, Sweden, telephone number +46 8 508 808 00, www.nordaxgroup.com, hereinafter "Nordax", is a wholly owned subsidiary of Nordax Group AB (Corporate Identity Number 556993-2485), with its registered office in Stockholm. The Nordax Group's owner is Nordax Holding AB (publ), which is primarily owned directly and indirectly by Nordic Capital Fund VIII and Sampo Oyi. On December 31, Nordax Group AB controlled 100 per cent of the shares in the Company. This is Nordax's nineteenth financial year.

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

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

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

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

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

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

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

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

DEVELOPMENT JANUARY – JUNE

Personal loans and credit cards

During the first half of the year Nordax Group's portfolios of both private loans and credit cards continued to show good growth, with a continuously increasing contribution from the launch in the German and Spanish markets. As of 30 June, the total volume of personal loans and credit cards amounted to SEK 64.3 billion (SEK 58.0 billion as of 31 December 2021).

Mortgage loans

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

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

New lending has continued to develop well in both Sweden and Norway and the total mortgage portfolio amounted to SEK 6.2 billion as of 30 June 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 8.2 billion as of 30 June 2022 (SEK 7.6 billion as of 31 December 2021).

Portfolio development

Total lending as of 30 June 2022 amounted to SEK 78.7 billion (SEK 70.7 billion as of 31 December 2021). All products contributed to the increase in volume.

Capital and liquidity

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

Nordax's CET1 capital increased during the second quarter amounting to SEK 9,844 billion (SEK 9,659 billion as of March 2022) mostly driven by the positive net profit.

The CET1-capital ratio was 15.11% (15.29% as of 31 March 2022), the Tier 1 capital ratio was 17.28% (17.85% as of 31 March 2022) and the total capital ratio was 19.03% (19.85% as of 31 March 2022).

The capital ratio for the period decreased, mainly driven by higher REA, SEK 65.2 billion per 30 June 2022 to SEK 63.2 billion per 31 March 2022.

The CET1-capital ratio requirement for the period was 11.89%, Tier 1 was 13.74% (14.54 % as of 31 March 2022) and the total capital ratio requirement amounted to 16.75% (16.66% as of 31 March 2022).

The leverage ratio was 10.32% (10.33% as of 31 March 2022).

Nordax's liquidity reserve situation amounted to SEK 23.3 billion (SEK 26.9 billion as of 31 March 2022) and consists mainly of covered bonds, treasury bills and investments in Nordic banks. The liquidity coverage ratio (LCR) amounts to 140.4% (183.3% as of 31 March 2022). In the calculation of Nordax's LCR, the excess liquidity buffer from Bank Norwegian is not included. If including the excess liquidity buffer, Nordax's LCR would be 352.4% (476.5% as of 31 March 2022)

Net stable funding ratio (NSFR) amounts to 128.3% (132.9% as of 31 March 2022). Nordax has a diversified funding structure with different sources allocated between banks, the capital market and deposits from the public. Deposits from the public is the largest funding source and amounts to SEK 70.6 billion as of June 30 2022 (70.3 billion as of 31 March 2022).

For more details about capital and liquidity, see Note 5 Capital adequacy analysis.

Other events

During the second quarter the war in Ukraine continued to impact the Ukrainian people as well as the financial markets and the real economy. The great uncertainty that follows from this dire situation remains, as do the rising energy and food prices. The centralbanks in Sweden and Norway have increased the interest rates to fight the higher inflation that comes from this development. This now begins to have an impact on society in general and mortgage rates in particular.

Nordax continues to carefully monitor the potential effects of this development, although no major negative consequences have yet materialized in Nordax's operations.

In June 2022 Nordic Credit Rating affirmed Nordax's BBB (stable outlook) rating. This rating strengthens Nordax's possibilities for obtaining additional financing at attractive terms and with new investors in the capital market.

In April Stabelo AB carried out a new share issue of MSEK 200. Nordax owns just over 9% and subscribed to its pro rata share, corresponding to MSEK 19. Nordax values its share at fair value in other comprehensive income. As of 30 June 2022 the fair value amounts to MSEK 150. This years' change in fair value amounts to MSEK 23 and is recognized in other comprehensive income.

During the quarter Bank Norwegian finalized the sale of two non-performing loan portfolios in Finland and Sweden. This resulted in a decrease of MNOK 2,469 in gross loans.

Nordax Group ended several financings during the second quarter. After permission given by the Norwegian Financial Supervisory Authority, Bank Norwegian called and settled a MNOK 200 subordinated loan and a MNOK 300 Tier 1 capital loan. In addition to this, an unsecured bond loan of MSEK 500 was called and so was, through Svensk Hy-potekspension, a bilateral loan of MSEK 500.

Subsequent events

On July 4, Bank Norwegian ASA and Nordax Bank AB (publ) signed a joint merger plan for a cross-border parent- subsidiary merger between the two banks. The merger plan was registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) on 5 July 2022 and with the Swedish Companies Registration Office (Bolagsverket) on 28 July 2022 and on 8 August 2022 the Board of Directors of Bank Norwegian finally approved the merger.

The merger will be implemented with Nordax as the acquiring company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian branch of Nordax (being under establishment). The merger aims to simplify the group structure and is expected to enable a more effective administration and optimisation of capital and liquidity utilisation within the Nordax Group.

The implementation of the merger is still conditional upon that several consents and approvals from Norwegian Financial Supervisory Authority ("Finanstilsynet") and the Swedish Financial Supervisory Authority ("Finansinspektionen") and third parties have been obtained.

As announced July 4, the merger is expected to be completed during the first quarter of 2023 at the latest. Bank Norwegian's operations and organization, as well as customer terms and conditions are not expected to be materially amended following the merger. The Bank Norwegian brand will continue to be used.

Result January–June 2022

GROUP

Operating profit amounted to MSEK 659 (430). The increase is explained by the consolidation of Bank Norwegian and growing lending. However, the result includes increased costs primarily driven by the ongoing integration of Bank Norwegian.

Net interest income amounted to MSEK 3,252 (889). The increase is mainly due to the consolidation of Bank Norwegian. Net interest income also increased through growing lending and by the review carried out during the first quarter regarding estimated effective interest rate.

Credit losses amounted to MSEK -1,078 (-61), corresponding 2.9 per cent (0.2) of average lending. The increase is mainly explained by the consolidation of Bank Norwegian, but also of the estimated effective interest rate.

Operating expenses amounted to MSEK -1,509 (-433). The increase is mainly explained by the consolidation of Bank Norwegian, but also by investments in operations, among other things connected to the ongoing integration work, increased personnel costs and sales-related costs.

PARENT COMPANY

Operating profit amounted to MSEK 939 (395). The increase is mainly due to a dividend of MNOK 719.6 from subsidiary Bank Norwegian but the result is also negatively affected by exchange rate effects related to the strengthening of the Norwegian krona and by increased costs.

