nordiska.

ANNUAL REPORT

2021

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From the CEO

2021 was an extremely volatile year. There was not the same anxiety and uncertainty as in the previous year, but there were clear fluctuations back and forth in how life can actually be. At the time of writing, the pandemic is still with us and the spread of infection in Sweden is higher than ever. There is an increasing tide of opinion that we should view it as a less serious situation and that we should be able to get back to normal. Health problems notwithstanding, sad to say the situation is normal. Or at least in the way the history books would have it. During the year, we saw both a negative electricity price and more or less the highest-ever spot price. But it is clear that prices in southern parts of the country were significantly higher in 2021 than in previous years.

A changing world

It seems that it is not just in ice hockey that things can turn around quickly. For my own part, I have long had the feeling that wheels are turning faster than they used to, and that change is becoming the norm. Volatility, in large doses, is the new normal. The availability of information is better than ever, with a habit of spreading like wildfire all over the world. And overreactions are not far behind. One moment, the risk is total, the next moment, it's gone. It is a difficult world to navigate. For us at Nordiska, this means that we must be constantly on our guard, always questioning what we did yesterday. Last month, in 2022, sadly also provided evidence of how quickly the world can change, when Russia decided to invade Ukraine. Apart from a few consultants in Ukraine, this has not yet had any serious consequences for Nordiska. We have adopted a slightly more cautious attitude towards granting credit, as it is not yet clear what the long-term consequences of the war will be.

Expansion into Norway

As one element of responding to changes, diversifying our risks is an important component for Nordiska. We did this during the year by broadening the product portfolio, and we decided to expand into another market. During the second half of the year, we reached agreement on and concluded an acquisition in Norway. This allows us to expand into the Norwegian market. At the time of writing, some additional local approvals are still required before we can finalise the partnership deal, but in my view this will happen soon.

Focus on the organisation

We also had a strong focus on the organisation during the year. We have many things we aim to build in order to win new market shares and improve our offering to our existing customers. An effective development process is a precondition for this. This is why we highlighted the product organisation during the year, with the effect that we now have a number of product owners and project managers working together with our development team in accordance with Scrum. All of our main products now have a product owner who is in charge of ongoing development work. This has resulted in a process that became more efficient as the year progressed. It has been extremely pleasing to see, and I look forward to seeing the organisation's development initiatives moving forward.

Results

In conclusion, I look back on 2021 as an extremely successful year. We succeeded in delivering in all areas and exceeding all my expectations. We succeeded in acquiring more customers, growing the balance sheet and doubling our profit, while keeping risks at the same low level.

March 2022

Mikael Gellbäck
CEO, Nordiska Kreditmarknadsaktiebolaget

Corporate Governance Report

About this corporate governance report

Nordiska runs a financing business under the supervision of the Swedish Financial Supervisory Authority. Nordiska has issued transferable bonds that are traded on Nasdaq Stockholm. Nordiska has prepared this corporate governance report in accordance with the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

Nordiska observes a number of laws and rules for good corporate governance and control of the business, including the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554), the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), Nasdaq Stockholm's Issuer Rules, the Swedish Banking and Financing Business Act (2004:297), the International Financial Reporting Standards and the Swedish Financial Supervisory Authority's regulations and general advice.

In addition, Nordiska observes a large number of regulations adopted at EU level in respect of both the European Council and the European Banking Authority (EBA). Nordiska also has an internal set of regulations with internal policies and instructions that form part of the management system.

The general meeting of shareholders is Nordiska's ultimate decision-making body. The general meeting of shareholders provides all shareholders with an opportunity to exercise the influence represented by their respective shareholdings. Rules that govern the general meeting of shareholders, and what may be addressed there, may be found, for example, in the Swedish Companies Act and the Articles of Association.

The business of the general meeting of shareholders includes the appointment of Board members and external auditors, the confirmation of annual accounts, the adoption of the articles of association, decisions on appropriations in respect of Nordiska's profit or loss, decisions on discharge from liability for the Board of Directors and the CEO, and the confirmation of fees for the Board of Directors and external auditors.

Corporate governance

Nordiska's Board of Directors has ultimate responsibility for Nordiska's internal governance and control, as well as its business and organisation.

The Board's primary task is to safeguard the interests of shareholders and the Company. This means that the Board is responsible for confirming Nordiska's internal policies and overarching objectives and strategies, and for ensuring that these objectives and strategies are reviewed and monitored on an ongoing basis.

The Board is appointed by the general meeting of shareholders and consists of five permanent members, one of whom is the Chairman of the Board.

The Board consists of Jörgen Durban (Chairman), Mikael Gellbäck, Lars Weigl, Christer Cragnell and Patrik Carlstedt.

Nordiska's management team runs the day-to-day business based on commercial goals, values, business plan, internal regulations and decisions made.

The management team consists of Mikael Gellbäck (CEO), Pehr Petersson (COO), Sivonne Wahlsten (CFO), Joakim Millås (CIO) and Filip Dahlstedt (CLO).

Control organisation

Nordiska's organisation for the control of risks and regulatory compliance is organised in accordance with the Swedish Financial Supervisory Authority's general guidelines on governance and control. The control organisation consists of three lines of defence.

The first line of defence consists of the Board of Directors, the CEO and the business. They are responsible for ensuring that the business is managed within the framework of confirmed risk exposure and internal governance and control, and in accordance confirmed external and internal rules that are applicable at Nordiska.