Net interest income amounted to MSEK 902 (779). The increase is mainly due to increased lending. The review carried out during the first quarter regarding estimated effective interest rate also had a positive effect but at the same time net interest income was negatively affected by increased financing costs.

Credit losses amounted to MSEK -213 (-56), corresponding 1.5 per cent (0.2) of average lending. The change is primarily explained by the estimated effective interest rate.

Operating expenses amounted to MSEK -539 (-397). The increase is explained by investments in operations, increased personnel costs and sales-related costs.

Risks and internal control

RISKS AND UNCERTAINTIES

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

The Group is exposed to both credit risks and other financial risks, such as market risk and liquidity risk. The Group is also exposed to operational risks, such as IT risks, process risks and external risks, compliance risks, the risk of exposure to financial crime and business risks.

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

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

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

INTERNAL CONTROL

The Group has established an organization of independent risk control and compliance functions in accordance with the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding governance, risk management and control at credit institutions (FFFS 2014:1) as well as the European Banking Authority's Guidelines on internal governance. The risk control and compliance work within the Group is led and coordinated by the Board's appointed Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) respectively. Significant companies in the Group have their own autonomous control functions with independent areas of responsibility. All independent control functions report directly to their respective Boards of Directors and CEOs. The internal audit was performed during the period by PwC until December 2021 when the internal audit assignment was taken over by EY.

Key Figures

GROUP	Q2	Q1	Q2	JAN-JUN	JAN-JUN
	2022	2022	2021	2022	2021
Common Equity Tier 1 Capital Ratio in %	15.1	15.3	16.0	15.1	16.0
Return on equity in %	6.1	4.5	18.4	5.3	19.0
Net credit loss level % ¹	2.4	3.4	0.2	2.9	0.4
Cost to income ratio %	49	44	50	46	47
Number of employees ²	557	523	355	557	355

PARENT COMPANY	Q2	Q1	Q2	JAN-JUN	JAN-JUN
	2022	2022	2021	2022	2021
Common Equity Tier 1 Capital Ratio in %	18.3	17.6	17.1	18.3	17.1
Return on equity in %	15.5	5.0	18.6	10.2	19.2
Net credit loss level in % ¹	1.3	1.7	0.2	1.5	0.5
Cost to Income ratio in %	24	53	51	32	47
Number of employees ²	419	387	338	419	338

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

Consolidated income statement

GROUP		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Operating income						
Interest income	8	1,885	1,858	544	3,743	1,079
Interest expense	8	-258	-233	-100	-491	-190
Total net interest income		1,627	1,625	444	3,252	889
Commission income	8	108	69	19	177	38
Net profit from financial transactions	8	-62	-121	-5	-183	-3
Other operating income		0	0	-	0	-
Total operating income		1,673	1,573	458	3,246	924
Operating expenses						
General administrative expenses	8	-488	-393	-182	-881	-337
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8	-62	-63	-6	-125	-13
Other operating expenses	8	-271	-232	-42	-503	-83
Total operating expenses		-821	-688	-230	-1,509	-433
Profit before credit losses		852	885	228	1,737	491
Net credit losses	3, 8	-466	-612	-13	-1,078	-61
Operating profit		386	273	215	659	430
Tax on profit for the period		-92	-60	-49	-152	-96
NET PROFIT FOR THE PERIOD		294	213	166	507	334

Consolidated statement of comprehensive income

		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		87	116	-	203	-
Tax on gains and losses on revaluation during the year		-21	-25	-	-46	-
Total cash flow hedges		66	91	-	157	-
Translation of foreign subsidiaries		-534	750	-	216	-
Hedge accounting of net investment before tax		280	-893	-	-613	-
Tax		-56	182	-	126	-
Total translation differences		-310	39	-	-271	-
Items not to be reclassified in the income statement						
Changes in value of other shares		4	-	-	4	-
Total		4	-	-	4	-
Total other comprehensive income		-240	130	-	-110	-
COMPREHENSIVE INCOME		54	343	166	397	334
Attributable to:						
The Parent Company's shareholders		70	310	166	380	334
Holders of Tier 1 capital		-16	33	-	17	-

Parent Company income statement

PARENT COMPANY		Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Operating income						
Interest income		652	635	485	1,287	967
Interest expense		-199	-186	-93	-385	-188
Total net interest income		453	449	392	902	779
Received group contribution		757	-	-	757	-
Commission income		26	15	18	41	35
Net profit from financial transactions		-94	-94	-6	-188	-4
Other operating income ¹		92	87	16	179	38
Total operating income		1,234	457	420	1,691	848
Operating expenses						
General administrative expenses		-244	-193	-177	-437	-328
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-2	-2	-3	-4	-5
Other operating expenses		-49	-49	-33	-98	-64
Total operating expenses		-295	-244	-213	-539	-397
Profit before credit losses		939	213	207	1,152	451
Net credit losses ¹	3	-95	-118	-9	-213	-56
Operating profit		844	95	198	939	395
Tax on profit for the period		-80	146	-47	66	-90
NET PROFIT FOR THE PERIOD		764	241	151	1,005	305

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

Parent company statement of comprehensive income

All amounts are in MSEK		Q2	Q1	Q2	JAN-JUN	JAN-JUN
		2022	2022	2021	2022	2021
	Note					
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		54	57	-	111	-
Tax on gains and losses on revaluation during the year		-12	-11	-	-23	-
Total cash flow hedges		42	46	-	88	-
Items not to be reclassified in the income statement						
Changes in value of other shares		4	-	-	4	-
Total		4	-	-	4	-
Total other comprehensive income		46	46	-	92	-
COMPREHENSIVE INCOME		810	287	151	1,097	305
Attributable to:						
The Parent Company's shareholders		815	270	151	1,085	305
Holders of Tier 1 capital		-5	17	-	12	-