The first line of defence has an effective governance model and an efficient process for identifying, measuring, valuing, monitoring, minimising and reporting risk.

The second line of defence consists of the Risk Control Function and the Regulatory Compliance Function. The Regulatory Compliance Function is there to support the Board of Directors, the CEO and the operational business in order to guarantee licensable regulatory compliance in Nordiska. The Risk Control function is responsible for checking that all significant risks to which Nordiska is exposed or may be exposed are identified and dealt with by

Corporate Governance Report (contd.)

the Functions concerned, and checks that the internal regulatory framework is appropriate and effective, and suggests changes to this as required. The Risk Control Function is also there to support and check to make sure that the business is implementing the requirements specified in external regulations, and on an ongoing to strive and contribute towards there being good risk awareness in the organisation. The independence of the Functions is guarantees by the fact that the Functions themselves do not perform any such activities that they have to examine, i.e. the Functions must not be involved in Nordiska's commercial business.

The third line of defence consists of the Internal Audit Function. The Internal Audit Function is the tool used by the Board of Directors to meet the requirements for good, effective internal governance and control, and in view of this it is organisationally separated from Nordiska's other functions and activities. The Internal Audit Function is responsible for examining and regularly evaluating whether the internal control is effective and appropriate. Within the framework of its assignment, the Internal Audit Function must, among other things, examine and regularly evaluate Nordiska's risk management, compliance with the regulatory framework, financial information and the second line of defence. The third line of defence consists of the Internal Audit Function. The Internal Audit Function is the tool used by the Board of Directors to meet the requirements for good, effective internal governance and control, and in view of this it is organisationally separated from Nordiska's other functions and activities. The Internal Audit Function is responsible for examining and regularly evaluating whether the internal control is effective and appropriate. Within the framework of its assignment, the Internal Audit Function must, among other things, examine and regularly evaluate Nordiska's risk management, compliance with the regulatory framework, financial information and the second line of defence.

Statutory Administration Report

THE GROUP'S BUSINESS

The business is run primarily in Sweden, but also in Finland, Norway and Germany. In law, it is run by Nordiska Kreditmarknadsaktiebolaget ("the Parent Company") and in the subsidiary Nordiska Financial Partner Norway AS, which was acquired on 9 December 2021 and has branches in Sweden, Finland and Estonia. In addition to lending and accepting deposits, Nordiska Financial Technology AB undertakes the development, maintenance and operation of the Group's IT systems. The Group is now named Nordiska.

Nordiska has two business areas: Corporate and Partner. Nordiska's business concept in Corporate is to provide companies in Sweden with effective liquidity and financing solutions in the areas of invoice purchasing, invoice discounting and loan facilities with collateral. In Partner, Nordiska offers infrastructure for fintech companies, which in turn aim to offer credit facilities or payment solutions to private individuals or legal entities. The products for private individuals consist solely of unsecured loans, while there is a larger product range for legal entities.

Nordiska Financial Partner Norway AS launched the Partner business area in Norway during Q1 2022.

The Group's business activities are run primarily in the Parent Company. The following income statements and balance sheets with associated notes present the Group for 2021. Unless otherwise specified, all amounts are in SEK thousands.

OWNERSHIP STRUCTURE

Nordiska is a Swedish public limited liability company with shares denominated in Swedish kronor, in share classes ordinary shares and preference shares. The former carry one vote, while the latter carry one tenth (1/10) of a vote. The preference shares have preferential rights in connection with profit distribution of SEK 2/share per quarter, to a maximum of SEK 8/year. Increases in share capital take place via ordinary shares.

SUSTAINABILITY

Nordiska's business model is based on scalability, with regulatory compliance, consumer protection and sustainability when granting credit as central issues. Strategic goals such as growth and expansion shall be achieved with proper control and with Nordiska's consideration of customers' interests.

Nordiska's work on sustainability is governed by a number of policies, including those for Diversity, Assessing the Suitability of Board Members and Senior Executives, and the Ethics Policy. Nordiska formulated and adopted a code of conduct for its employees during 2021, in order to enhance the internal control environment and boost awareness. Nordiska has initiated its commitment to fulfil its commitments in accordance with Nordiska's affiliation to the UN Global Compact. This can be exemplified by pursuing the UN Global Compact's relevant training programmes in respect of proactive work on sustainability. Targeted training programmes have been completed for Nordiska's management team, senior advisors in the Corporate business area and other individuals concerned, with experts in the field also invited to contribute.

In its regulations, Nordiska has confirmed principles for diversity and equal treatment regardless of gender, ethnic origin or background. Over the past year, Nordiska has been delighted to see that gender distribution is moving in the right direction and becoming more equal. A decision has also been made to set up a Human Resources function, which will provide improved support in employment-related matters, for the management team, managers and every single one of Nordiska's employees. Anti-corruption work continues to be led through strong internal governance and control, combined with precision in Nordiska's processes in areas such as engaging suppliers, employment procedures or other business partners. At an organisational level, Nordiska works in a dedicated way against money laundering and the financing of terrorism, including increased system support in work on measures, appointment of personnel resources, training and improved processes.

INFORMATION ABOUT CAPITAL BASE AND CAPITAL ADEQUACY REQUIREMENT

As of 31 December 2021, Nordiska had a capital base of SEK 459.5 million, and the total capital ratio, defined as total capital base in relation to total risk exposure, totalled 12.89%. As of 31 December 2021, the consolidated situation had a capital base of SEK 466.4 million, and the total capital ratio, defined as total capital base in relation to total risk exposure, totalled 12.09%. This means that the requirements for capital ratios and buffers were met comfortably. See Note 32 for detailed information.

Statutory Administration Report (contd.)

BUSINESS ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the Group grew marginally in the Corporate business area, while the Partner business area grew strongly. Nordiska entered into a number of new Partner collaborations during the year, all of which have their own niche and provide a differentiated customer base. The acquisition of Nordiska Financial Partner Norway AS also contributed to the growth in lending. Lending to the public increased during the year by 89.7% compared with 2020. Deposits from the public increased by 150.8%.

FINANCIAL RESULTS

The Group's operating profit totalled SEK 95.5 million (44.6). The profit for the year totalled SEK 80.6 million (34.8). The profit trend is explained primarily by the commercial transition to the new Partner business area, which started in 2019 and has grown strongly since then. The upturn in the profit can be explained primarily by the negative goodwill that arose in connection with the acquisition of Nordiska Financial Partner Norway AS during the fourth quarter and continued growth in the Partner business area.

The operating profit totalled SEK 219.0 million (115.7). Net interest totalled SEK 139.9 million (98.7), while the net interest margin fell to 3.5% from 4.7%, primarily because deposits increased significantly more than lending, combined with deposit guarantee costs. Net commission totalled SEK 20.8 million (16.6), an increase primarily attributable to the Partner business area.

General administrative expenses totalled SEK 97.0 million (63.3). The cost trend is a consequence of growth, as we incurred higher transaction costs, now have more employees, worked on IT development and incurred higher legal expenses.

Net credit losses totalled SEK 5.0 million (1.6). This increase is primarily attributable to portfolios in the company that was acquired during the fourth quarter.

The profits from the Group's business activities, together with the financial position at the end of the year, are described in the following income statements and balance sheets with associated notes.

LIQUIDITY AND FINANCIAL INVESTMENTS

Cash and cash equivalents totalled SEK 4,159 million (1,006) as of 31 December 2021. Nordiska's surplus liquidity is invested primarily in municipal bills, government securities, in the tax account and in accounts at major Nordic banks.

FINANCING

The Group finances itself primarily via deposits from the public, which comprises 91.1% of the balance sheet total. Apart from this, financing consists of Equity. During the year, an AT1 bond was issued, increasing equity by SEK 81.8 million, and a new share issue and an option scheme were implemented, increasing equity by SEK 51.9 million.

FINANCIAL POSITION

Lending to the public totalled SEK 5,244.4 million (2,764.3) at the end of the year, an increase of 89.7% compared with the previous year. Growth in 2021 continued to come primarily from the Partner business area. Deposits from the public increased in line with lending, totalling SEK 8,634.0 million (3,444.0). Other assets totalled SEK 3,280.6 million (410.9), the increase being attributable to surplus liquidity being placed in the tax account. The liquidity reserve totalled SEK 4,109.1 million (1,001.4), of which SEK 294.7 million (130.4) related to near-money assets in accordance with the LCR regulation.

PROPOSED DISTRIBUTION OF EARNINGS

The Board proposes that a dividend be paid to preference shareholders of SEK 3,200,000, corresponding to SEK 8 per share. The Board proposes that the AGM authorises the Board to make a decision on the payment date in accordance with the Company's adopted articles of association.

Current regulations for capital adequacy and major exposures mean that the Company must at any given time have a capital base that corresponds at least to the Company's estimated internal capital requirements, i.e. the sum of the capital adequacy requirements for credit risks, market risks and operational risks, and also for additional identified risks in the business in accordance with the Company's internal capital and liquidity evaluation policy. The capital base totals

Statutory Administration Report (contd.)

SEK 466,204,000 and its total capital adequacy requirement (Pillar 1, buffers and Pillar 2) SEK 174,472,000 (Note 36).

For more information, see Note 35 regarding the proposed distribution of earnings.

SIGNIFICANT RISKS AND UNCERTAINTIES

Nordiska's and the Parent Company's business activities involve various kinds of risks, such as credit risks, market risks, liquidity risks and operational risks. In order to limit and control risk-taking, the Parent Company's Board of Directors, which has ultimate responsibility for risk management, governance and control in the Group, has adopted policies and instructions for the issuing of credit and other business activities. See Note 3 and Note 32 for a more detailed description of financial risks, the use of financial instruments and capital adequacy.

PERSONNEL

Nordiska's workforce during the year totalled an average of 37 (30) calculated as full-time equivalents, of which 10 (10) female and 27 (20) male. See Note 10 for further information.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the year there was significant development of the new platform that forms the basis of the implementation of Nordiska's strategy to further upscale the Partner business area.

A number of strategic partnership agreements were launched during the year. On 9 December 2021, the acquisition took place of FolkeFinans AS, a Norwegian credit market company. The company has been renamed Nordiska Financial Partner Norway AS and represents a strategic initiative that gives us opportunities to grow in the Nordic region and in the Partner business area. The acquisition also had a positive impact on the Group's profit of SEK 37.6 million, as a consequence of a low-price acquisition.

During the financial year, the Parent Company issued a Tier 1 capital instrument, which is listed on Nasdaq Stockholm.

FUTURE OUTLOOK

Nordiska will continue to work in accordance with the previously communicated strategy and has ambitious objectives when it comes to growth and expansion. Nordiska aims to position itself as a leading actor in the field of finance and technology and to be involved in driving the development of the financial services of the future. During the year, Nordiska has invested in both people and technology.