Consolidated statement of financial position

All amounts are in MSEK	Note	GROUP		PARENT COMPANY	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
ASSETS					
Lending to central banks	6,7	1,274	1,924	645	1,088
Lending to credit institutions	6,7,9	3,900	3,080	2,503	1,503
Lending to the general public	4,6-9	78,718	70,681	31,369	26,647
Bonds and other fixed-income securities	6,7	18,316	23,318	3,176	2,531
Derivatives	6,7	480	140	236	3
Shares in subsidiaries		-	-	21,116	21,115
Change in the value of currency-hedged shares in subsidiaries		-	-	896	369
Other shares	6,7	178	154	150	127
Intangible assets		9,028	9,044	5	8
Tangible assets		10	11	5	7
Right-of-use assets		74	82	-	-
Current tax assets		2	2	95	15
Deffered tax assets		-	-	94	51
Other assets	6,7	127	81	2,028	1,670
Prepaid expenses and accrued income		113	63	36	38
TOTAL ASSETS		112,220	108,580	62,354	55,172
LIABILITIES, PROVISIONS AND EQUITY					
Liabilities					
Liabilities to credit institutions	6,7	7,792	6,609	-	-
Deposits from the general public	6,7	70,553	67,424	34,126	30,035
Issued securities	6,7	10,826	10,866	1,731	1,480
Liabilities to securitization firms ¹		-	-	2,601	2,528
Derivatives	6,7	356	437	183	295
Current tax liabilities		37	485	-	-
Deferred tax liability		711	787	-	1
Other liabilities	6,7	993	810	2,382	527
Accrued expenses and deferred income		438	476	199	244
Subordinated liabilities	6,7	1,521	1,733	966	972
Total liabilities		93,227	89,627	42,188	36,082
Equity					
Share capital		73	73	73	73
Other reserves		4,476	4,476	4,476	4,476
Other funds		-	-	3	5
Fair value reserve		39	35	39	35
Cash flow hedges		159	3	91	3
Tier 1 capital instruments		1,458	1,757	1,329	1,320
Translation of foreign operations, net		-166	109	-	-
Retained earnings, incl. profit for the year ²		12,954	12,500	14,155	13,178
Total equity		18,993	18,953	20,166	19,090
TOTAL LIABILITIES, PROVISIONS AND EQUITY		112,220	108,580	62,354	55,172

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

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

Statement of cash flows

GROUP	JAN-JUN 2022	JAN-JUN 2021
All amounts are in MSEK		
Operating activities		
Operating profit ¹	659	430
Adjustment for non-cash items		
Exchange rate effects	23	-15
Depreciation, amortization and impairment of property, plant & equipment	122	13
Amortization of financing costs	10	2
Reversal of acquired surplus value in lending to the general public	96	1
Unrealized changes in value of bonds and other fixed income securities	-729	2
Net changes in hedged items in hedge accounting	-330	-
Credit losses	1,376	315
Income tax paid	-589	-85
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-8,258	-2,520
Decrease/Increase in other assets	-38	-41
Decrease/Increase in deposits from the general public	1,572	3,962
Decrease/Increase in other liabilities	-434	52
Cash flow from operating activities	-6,520	2,116
Investing activities		
Purchase of shares	-24	-
Value change shares	4	-
Purchase of equipment & intangible assets	-16	-1
Investment in bonds and other interest bearing securities	-20,181	-660
Sale/disposal of bonds and other fixed income securities	26,316	749
Cash flow from investing activities	6,099	88
Financing activities		
Change to liability to credit institutions	1,181	1,894
Change issued securities	-86	0
Change subordinated liabilities	-229	0
Tier 1 capital dividend ²	-36	-
Repayment of tier 1 capital	-311	-
Cash flow from financing activities	519	1,894
Cash flow for the period	98	4,098
Cash and cash equivalents at the beginning of the period	5,004	1,829
Exchange rate differences and cash equivalents	72	-6
Cash and cash equivalents at the end of the period	5,174	5,921

¹ Whereof received interest 3,182 MSEK (855 MSEK) and paid interest 330 MSEK (157 MSEK).

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

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

Statement of changes in equity

GROUP

All amounts are in MSEK	Share capital	Other reserves	Translation of foreign operations	Fair value reserv	Cash flow hedges	Retained earning	Sum	Tier 1 capital instruments	TOTAL
OPENING BALANCE 1 JANUARY 2021	50	7	-	35	-	3,260	3,352	-	3,352
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	-40	-40	17	-23
Other comprehensive income	-	-	109	-	3	-	112	-	112
Total comprehensive income	-	-	109	-	3	-40	72	17	89
Reclassification	-	-	-	0	-	-5	-5	-	-5
Tier 1 capital instruments acquired ¹	-	-	-	-	-	-	-	428	428
Tier 1 capital instruments issued ¹	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments ¹	-	-	-	-	-	-10	-10	-4	-14
Transactions with shareholders									
Non-cash issue ²	23	4,469	-	-	-	-	4,492	-	4,492
New share issue ³	0	-	-	-	-	-	0	-	0
Shareholder contribution ³	-	-	-	-	-	9,450	9,450	-	9,450
Capital contributions	-	-	-	-	-	-6	-6	-	-6
Tax effect on capital contribution	-	-	-	-	-	1	1	-	1
Dividend to parent company	-	-	-	-	-	-150	-150	-	-150
Total transactons with shareholders	23	4,469	-	-	-	9,295	13,787	-	13,787
CLOSING BALANCE 31 DECEMBER 2021	73	4,476	109	35	3	12,500	17,196	1,757	18,953
OPENING BALANCE 1 JANUARY 2022	73	4,476	109	35	3	12,500	17,196	1,757	18,953
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	495	495	12	507
Other comprehensive income	-	-	-275	4	156	-	-115	5	-110
Total comprehensive income	-	-	-275	4	156	495	380	17	397
Paid interest Tier 1 capital instruments	-	-	-	-	-	-36	-36	-	-36
Change in Tier 1 capital instruments	-	-	-	-	-	-5	-5	-5	-10
Repayment of Tier 1 capital instruments ⁴	-	-	-	-	-	-	-	-311	-311
CLOSING BALANCE 30 JUNE 2022	73	4,476	-166	39	159	12,954	17,535	1,458	18,993

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

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

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

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

Statement of changes in equity

PARENT COMPANY

All amounts are in MSEK	Restricted equity			Non-restricted equity			Sum	Tier1 capital instruments	TOTAL
	Share capital	Other reserves	Other Funds	Fair value reserve	Cash flow hedges	Retained Earnings			
OPENING BALANCE 1 JANUARY 2021	50	7	10	35	-	2,917	3,019	-	3,019
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	971	971	11	982
Other comprehensive income	-	-	-	-	3	-	3	-	3
Total comprehensive income	-	-	-	-	3	971	974	11	985
Reclassification	-	-	-	0	-	-10	-10	-	-10
Tier 1 capital instruments issued ¹	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments ¹	-	-	-	-	-	-	-	-7	-7
Other reserves									
Capitalization	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-5	-	-	5	-	-	-
Total other reserves	-	-	-5	-	-	5	-	-	-
Transactions with shareholders									
Non-cash issue ²	23	4,469	-	-	-	-	4,492	-	4,492
New share issue ³	0	-	-	-	-	-	0	-	0
Shareholder contribution ³	-	-	-	-	-	9,450	9,450	-	9,450
Capital contributions	-	-	-	-	-	-6	-6	-	-6
Tax effect on capital contribution	-	-	-	-	-	1	1	-	1
Dividend to parent company	-	-	-	-	-	-150	-150	-	-150
Total transactions with shareholders	23	4,469	-	-	-	9,295	13,787	-	13,787
CLOSING BALANCE 31 DECEMBER 2021	73	4,476	5	35	3	13,178	17,770	1,320	19,090
OPENING BALANCE 1 JANUARY 2022	73	4,476	5	35	3	13,178	17,770	1,320	19,090
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	993	993	12	1,005
Other comprehensive income	-	-	-	4	88	-	92	-	92
Total comprehensive income	-	-	-	4	88	993	1,085	12	1,097
Reclassification	-	-	-	-	-	1	1	-	1
Paid interest in Tier 1 capital instruments	-	-	-	-	-	-22	-22	-	-22
Change in Tier 1 capital instruments	-	-	-	-	-	3	3	-3	-
Other reserves									
Capitalization	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-2	-	-	2	-	-	-
Total other reserves	-	-	-2	-	-	2	-	-	-
CLOSING BALANCE 30 JUNE 2022	73	4,476	3	39	91	14,155	18,837	1,329	20,166

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

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

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

Notes

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

Note 1 General information

Nordax Bank AB (publ) (Corporate Identity Number 556647-7286), with its registered office in Stockholm, Sweden is a wholly owned subsidiary of Nordax Group AB (Corporate Identity Number 556993-2485), with its registered office in Stockholm. Nordax Group AB is owned by Nordax Holding AB (publ), which is primarily owned directly and indirectly by Nordic Capital Fund VIII, Nordic Capital Fund IX and Sampo Oyi. The Nordax Group includes Bank Norwegian ASA and Svensk Hypotekspension AB with their subsidiaries, as well as a number of direct subsidiaries of Nordax Bank AB (publ).

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

Note 2 Accounting and valuation Principles

The interim report has been prepared according to IAS 34, Interim Financial Reporting. The consolidated accounts for the Nordax Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, together with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Accounting Regulations for Groups, and the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2008:25.

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

Changed accounting policies that have applied as of 2022

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

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

Note 3 Creditrisk

GROUP	Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts are in MSEK	2022	2022	2021	2022	2021
Creditlosses, net - lending to the general public					
Stage 1	-59	1	-28	-58	-27
Stage 2	-49	-13	49	-62	85
Stage 3 ¹	-358	-600	-34	-958	-119
Total creditlosses, net	-466	-612	-13	-1,078	-61

PARENT COMPANY	Q2	Q1	Q2	JAN-JUN	JAN-JUN
All amounts are in MSEK	2022	2022	2021	2022	2021
Creditlosses, net - lending to the general public					
Stage 1	9	25	-24	34	-22
Stage 2	20	0	49	20	85
Stage 3 ¹	-124	-143	-34	-267	-119
Total creditlosses	-95	-118	-9	-213	-56

¹ Including new estimated effective interest rate from Q1 2022.

Note 4 Lending to the general public

GROUP

30 June 2022	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	22,236	8,206	17,478	15,485	1,357	5,218	69,980	-762	1%
Stage 2	1,320	33	1,160	1,008	98	194	3,813	-512	13%
Stage 3	2,286	6	4,668	3,419	261	590	11,230	-5,031	45%
Total	25,842	8,245	23,306	19,912	1,716	6,002	85,023	-6,305	7%
Reserve	-1,634	-19	-2,169	-1,701	-260	-522	-6,305		
Total	24,208	8,226	21,137	18,211	1,456	5,480	78,718		

GROUP

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

The acquisition of Bank Norwegian included Stage 3 lending of MSEK 7,903 gross and MSEK 4,912 net. The lending acquired has reduced, but as a result of a strengthening in NOK since the acquisition, the Stage 3 lending acquired amounts to MSEK 8,018 gross and MSEK 4,966 net as of 31 December 2021. As of 30 June 2022 the lending acquired in Stage 3 has decreased, partly due to sales of NPL portfolios, and amounts to gross MSEK 4,098 and net MSEK 2,499. These have been reported gross in the table above.

PARENT COMPANY

30 June 2022	Sweden	Norway	Finland	Germany	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	16,166	5,973	5,061	345	-	27,545	-346	1%
Stage 2	795	387	232	27	-	1,441	-179	12%
Stage 3	2,031	1,888	1,454	248	302	5,923	-3,015	51%
Total	18,992	8,248	6,747	620	302	34,909	-3,540	10%
Reserve	-1,385	-966	-730	-203	-256	-3,540		
Total	17,607	7,282	6,017	417	46	31,369		

PARENT COMPANY

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

Note 5 Capital adequacy analysis

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

Combined buffer requirement

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

Information about the corporate structure

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

In November 2021, Nordax Bank AB acquired Bank Norwegian ASA. As a result, Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd is included in the consolidated situation. The acquisition was funded by new share issuance in Nordax Holding AB (publ) amounting to SEK 9.7 billion, new issuance of Additional Tier 1 capital of SEK 1.4 billion, new issuance of Tier 2 capital of 650 MSEK, which of both was issued to external investors. The correspondent instruments and amounts was then downstream to Nordax Group AB as well as Nordax Bank AB. The acquisition was also funded via a non-cash issuance of Bank Norwegian's shares amounting to SEK 4.4 billion, unconditional shareholder contribution of SEK 1.0 billion and a conditional shareholder contribution of SEK 8.4 billion.

In addition to the above, part of Bank Norwegian's AT1 capital and T2 capital as well as Nordax Banks T2 capital are also included in the consolidated situation's own funds, after deductions of third party-interests. For the second quarter, the included amounts from Bank Norwegian are MSEK 89 AT1 and MSEK 408 T2 while the amount of T2 capital included from Nordax Bank is MSEK 123.