Nordiska has created an organisation, infrastructure and technical banking platform for expansion over the next few years that will result in efficiency without driving costs. A number of strategic partnership agreements were signed last year, which have been and will be launched in due course.

The effects of the pandemic during 2021 did not have a negative impact on Nordiska's business. As this annual report was being prepared, Russia has just invaded Ukraine, which may have an impact on the European economy. Nordic does not have any lending to either Ukraine or Russia.

BOARD OF DIRECTORS

At the general meeting of shareholders on 3 June 2021, Christer Cragnell, Lars Weigl, Patrik Carlstedt and Mikael Gellbäck were re-elected as permanent Board members, and Jörgen Durban as Chairman of the Board.

Statutory Administration Report (contd.)

	DEFINITIONS
Alternative key indicators	The Group's financial statements contain alternative key indicators, which the Company considers to be valuable information for the reader. Alternative key indicators are financial metrics in addition to financial position, profit trend or cash flow that are not defined in IFRS or capital adequacy rules.
Net interest margin	Net interest in relation to average lending to the public.
Cost-to-income ratio	Total operating expenses in relation to total operating income.
Credit loss level	Net credit losses in relation to average lending to the public.
Average number of employees	Calculated as full-time equivalents and including temporary employees, but not those on parental leave or other leave of absence.
Key indicators defined in the capital adequacy and liquidity regulations	The following key indicators refer to Nordiska and the consolidated situation.
Risk-weighted exposure	The risk-weighted exposure amount for an exposure is calculated by taking the value of the exposure multiplied by its risk weighting.
Capital base	The capital base is the total of Tier 1 capital and Tier 2 capital in accordance with Article 72 of the Prudential Requirements Regulation (EU) No 575/2013.
Common Equity Tier 1 capital ratio	Common Equity Tier 1 capital in relation to total risk-weighted exposure.
Tier 1 capital ratio	Tier 1 capital in relation to total risk-weighted exposure.
Total capital ratio	Capital base in relation to total risk-weighted exposure.
Liquidity coverage ratio (LCR)	Liquidity buffer in relation to net liquidity outflows during a stress period of 30 days.
Net stable funding ratio (NSFR)	Stable funding available in relation to stable funding requirements.

Five-year summary (SEK thousands)

FIVE-YEAR SUMMARY FOR THE GROUP

	2021	2020	2019	2018	2017
Interest income	192,836	127,290	92,569	76,864	41,517
Lease income	2,242	-	-	-	-
Interest expenses	-55,215	-28,546	-16,540	-14,288	-10,115
Net interest	**139,862**	**98,745**	**76,028**	**62,576**	**31,402**
Commission income	24,344	19,486	18,588	92,745	33,555
Commission expenses	-3,571	-3,842	-3,826	-51,917	-2,140
Net commission	**20,772**	**15,643**	**14,762**	**40,828**	**31,416**
Net profit/loss from financial transactions	9,231	-3,209	1,928	281	-77
Other operating income	49,121	4,500	2,247	1,054	651
Operating income	**218,987**	**115,679**	**94,965**	**104,738**	**63,391**
General administrative expenses	-107,072	-63,272	-50,971	-42,964	-34,529
Depreciation	-8,877	-4,817	-4,035	-1,169	-1,239
Other operating expenses	-2,565	-1,477	-1,166	-1,365	-1,092
Operating expenses	**-118,513**	**-69,566**	**-56,172**	**-45,499**	**-36,860**
Profit/loss before credit losses	**100,474**	**46,114**	**38,793**	**59,240**	**26,531**
Credit losses, net	-5,019	-1,559	-12,977	-19,045	-6,198
Operating profit/loss	**95,455**	**44,556**	**25,816**	**40,195**	**20,332**
Tax	-14,859	-9,798	-5474	-11,963	-830
Profit/loss for the year	**80,595**	**34,756**	**20,341**	**28,231**	**19,502**

Comparative figures for 2017–2020 have been adjusted to the Group's figures compared with annual reports published previously.

Five-year summary (SEK thousands)

KEY INDICATORS FOR THE GROUP

	2021	2020	2019	2018	2017
INCOME STATEMENT					
Net interest	139,862	98,745	76,028	62,576	31,402
Operating profit/loss	218,987	115,679	94,965	104,738	63,391
Profit/loss for the year	80,595	34,756	20,341	28,231	19,502
BALANCE SHEET					
Lending to the public	5,244,393	2,764,292	1,438,042	1,292,087	1,000,585
Deposits from the public	8,635,906	3,444,011	1,567,645	1,230,879	1,049,920
Equity	468,573	254,537	220,581	203,440	185,376
KEY INDICATORS					
Net interest margin (NIM)	3.5%	4.7%	5.6%	5.5%	4.2%
Credit loss level	0.1%	0.1%	1.0%	1.7%	0.8%
Cost-to-income ratio	54.1%	60.1%	59.2%	43.4%	58.1%
Return on equity (RoE)	22.3%	14.6%	9.6%	14.5%	14.8%
Common Equity Tier 1 capital ratio	9.0%	11.5%	19.7%	17.6%	17.4%
Tier 1 capital ratio	11.2%	11.5%	19.7%	17.6%	17.4%
Total capital ratio	12.1%	13.2%	23.2%	21.0%	21.2%
Average number of employees	37	30	33	29	21

Consolidated Income Statement (SEK thousands)