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
OWN FUNDS				
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	22,539	22,409	10,518	9,360
Total deduction of regulatory adjustment to CET1 capital	-12,695	-12,573	-100	-11
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	9,844	9,836	10,418	9,349
Additional Tier 1 capital ⁴	1,418	1,545	1,329	1,320
Sum Tier 1 Capital	11,262	11,381	11,747	10,669
Tier 2 Capital ³	1,135	1,261	966	972
Total capital	12,397	12,642	12,713	11,641
Risk exposure amount, credit risk	59,480	54,965	46,060	41,340
Risk exposure amount, market risk	-	0	9,284	1,145
Risk exposure amount, operational risk	5,526	5,526	1,495	1,495
Risk exposure amount, credit value adjustment (CVA)	156	200	92	130
Total risk exposure amount (risk weighted assets)	65,162	60,691	56,932	44,110
Capital ratios and buffers				
Common Equity Tier 1 capital ratio	15.11%	16.21%	18.30%	21.20%
Tier 1 capital ratio	17.28%	18.75%	20.63%	24.19%
Total capital ratio	19.03%	20.83%	22.33%	26.39%
Total Common Equity Tier 1 capital requirement including buffer requirement	9.21%	9.22%	7.84%	7.60%
- of which, capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
- of which, countercyclical capital buffers	0.42%	0.31%	0.84%	0.60%
- of which systemic risk buffer	1.79%	1.91%	-	-
Common Equity Tier 1 capital available as buffer ¹	8.11%	9.21%	11.30%	14.20%
Specification own funds				
Common Equity Tier 1 capital:				
Capital instruments and related share premium	20,920	20,920	4,551	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	-	-	3	4
Retained earnings	422	612	4,702	3,547
Deferred tax liabilities attributable to other intangible assets	577	593	-	-
Other transition adj. of common equity Tier 1 capital ⁵	137	275	131	240
Independently audited interim results after deductions of foreseeable dividends	483	9	1,135	1,020
Common Equity Tier 1 capital before regulatory adj.	22,539	22,409	10,518	9,360
Regulatory adjustments:				
(-)Intangible assets	-12,516	-12,550	-5	-8
Additional value adjustments	-179	-23	-95	-3
Total regulatory adjustment to Common Equity Tier 1 capital	-12,695	-12,573	-100	-11
Common Equity Tier 1 capital	9,844	9,836	10,418	9,349
Additional Tier 1 capital				
-AT1 capital instrument, directly issued	1,329	1,332	1,329	1,320
-AT1 capital instrument, issued by subsidiaries that are given recognition in AT1 Capital	89	213	-	-
Tier 1 capital, total	11,262	11,381	11,747	10,669
Tier 2 capital instrument				
Tier 2 capital instrument, directly issued	604	634	966	972
Tier 2 capital instrument, issued by subsidiaries that are given recognition in T2 Capital	531	627	-	-
Total capital	12,397	12,642	12,713	11,641
Total risk exposure amount	65,162	60,691	56,932	44,110
Specification of risk exposure amount²				
Exposures to national governments and central banks	301	187	235	129
Exposures to regional governments and local authorities	722	1,159	-	-
Exposures to institutions	953	972	588	353
Exposures in the form of covered bonds	786	1,191	134	134
Retail exposures	43,773	38,205	16,725	14,106
Exposures secured by mortgages on immovable property	5,051	4,479	2,153	1,786
Equity exposures	178	154	22,162	21,611
Exposures in default	7,308	8,310	3,184	2,916
Exposures to corporates	-	-	-	-
Other items	407	507	879	305
Total risk exposure amount for credit risk, Standardized Approach	59,480	54,964	46,060	41,340

All amounts are in MSEK	CONSOLIDATED SITUATION		NORDAX BANK AB	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Foreign exchange risk	-	0	9,284	1,145
Total risk exposure amount for market risk	-	0	9,284	1,145
Operational risk according to Alternative Standardized Approach	5,526	5,526	1,495	1,495
Total risk exposure amount for operational risks	5,526	5,526	1,495	1,495
Credit valuation adjustment risk (CVA)	156	200	92	130
Total risk exposure amount for credit valuation adjustment risk	156	200	92	130
Total risk exposure amount	65,162	60,691	56,932	44,110
Specification Own funds requirement²				
Creditrisk				
Exposures to national governments and central banks	24	15	19	10
Exposures to regional governments and local authorities	58	93	-	0
Exposures to institutions	76	78	47	28
Exposures in the form of covered bonds	63	95	11	11
Retail exposures	3,502	3,057	1,338	1,130
Exposures secured by mortgages on immovable property	404	357	172	142
Equity exposures	14	12	1,773	1,729
Exposures in default	585	665	255	233
Exposures to corporates	-	0	-	0
Other items	33	41	70	24
Total capital requirement for creditrisk	4,758	4,397	3,685	3,307
Market risk				
Foreign exchange risk	0	0	743	92
Total risk exposure amount for market risk	0	0	743	92
Operational risk				
Operational risk according to Alternative standardized Approach	442	442	120	120
Total risk exposure amount for operational risk	442	442	120	120
Credit valuation adjustment risk (CVA)				
Credit valuation adjustment risk (CVA)	13	16	7	10
Total capital requirement for CVA risk	13	16	7	10
Total Capital Requirement	5,213	4,855	4,555	3,529
Capital Requirement, percent of REA				
Pillar 1	8.00%	8.00%	8.00%	8.00%
Pillar 2	4.03%	4.76%	1.26%	1.04%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	0.42%	0.31%	0.84%	0.60%
Systemic risk buffer - Norway	1.79%	1.91%	-	-
Total Capital Requirement	16.75%	17.48%	12.61%	12.14%
Capital Requirement, MSEK				
Pillar 1	5,213	4,855	4,555	3,529
Pillar 2	2,629	2,892	719	460
Capital conservation buffer	1,629	1,517	1,423	1,102
Institution-specific countercyclical buffer	276	185	480	266
Systemic risk buffer - Norway	1,166	1,159	-	-
Capital Requirement	10,913	10,608	7,177	5,357
LEVERAGE RATIO				
Total exposure measure for calculating leverage ratio, MSEK	109,165	105,585	61,302	54,123
Tier 1 capital, MSEK	11,262	11,381	11,747	10,669
Leverage ratio	10.32%	10.78%	19.16%	19.71%
Overall leverage ratio requirements, MSEK	3,275	3,168	1,839	1,624
Overall leverage ratio requirements, percentage	3%	3%	3%	3%

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

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

³The amount of capital instruments issued on solo-level by Nordax Bank and Bank Norwegian may only be included in the consolidated situation's own funds to cover each bank's capital requirements. As of 30 June 2022, the amount of T2 capital eligible to include from Nordax Bank was MSEK 123 and from Bank Norwegian MSEK 408. In October and November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Tier 2 capital with a value of MSEK 650.

⁴In November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Additional Tier 1 capital instrument amounting MSEK 1,400. Bank Norwegian's Additional Tier 1 capital instrument issued on solo-level was included in the consolidated situation's AT1 capital by MSEK 89.

⁵Nordax Bank AB and its consolidated situation applies the transitional arrangements in accordance with article 473a of Regulation (EU) no. 575/2013 with application of paragraphs 2 and 4.

CONSOLIDATED SITUATION		a	b	c	d	e
All amounts are in MSEK		20220630	20220331	20211231	20210930	20210630
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	9,844	9,659	9,836	3,671	3,597
2	Tier 1 capital	11,262	11,276	11,381	3,671	3,597
3	Total capital	12,397	12,536	12,642	3,894	3,814
Risk-weighted exposure amounts						
4	Total risk exposure amounts	65,162	63,161	60,691	23,535	22,414
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.11%	15.29%	16.21%	15.60%	16.05%
6	Tier 1 ratio (%)	17.28%	17.85%	18.75%	15.60%	16.05%
7	Total capital ratio (%)	19.03%	19.85%	20.83%	16.55%	17.02%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.46%	3.56%	3.69%	-	-
EU 7b	of which: to be made up of CET1 capital (%)	2.35%	3.56%	3.69%	-	-
EU 7c	of which: to be made up of Tier 1 capital (%)	2.59%	-	-	-	-
EU 7d	Total SREP own funds requirements (%)	11.46%	11.56%	11.69%	8%	8%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.42%	0.30%	0.31%	0.21%	0.20%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	1.79%	1.84%	1.91%	-	-
11	Combined buffer requirement (%)	4.71%	4.64%	4.72%	2.71%	2.70%
EU 11a	Overall capital requirements (%)	16.75%	16.66%	17.48%	10.71%	10.70%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.26%	7.23%	8.02%	8.55%	9.02%
Leverage ratio						
13	Leverage ratio total exposure measure (amounts)	109,165	109,173	105,585	41,965	39,832
14	Leverage ratio (%)	10.32%	10.33%	10.78%	8.75%	9.03%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (%)	-	-	-	-	-
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)	7,830	7,236	6,008	4,729	3,635
EU 16a	Cash outflows - Total weighted value	7,622	5,738	3,857	2,653	2,727
EU 16b	Cash inflows - Total weighted value	4,029	3,461	3,154	2,820	3,192
16	Total net cash outflows (adjusted value)	3,593	2,277	964	663	682
17	Liquidity coverage ratio (%)	217.94%	317.73%	623.03%	713.04%	533.10%
Net Stable Funding Ratio						
18	Total available stable funding	104,949	105,445	102,580	42,216	40,399
19	Total required stable funding	81,800	79,357	76,258	33,262	31,225
20	NSFR ratio (%)	128.30%	132.87%	134.52%	127%	129.38%

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

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

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

All amounts are in MSEK		T	T-1	T-2	T-3	T-4
		20220630	20220331	20211231	20210930	20210630
1	Common Equity Tier 1 (CET1) capital	9,844	9,659	9,837	3,671	3,597
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9,706	9,522	9,562	3,456	3,372
3	Tier 1 capital	11,262	11,276	11,382	3,671	3,597
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,124	11,139	11,107	3,456	3,372
5	Total capital	12,397	12,536	12,643	3,894	3,814
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,260	12,398	12,368	3,679	3,590
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	65,162	63,161	60,690	23,535	22,414
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	65,025	63,023	60,416	23,320	22,190
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.11%	15.29%	16.21%	15.60%	16.05%
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	14.93%	15.11%	15.83%	14.82%	15.20%
11	Tier 1 (as a percentage of risk exposure amount)	17.28%	17.85%	18.75%	15.60%	16.05%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.11%	17.67%	18.38%	14.82%	15.20%
13	Total capital (as a percentage of risk exposure amount)	19.03%	19.85%	20.83%	16.55%	17.02%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.85%	19.67%	20.47%	15.78%	16.18%
Leverage ratio						
15	Leverage ratio total exposure measure	109,165	109,173	105,310	41,964	39,610
16	Leverage ratio	10.32%	10.33%	10.81%	8.75%	9.08%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10.19%	10.20%	10.55%	8.23%	8.51%

Internally assessed capital requirement

As of 30 June 2022, the internally assessed capital requirement in the consolidated situation amounted to MSEK 2,629 (MSEK 2,538 as of 31 March 2022). Capital requirements according to pillar 2 are assessed using internal models for economic capital. Where applicable, methods established by the Financial Supervisory Authority are used. The total capital requirement, including combined buffer requirement, for the period amounts to MSEK 10,913 (MSEK 10,523 as of 31 March 2022).

Bank Norwegian has through the Norwegian Financial Supervisory Authority's (Finanstilsynet) SREP process received a Pillar 2 requirement of 5.8% and a recommended CET1 margin of 1%, of Bank Norwegian's total risk-weighted exposure amount. This exceeds the internally assessed capital requirements. Nordax includes Finanstilsynet's Pillar 2 requirement (5.8%) in the consolidated situation's total Pillar 2 requirement through the aggregation method. Bank Norwegian's Pillar 2 requirements was previously considered to be covered by CET1 capital, in accordance with Finanstilsynet's requirement on Bank Norwegian at solo level. In the consolidated situation's ICLAAP process in Q2 the assessment of type of capital was re-valuated resulting to a change in type of capital needed to cover Bank Norwegian's Pillar 2 capital requirements. The requirement is covered in accordance with the same principle as the Swedish Financial Supervisory Authority's (Finansinspektionen) requirements. The result of this re-valuation is, for risks that are also evaluated in Pillar 1 must be covered by 75% CET1 capital and the remaining part may be covered by T2 capital. For risks that arises only in Pillar 2 the capital requirements must be covered by 75% of T1 capital, of which 56,26% must be covered by CET1 capital. The remaining part may be covered by T2 capital. Bank Norwegian's recommended CET1 margin, 1% of Bank Norwegian's total risk-weighted exposure amount, is not included in the consolidated situation's capital requirement, instead the CET1 margin is indirectly included in Nordax's combined board and management limit (1.5%). Nordax has not been subject to a SREP process by Finansinspektionen.

Leverage ratio

As of 28 June 2021 the capital requirement regulation (CRR) introduced a minimum leverage ratio requirement of 3.0 %. The consolidated situation's leverage ratio as of 30 June 2022 was 10.32% (10.33% as of 31 March 2022), which is well above the requirement of 3%.

Information about funding and liquidity risk

Nordax defines liquidity risk as the risk of failing to fulfil payment obligations at maturity without a significant increase in the cost of obtaining means of payment. Nordax uses asset-backed financing, where portions of the asset portfolios are pledged as collateral for funding. The long-term strategy is to match the maturity of the assets with the maturity of the liabilities. The strategy is to achieve a diversified funding platform consisting of equity, subordinated liabilities, asset-backed securities ("ABS"), credit facilities from banks, deposits from the general public and corporate bonds.

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

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

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

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

As of 30 June 2022, Nordax consolidated situation's Liquidity Coverage Ratio (LCR) was 140.4%¹ (183.3%¹ as of 31 March 2022). The Net Stable Funding Ratio (NSFR) was 128.3% (132.9% as of 31 March 2022), calculated in accordance with the definition in Regulation (EU) No 575/2013.

Nordax's liquidity reserve as of 30 June 2022 amounted to SEK 23.3 billion (SEK 26.9 billion as of 31 March 2022). The liquidity reserve consists of 60.5 % (60.02% as of 31 March 2022) in covered bonds, 13.46% (13.46% as of 31 March 2022) in Nordic banks and the remaining part in national banks, treasury bills and municipal bonds. The credit ratings of the investments are between AAA and A+. The average maturity of the liquidity reserve was 421 days (516 as of 31 March 2022).

As of 30 June 2022, Nordax's funding sources consists of MSEK 2,250 (2,250 as of 31 March 2022) asset-backed securities (securitised), MSEK 8,576 (9,247 as of 31 March 2022) corporate bonds, MSEK 7,792 (6,775 as of 31 March 2022) collateral funding from international banks and MSEK 70,553 (70,290 as of 31 March 2022) in deposits from the general public.