	Note	Full year 2021	Full year 2020
Interest income calculated using the effective interest method	6	192,836	127,290
Lease income	6	2,242	-
Interest expenses	6	-55,215	-28,546
Net interest		**139,862**	**98,745**
Commission income	7	24,344	19,486
Commission expenses	7	-3,571	-3,842
Net commission		**20,772**	**15,643**
Net profit/loss from financial transactions	8	9,231	-3,209
Other operating income	9	49,121	4,500
Operating income		**218,987**	**115,679**
General administrative expenses	10	-107,072	-63,272
Depreciation	11	-8,877	-4,817
Other operating expenses		-2,565	-1,477
Operating expenses		**-118,513**	**-69,565**
PROFIT/LOSS BEFORE CREDIT LOSSES		**100,474**	**46,114**
Credit losses, net	12	-5,019	-1,559
OPERATING PROFIT/LOSS		**95,455**	**44,555**
Tax on profit/loss for the year	14	-14,859	-9,798
PROFIT/LOSS FOR THE YEAR		**80,595**	**34,756**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
Profit/loss for the year	**80,595**	34,756
Other comprehensive income		
Translation of foreign business activities	968	-
Tax on translation of foreign business activities	-	-
Other comprehensive income after tax	**968**	**-**
COMPREHENSIVE INCOME FOR THE YEAR	**81,563**	**34,756**

Consolidated Balance Sheet (SEK thousands)

	Note	31/12/2021	31/12/2020
ASSETS			
Chargeable treasury bonds, etc.	15	292,289	76,006
Lending to credit institutions	16	595,217	463,664
Lending to the public	17	5,244,393	2,764,292
Bonds and other interest-bearing securities	20	2,390	54,395
Derivative instruments		505	-
Shares and participations	22	8,610	2,000
Shares in associated companies	21	5,480	-
Intangible assets	18	11,694	7,694
Right of use asset	34	12,316	12,007
Property, plant and equipment	19	1,134	298
Other assets	24	3,283,700	410,942
Prepaid expenses and accrued income	25	18,669	2,448
TOTAL ASSETS		**9,476,397**	**3,793,745**
EQUITY AND LIABILITIES			
LIABILITIES			
Liabilities to credit institutions		114,436	-
Deposits from the public	26	8,634,016	3,444,011
Other liabilities	27	181,938	17,913
Lease liability	34	11,778	11,289
Accrued expenses and prepaid income	28	67,873	65,995
Total liabilities		**9,010,041**	**3,539,208**
EQUITY			
Share capital		46,244	43,541
Other funds		158,907	111,609
Tier 1 capital		82,794	-
Retained earnings		97,816	64,631
Profit/loss for the year		80,595	34,756
Total equity		**466,356**	**254,537**
TOTAL EQUITY AND LIABILITIES		**9,476,397**	**3,793,745**

Consolidated Statement of Changes in Equity (SEK thousands)

Restricted equity

	31/12/2021	31/12/2020
Share capital	46,244	43,541
Total restricted equity	**46,244**	**43,541**
Non-restricted equity		
Other funds	161,813	111,609
Tier 1 capital	82,794	-
Retained earnings incl. profit for the year	175,506	99,387
Total non-restricted equity	**420,112**	**210,996**
Total Equity	**466,356**	**254,537**

Statements of Changes in Equity

	Share capital	Other capital contributed[1]	Translation reserve	Tier 1 capital	Retained earnings incl. profit for the year	Total equity
Opening equity, 01/01/2021	**43,541**	**111,609**	**-**	**-**	**99,387**	**254,537**
Recorded via the income statement	-	-	-	-	80,595	80,595
Recorded via other comprehensive income	-	-	968	-	-	968
Comprehensive income for the year	**-**	**-**	**-**		**80,595**	**81,563**
New share issue	2,703	47,298	-	-	-	50,000
Tier 1 capital instruments	-	-	-	83,750	-	83,750
Transaction expenses, Tier 1 capital instruments	-	-	-	-956	-	-956
Interest expense, Tier 1 capital instruments	-	-	-	-	-2,876	-2,876
Option scheme	-	1,938	-	-	-	1,938
Dividend to preference shareholders	-	-	-	-	-1,600	-1,600
Translation difference	-	-	-	-	-	0
Closing equity, 31/12/2021	**46,244**	**160,845**	**968**	**82,794**	**175,506**	**466,356**
Opening equity, 01/01/2020	**43,541**	**111,609**	**-**	**-**	**65,431**	**220,581**
Profit/loss for the year	-	-	-	-	34,756	34,756
Profit/loss for the year	**-**	**-**	**-**	**-**	**34,756**	**34,756**
Dividend to preference shareholders	-	-	-	-	-800	-800
Closing equity, 31/12/2020	**43,541**	**111,609**	**-**	**-**	**99,387**	**254,537**

1) Other capital contributed consists essentially of premiums paid.