¹When calculating the consolidated situation's LCR, Nordax only includes the liquidity buffer required to cover Bank Norwegian's net outflow, as Nordax does not consider the liquidity in excess of 100% of Bank Norwegian's net outflow can be freely used by the consolidated situation. If Bank Norwegian's excess liquidity was included in the consolidated situation, the LCR would be 352.4% (476.5% as of 31 March 2022).

Note 6 Classification of financial assets and liabilities

GROUP

30 June 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	-	1,274	-	-	1,274
Lending to credit institutions	-	3,900	-	-	3,900
Lending to the general public	-	78,718	-	-	78,718
Bonds and other fixed-income securities	18,316	-	-	-	18,316
Other shares	28	-	-	150	178
Derivatives	393	-	-	87	480
Other assets	-	47	-	-	47
Total assets	18,737	83,939	-	237	102,913
Liabilities					
Liabilities to credit institutions	-	-	7,792	-	7,792
Deposits from the general public	-	-	70,553	-	70,553
Issued securities	-	-	10,826	-	10,826
Derivatives	356	-	-	-	356
Other liabilities	-	-	360	-	360
Subordinated liabilities	-	-	1,521	-	1,521
Total liabilities	356	-	91,052	-	91,408

GROUP

31 December 2021	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	SUMMA
Assets					
Lending to central banks	-	1,924	-	-	1,924
Lending to credit institutions	-	3,080	-	-	3,080
Lending to the general public	-	70,681	-	-	70,681
Bonds and other fixed-income securities	23,318	-	-	-	23,318
Other shares	27	-	-	127	154
Derivatives	140	-	-	0	140
Other assets	-	2	-	-	2
Total assets	23,485	75,687	-	127	99,299
Liabilities					
Liabilities to credit institutions	-	-	6,609	-	6,609
Deposits from the general public	-	-	67,424	-	67,424
Issued securities	-	-	10,866	-	10,866
Subordinated liabilities	-	-	1,733	-	1,733
Derivatives	437	-	-	-	437
Other liabilities	-	-	119	-	119
Total liabilities	437	-	86,751	-	87,188

PARENT COMPANY

30 June 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	-	645	-	-	645
Lending to credit institutions	-	2,503	-	-	2,503
Lending to the general public	-	31,369	-	-	31,369
Bonds and other fixed-income securities	3,176	-	-	-	3,176
Other shares	-	-	-	150	150
Derivatives	236	-	-	-	236
Other assets	-	47	-	-	47
Total assets	3,412	34,564	-	150	38,126
Liabilities					
Liabilities to credit institutions	-	-	34,126	-	34,126
Deposits from the general public	-	-	1,731	-	1,731
Deemed loan liabilities	-	-	2,601	-	2,601
Derivatives	183	-	-	-	183
Other liabilities	-	-	282	-	282
Subordinated liabilities	-	-	966	-	966
Total liabilities	183	-	39,706	-	39,889

PARENT COMPANY

31 December 2021	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	TOTAL
Assets					
Lending to central banks	-	1,088	-	-	1,088
Lending to credit institutions	-	1,503	-	-	1,503
Lending to the general public	-	26,647	-	-	26,647
Bonds and other fixed-income securities	2,531	-	-	-	2,531
Other shares	-	-	-	127	127
Derivatives	3	-	-	-	3
Other assets	-	0	-	-	0
Total assets	2,534	29,238	-	127	31,899
Liabilities					
Liabilities to credit institutions	-	-	30,035	-	30,035
Deposits from the general public	-	-	1,480	-	1,480
Deemed loan liabilities	-	-	2,528	-	2,528
Subordinated liabilities	-	-	972	-	972
Derivatives	295	-	-	-	295
Other liabilities	-	-	87	-	87
Total liabilities	295	-	35,102	-	35,397

Note 7 Fair value of financial assets and liabilities

GROUP

30 June 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	1,274	1,274	-
Lending to credit institutions ¹	3,900	3,900	-
Lending to the general public ²	78,718	82,738	4,020
Bonds and other fixed-income securities	18,316	18,316	-
Other shares	178	178	-
Derivatives	480	480	-
Other assets	47	47	-
Total assets	102,913	106,933	4,020
Liabilities			
Liabilities to credit institutions ¹	7,792	7,792	-
Deposits from general public ¹	70,553	70,553	-
Issued securities ³	10,826	10,703	-123
Derivatives	356	356	-
Other liabilities	360	360	-
Subordinated liabilities ³	1,521	1,513	-8
Total liabilities	91,408	91,277	-131

GROUP

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

¹ Fair value is deemed to be the same as the carrying amount, as these are of a short-term nature.

² The measurement includes significant observable and non-observable inputs.

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

PARENT COMPANY

30 June 2022	Carrying amount	Fair value	Delta
Assets			
Lending to central banks ¹	645	645	-
Lending to credit institutions ¹	2,503	2,503	-
Lending to the general public ²	31,369	35,297	3,928
Bonds and other fixed-income securities	3,176	3,176	-
Other shares	150	150	-
Derivatives	236	236	-
Other assets	47	47	-
Total assets	38,126	42,054	3,928
Liabilities			
Deposits from general public ¹	34,126	34,126	-
Liabilities to securitization firms ¹	2,601	2,601	-
Issued securities ³	1,731	1,730	-1
Derivatives	183	183	-
Other liabilities	282	282	-
Subordinated liabilities ³	966	959	-7
Total liabilities	39,889	39,881	-8

PARENT COMPANY

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

¹ Fair value is deemed to be the same as the carrying amount, as these are of a short-term nature.

² The measurement includes significant observable and non-observable inputs.

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

Calculation of fair value

Valuation technique for measuring fair value – level 1.

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

Valuation techniques for measuring fair value – level 2.

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

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

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

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

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

Unlisted shares	MSEK
Opening balance 1 January 2021	127
Transfers from level 2	-
Acquisitions	27
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	-
Closing balance 31 December 2021	154
Acquisitions	19
Currency change	1
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	4
Closing balance 30 June 2022	178

GROUP

30 June 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities ¹	12,703	5,613	-	18,316
Other shares	-	-	178	178
Derivatives	-	480	-	480
Total assets	12,703	6,093	178	18,974
Liabilities				
Derivatives	-	356	-	356
Total liabilities	-	356	-	356

GROUP

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

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

PARENT COMPANY

30 June 2022	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	2,546	630	-	3,176
Other shares	-	-	150	150
Derivatives	-	236	-	236
Total assets	2,546	866	150	3,562
Liabilities				
Derivatives	-	183	-	183
Total liabilities	-	183	-	183

PARENT COMPANY

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

Note 8 Operating segments

Segment information is presented based on the chief operating decision-maker's perspective, and the segments are identified based on the internal reporting to the CEO, who is identified as the chief operating decision-maker. Profit/loss that cannot be attributed to a single segment is allocated using a distribution matrix according to internal principles that management believes to provide a

fair allocation to the segments. The chief operating decision-maker mainly follows the income concept of operating income. The business models of both Nordax and Bank Norwegian are to conduct cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany and Spain. Activities are also conducted in the form of SHP's lending of equity release mortgages.