Consolidated Cash Flow Statement (SEK thousands)

	2021	2020
Operating profit/loss	95,455	44,555
Items not included in cash flow:		
Depreciation	8,877	4,817
Interest on lease liability	-167	-221
Income tax paid	-14,859	-2,401
Cash flow from operating activities before change in operating assets and liabilities	**89,306**	**50,710**
Lending to the public	-2,435,318	-1,326,250
Other assets	-43,851	23,555
Deposits from the public	5,190,005	1,876,366
Other liabilities	165,903	20,306
Liabilities to credit institutions	114,436	-
Changes in operating assets and liabilities	**2,991,175**	**593,977**
Cash flow from operating activities	**3,080,481**	**644,687**
Investments in intangible assets	-7,013	-3,209
Investments in tangible assets	-2,826	-92
Shares and participations	-6,610	-2,000
Shares in subsidiaries	-44,783	-
Participation in associated companies	-5,480	-
Cash flow from investing activities	**-66,712**	**-5,301**
New share issue	50,000	-
Issued securities, etc.	79,918	-
Option scheme	1,938	-
Repayment of lease liability	-2,643	-2,589
Dividend	-1,600	-800
Cash flow from financing activities	**127,613**	**-3,389**
Cash flow for the year	**3,141,382**	**635,997**
Cash and cash equivalents at beginning of period	1,005,994	369,996
Exchange rate difference in cash and cash equivalents	-423	-
Cash and cash equivalents	**4,146,953**	**1,005,994**
The following items are included in cash and cash equivalents:		
Lending to credit institutions	594,212	462,659
Chargeable treasury bonds, etc.	292,289	76,006
Bonds and other interest-bearing securities	2,390	54,395
Other assets	3,258,062	412,934
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,146,953**	**1,005,994**

Income Statement for the Parent Company (SEK thousands)

	Note	Full year 2021	Full year 2020
Interest income calculated using the effective interest method	6	186,388	127,290
Lease income	6	2,242	-
Interest expenses	6	-53,674	-28,184
Net interest		**134,956**	**99,107**
Commission income	7	24,038	19,486
Commission expenses	7	-3,257	-3,842
Net commission		**20,781**	**15,643**
Group contributions received	13	2,300	1,400
Net profit/loss from financial transactions	8	29,097	-3,209
Other operating income	9	940	1,682
Operating income		**188,074**	**114,623**
General administrative expenses	10	-95,539	-68,371
Depreciation	11	-226	-162
Other operating expenses		-38	-23
Operating expenses		**-95,803**	**-68,556**
PROFIT/LOSS BEFORE CREDIT LOSSES		**92,271**	**46,067**
Credit losses, net	12	-2,037	-1,559
OPERATING PROFIT/LOSS		**90,234**	**44,508**
Tax on profit/loss for the year	14	-14,841	-9,786
PROFIT/LOSS FOR THE YEAR		**75,392**	**34,722**

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
Profit/loss for the year	75,392	34,722
Other comprehensive income		
Translation of foreign business activities	-	-
Other comprehensive income after tax	**-**	**-**
COMPREHENSIVE INCOME FOR THE YEAR	**75,392**	**34,722**

Balance Sheet for the Parent Company (SEK thousands)

	Note	31/12/2021	31/12/2020
ASSETS			
Chargeable treasury bonds, etc.	15	292,289	76,006
Lending to credit institutions	16	559,785	462,974
Lending to the public	17	5,082,361	2,764,292
Bonds and other interest-bearing securities	20	-	54,395
Shares and participations	22	-	2,000
Shares in subsidiary	23	3,275	3,050
Shares in associated companies	21	5,480	-
Property, plant and equipment	19	1,020	254
Other assets	24	3,359,541	414,861
Prepaid expenses and accrued income	25	18,777	3,167
TOTAL ASSETS		**9,322,528**	**3,780,998**
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from the public	26	8,634,016	3,444,011
Other liabilities	27	174,883	17,417
Accrued expenses and prepaid income	28	54,122	65,712
Total liabilities		**8,863,021**	**3,527,140**
EQUITY			
Share capital		46,244	43,541
Total restricted equity		**46,244**	**43,541**
Other funds		158,907	111,609
Retained earnings		82,794	-
Tier 1 capital		96,169	63,986
Profit/loss for the year		75,392	34,722
Total non-restricted equity		**413,261**	**210,317**
Total equity		**459,506**	**253,858**
TOTAL EQUITY AND LIABILITIES		**9,322,528**	**3,780,998**

Statement of Changes in Equity for the Parent Company (SEK thousands)

Restricted equity

	31/12/2021	31/12/2020
Share capital	46,244	43,541
Total restricted equity	**46,244**	**43,541**
Non-restricted equity		
Other funds	160,845	111,609
Tier 1 capital	169,623	98,708
Retained earnings incl. profit for the year	82,794	-
Total non-restricted equity	**413,262**	**210,317**
Total Equity	**459,506**	**253,858**

Statements of Changes in Equity

	Share capital	Other capital contributed[1]	Tier 1 capital	Retained earnings incl. profit for the year	Total equity
Opening equity, 01/01/2021	**43,541**	**111,609**	**-**	**98,707**	**253,858**
Profit/loss for the year	-	-	-	75,392	75,392
Comprehensive income for the year	**-**	**-**	**-**	**75,392**	**75,392**
New share issue	2,703	47,298	-	-	50,000
Tier 1 capital instruments	-	-	83,750	-	83,750
Transaction expenses, Tier 1 capital instruments	-	-	-956	-	-956
Interest expense, Tier 1 capital instruments	-	-	-	-2,876	-2,876
Option scheme		1,938	-	-	1,938
Dividend to preference shareholders	-	-	-	-1,600	-1,600
Closing equity, 31/12/2021	**46,244**	**160,845**	**82,794**	**169,623**	**459,506**
Opening equity, 01/01/2020	**43,541**	**111,609**	**-**	**64,785**	**219,936**
Profit/loss for the year	-	-		34,722	34,722
Comprehensive income for the year	**-**	**-**		**34,722**	**34,722**
Dividend to preference shareholders	-	-		-800	-800
Closing equity, 31/12/2020	**43,541**	**111,609**	**-**	**98,707**	**253,858**

[1] Other capital contributed consists essentially of premiums paid.

The Company's equity comprises share capital, which consists of two share classes: ordinary shares and preference shares. In addition to this there are shareholder contributions, capital instruments in the form of a bond, the Company's retained earnings and the profit/loss for the year. With regard to profit-sharing, in accordance with the articles of association, the Company has not paid a dividend to ordinary shareholders, but only to preference shareholders, who have preferential rights in respect of an annual dividend equivalent to an amount of SEK 2 per share per quarter, to a maximum of SEK 8/year.

On 29 June 2021, Nordiska issued additional Tier 1 bonds to a value of SEK 100 million ("the Bonds"). The Bonds are listed for trading on the corporate bond list at Nasdaq Stockholm, with ISIN SE0015961537. The Bonds are permanent instruments with a first redemption right after five years (subject to the Swedish Financial Supervisory Authority's prior consent and applicable law) with a variable interest rate of 3m STIBOR + 8.75%. The Bonds are not guaranteed, subordinated to Nordiska's creditors, pari passu other Tier 1 capital instruments or similarly ranked receivables or senior shares issued by Nordiska.

In 2021, the Parent Company issued share warrants for which the underlying asset comprises a share in the Company for certain employees. An external party was engaged to perform a calculation of the market value of a warrant in the Parent Company. The Black & Scholes model was applied when valuing the share warrants. In accordance with the warrant valuation report, the market value of a share warrant was set at SEK 1.91, based on a redemption price of SEK 22.20. The term of the warrant is adopted at two years, and the Company has a right to repurchase, at the market price, in the event that an employee who acquired warrants has left the Company. If the employee leaves after one year from the date of acquisition, the Company is only entitled to repurchase half of the warrants. There were 1,014,800 warrants outstanding at the end of 2021.

The Annual General Meeting has delegated the decision on paying this dividend to the Board of Directors. Every time the decision is made, the Board of Directors must make sure that there is scope for the dividend in question within unrestricted equity and that the Board deems the proposed dividend to be justifiable with due regard to the demands that the nature, scope and risks of the business place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The total number of shares is 43,541,000, of which 43,141,000 are ordinary shares and 400,000 preference shares. The quota value is SEK 1. The total number of votes is 43,541,000, with ordinary shares carrying one vote, while preference shares carry one tenth of a vote (1/10). Increases in share capital take place via ordinary shares.

Cash Flow Statement for the Parent Company (SEK thousands)

	2021	2020
Operating profit/loss	90,234	44,508
Items not included in cash flow:		
Depreciation	226	162
Interest on lease liability	-	-
Income tax paid	-14,841	-2,392
Cash flow from operating activities before change in operating assets and liabilities	**75,619**	**42,278**
Lending to the public	-2,318,069	-1,326,250
Other assets	-115,163	26,124
Deposits from the public	5,190,005	1,876,366
Other liabilities	145,876	20,036
Liabilities to credit institutions	-	-
Changes in operating assets and liabilities	**2,902,649**	**596,276**
Cash flow from operating activities	**2,978,268**	**638,554**
Investments in intangible assets	-992	-
Investments in tangible assets	-	-92
Shares and participations	2,000	-2,000
Shares in subsidiary	-225	-
Participations in associated companies	-5,480	-
Cash flow from investing activities	**-4,697**	**-2,092**
New share issue	50,000	-
Issued securities, etc.	79,918	-
Option scheme	1,938	-
Repayment of lease liability	-	-
Dividend	-1,600	-800
Cash flow from financing activities	**130,256**	**-800**
Cash flow for the year	**3,103,827**	**635,662**
Cash and cash equivalents at beginning of period	1,005,300	369,638
Exchange rate difference in cash and cash equivalents	-	-
Cash and cash equivalents	**4,109,127**	**1,005,300**
The following items are included in cash and cash equivalents:		
Lending to credit institutions	558,780	461,969
Chargeable treasury bonds, etc.	292,289	76,006
Bonds and other interest-bearing securities	-	54,395
Other assets	3,258,058	412,930
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,109,127**	**1,005,300**

Notes on the financial statements

NOTE 1. GENERAL INFORMATION

Nordiska Kreditmarknadsaktiebolaget (publ) (hereinafter "the Parent Company"), corporate ID number 556760-6032, is a credit market company with a licence from the Swedish Financial Supervisory Authority to run a financing business in accordance with the Swedish Banking and Financing Business Act (2004:297). The Company runs credit business activities with services in the areas of saving and lending. The business is run primarily in Sweden, but also in Norway, Finland, Ukraine and Germany.

The Parent Company is registered and has its registered office and head office in Stockholm, Sweden. The address of the head office is Humlegårdsgatan 14, SE-114 46 Stockholm, Sweden. Nordiska Kreditmarknadsaktiebolaget (publ) is the Parent Company of Nordiska Financial Technology AB, NFT Ukraine LLC, NNAV Holding 1 AB and Nordiska Financial Partner Norway AS, which are directly or indirectly 100%-owned.

Nordiska has two business areas: Corporate and Partner. Nordiska's business concept in Corporate is to provide companies in Sweden with effective liquidity and financing solutions in the areas of invoice purchasing, invoice discounting and loan facilities with collateral. In Partner, Nordiska offers infrastructure for fintech companies, which in turn aim to offer credit facilities or payment solutions to private individuals or legal entities. The products for private individuals consist solely of unsecured loans, while there is a larger product range for legal entities.