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

Q1 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	503	83	626	492	18	136	1,858
Interest expenses	-77	-27	-85	-34	-3	-7	-233
Total net interest income	426	56	541	458	15	129	1,625
Commission income	27	0	27	11	0	4	69
Net profit from financial transactions ¹	-9	0	-26	-10	0	-2	-121
Total operating income	444	56	542	459	15	131	1,573
General administrative expenses	-138	-7	-151	-64	-13	-20	-393
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-7	-1	-27	-14	-1	-13	-63
Other operating expenses	-40	-13	-59	-54	-37	-29	-232
Total operating expenses	-185	-21	-237	-132	-51	-62	-688
Profit before credit losses	259	35	305	327	-36	69	885
Net credit losses	-178	-2	-121	-287	-14	-10	-612
Operating profit	81	33	184	40	-50	59	273
Balance sheet							
Lending to the general public	23,164	7,904	21,197	16,891	876	4,997	75,029

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

Q1-2 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
Income statement							
Interest income	1,024	173	1,234	984	46	282	3,743
Interest expenses	-165	-57	-177	-68	-7	-17	-491
Total net interest income	859	116	1,057	916	39	265	3,252
Commission income	70	0	73	24	-1	11	177
Net profit from financial transactions ¹	-25	1	-56	-22	0	-7	-183
Total operating income	904	117	1,074	918	38	269	3,246
General administrative expenses	-302	-15	-347	-147	-30	-40	-881
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-14	-2	-53	-28	-2	-26	-125
Other operating expenses	-86	-21	-120	-112	-100	-64	-503
Total operating expenses	-402	-38	-520	-287	-132	-130	-1,509
Profit before credit losses	502	79	554	631	-94	139	1,737
Net credit losses	-376	-11	-318	-270	-54	-49	-1,078
Operating profit	126	68	236	361	-148	90	659
Balance sheet							
Lending to the general public	24,208	8,226	21,137	18,211	1,456	5,480	78,718

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

¹FX effects amount to -74 MSEK for Q1 - Q2 2022 (-6 MSEK) and is not allocated.

Note 9 Pledged assets and contingent liabilities

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-06-30	2021-12-31	2022-06-30	2021-12-31
Pledged assets for own liabilities				
Lending to the general public	11,009	10,007	4,000	4,000
Lending to credit institutions	335	412	-	-
Cash collateral for derivatives	47	309	47	309
Total	11,391	10,728	4,047	4,309

All amounts are in MSEK	GROUP		PARENT COMPANY	
	2022-06-30	2021-12-31	2022-06-30	2021-12-31
Other commitments				
Granted but unpaid loans	189	215	144	177
Granted but unutilized card credits	48,570	47,721	-	-
Total	48,759	47,936	144	177

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

Note 10 Transactions with related parties

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

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

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

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

All amounts are in MSEK	ASSETS		LIABILITIES		INCOME		COSTS	
	22-06-30	21-12-31	22-06-30	21-12-31	22-06-30	21-12-31	22-06-30	21-12-31
Nordax Holding AB	5	4	-205	-205	-	-	-	0
Nordax Group AB	3	3	-87	-44	-	1	-4	-7
Bank Norwegian ASA incl subsidiaries	704	-	-1,569	-	4	-	-13	-
Svensk Hypotekspension AB	1,261	1,657	-76	-35	21	75	-1	-2
Nordax Sverige AB	58	58	-63	-63	-	73	-	-
Nordax Sverige 4 AB (publ)	0	0	-1	-1	-	-	-	0
Nordax Sverige 5 AB	1,503	1,510	-62	-46	149	93	-	-
Nordax Sweden Mortgage 1 AB (publ)								
Nordax Nordic 2 AB	3	1	-	-	0	-	-	0
Nordax Nordic 4 AB	0	0	-25	-23	0	0	-	-
Total	3,537	3,232	-2,088	-418	174	242	-18	-9

Note 11 Important events after the balance sheet date

On July 4, 2022, Bank Norwegian ASA and Nordax Bank AB (publ) signed a joint merger plan for a cross-border parent-subsidary merger between the two banks. The merger plan was registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) on July 5 2022, and with the Swedish Companies Registration Office (Bolagsverket) on July 28 2022, and on August 8 2022 the Board of Directors of Bank Norwegian finally approved the merger.

The merger will be implemented with Nordax as the acquiring company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian branch of Nordax (being under establishment). The merger aims to simplify the group structure and is expected to enable a more effective administration and optimisation of capital and liquidity utilisation within the Nordax Group.

The implementation of the merger is still conditional upon (i) that the deadline for objections pursuant to the Public Limited Liability Companies Act § 13-15, cf. 13-16 has expired, (ii) that the Norwegian Financial Supervisory Authority ("Finanstilsynet") and the Swedish Financial Supervisory Authority ("Finansinspektionen") have approved the imple-

mentation of the merger, (iii) that Finansinspektionen has approved Nordax' establishment of a branch in Norway and that Finanstilsynet has confirmed that the branch can commence operations (or that the waiting period of two months has expired), (iv) that relevant consents and approvals from third parties have been obtained and (v) that no objections have been made by creditors or that any such objections have been clarified.

As announced July 4, the merger is expected to be completed during the first quarter in 2023 at the latest. Bank Norwegian's operations and organization, as well as customer terms and conditions are not expected to be materially amended following the merger. The Bank Norwegian brand will continue to be used.

Definitions

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

Return on equity

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

Leverage ratio¹

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

Average loan portfolio

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

C/I ratio

Operating expenses as a percentage of operating income.

C/I ratio excl. acquisition costs

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

Credit loss level

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

Credit loss in % excl. initial effect of acquisitions

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

Common Equity Tier 1 capital¹

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

Common Equity Tier 1 capital ratio¹

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

Liquidity reserve

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

Liquidity Coverage Ratio (LCR)¹

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

Own funds¹

The sum of Tier 1 and Tier 2 capital.

Tier 1 capital ratio¹

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

Risk exposure amount¹

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

Net Stable Funding Ratio (NSFR)

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

Tier 1 capital¹

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

Tier 2 capital¹

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

Total capital ratio¹

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

Other Tier 1 capital¹

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

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

Board of Directors' affirmation

The Board of Directors declares that the interim report for January-June 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 August 25, 2022

Hans-Ole Jochumsen
Chairman

Christopher Ekdahl
Non-Executive Director

Christian Frick
Non-Executive Director

Henrik Källén
Non-Executive Director

Anna Storåkers
Non-Executive Director

Ville Talasmäki
Non-Executive Director

Ricard Wennerklint
Non-Executive Director