The business is financed through deposits from the public in Sweden and Germany.

The Board of Directors approved these annual accounts on 5 April 2022, for adoption by the general meeting of shareholders.

NOTE 2. ACCOUNTING POLICIES

The Parent Company's accounting policies correspond largely with those of the Group, with the exception of: Group contributions and Shareholder contributions, IFRS 16, Subsidiaries. The difference is described under each accounting policy. The Parent Company applies RFR 2.

New and amended accounting policies

New and amended IFRS interpretations and amendments in Swedish regulations adopted during 2021 or expected to be adopted in 2022 have not had any material impact on the Group's financial position, profit, cash flow or disclosures.

Basis on which the statements have been prepared

The consolidated accounts have been prepared in accordance with international accounting standards (IFRS) and interpretations of these standards as adopted by the EU Commission. Also applied are the Swedish Annual Accounts Act (1995:1559) for Credit Institutions and Securities Companies (ÅRKL) and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) on annual accounts in credit institutions and securities companies. The Swedish Financial Reporting Board's recommendation is also applied. Supplementary Accounting Rules for Groups (RFR 1).

Judgements and estimates in the financial statements

The preparation of financial statements in accordance with IFRS requires Nordiska's management team to make judgements and estimates, and to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable in the prevailing circumstances. Actual outcomes may diverge from these estimates and judgements.

Estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period the change is made if the change only affects that period, or the period the change is made and future periods if the change affects both the current and future periods.

Additional information is presented in Note 4 Important estimates and judgements for accounting purposes.

Accounting policies applied

CONSOLIDATED ACCOUNTS

The consolidated accounts include the Parent Company

Notes on the financial statements (contd.)

and subsidiaries in which a controlling influence is held. The financial statements for the Parent Company and the subsidiary that are included in the consolidated financial statements refer to the same period and have been prepared in accordance with the accounting policies that apply for the Group. A controlling influence exists if the Parent Company has an influence over the object of investment, is exposed to or has a right to receive variable returns on its investment and is able to exercise its influence over the investment to affect the return.

The acquisition method means that acquired identifiable assets, liabilities and contingent liabilities that satisfy the conditions for recording are recorded and valued at fair value on the acquisition date. In business combinations where the compensation paid, any holding without a controlling influence and the fair value of previous shareholding (for an incremental acquisition) exceeds the fair value of identifiable acquired net assets on the acquisition date, the difference is recorded as goodwill. If the amount is less that the fair value, the difference is recorded directly in the income statement under other income. Acquisition-related expenses are recorded as expenses as they are incurred. Provisions are not made for expenses in respect of planned restructuring measures that are a consequence of the acquisition.

A subsidiary's contribution to equity consists solely of the capital introduced between acquisition and divestment date. All internal Group balances that arise in transactions between companies included in the consolidated financial statements are eliminated in full.

CASH AND CASH EQUIVALENTS (IAS 7)

Cash and cash equivalents consist of cash, bank balances and balances in the tax account. Balances mean funds that are available for use at any time. This means that all cash and cash equivalents are immediately available. Cash and cash equivalents are included in the items Lending to credit institutions and Other assets. Cash and cash equivalents in the cash flow statement are defined in accordance with IAS 7, and do not correspond with what the Group considers to constitute liquidity.

TAX (IAS 12)

The current tax expense is calculated on the basis of the tax rules adopted on the balance sheet date or adopted in practice in the country where Nordiska operates and generates taxable income, i.e. Sweden and Norway. The management team regularly evaluates the claims made in the income tax returns with respect to situations in which applicable tax rules are the subject of interpretation and, when considered appropriate, makes provisions for amounts that will presumably have to be paid to the tax authority.

Deferred taxes refer to tax on differences between carrying value and tax base, which in future form the basis of current tax. Deferred tax liability is tax that is attributable to taxable temporary differences and is predicted to be paid in the future. Deferred tax liability is recorded for all taxable temporary differences apart from the extent to which tax liabilities are attributable to the recording of goodwill or to certain taxable differences due to holdings in subsidiaries. Deferred tax asset is reviewed every time the year-end accounts are produced and recorded to the extent that it is likely as of the balance sheet date that it will be utilised. This means that a previously non-recorded deferred tax asset is recorded if it is deemed likely that there will be sufficient taxable surpluses in the future.

Tax rates confirmed on the balance sheet date are used in the calculations. Nordiska's deferred tax asset and tax liability are calculated nominally using each country's tax rate in force for the following year. Deferred tax asset is recorded net against deferred tax liability for Group companies with a right to balance tax. All current tax and deferred tax is recorded in the income statement as Tax, apart from tax attributable to items that have been recorded in other comprehensive income or directly in equity.

FUNCTIONAL CURRENCY AND FOREIGN CURRENCY

The consolidated financial statements are presented in Swedish kronor, which is also the Parent Company's functional currency and presentation currency. Each company that is part of the Group defines its functional currency on the basis of its primary economic environment.

Transactions in foreign currency are recorded after translation at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are restated in the functional currency at the exchange rates prevailing at the year-end. All exchange rate differences are recorded in the income statement under Net profit/loss from financial transactions.

Notes on the financial statements (contd.)

Non-monetary assets in foreign currency, which are valued at historical cost of acquisition, are valued using the exchange rate on the original transaction date.

The profit/loss and financial position of all Group companies with a functional currency that is different from the reporting currency are translated into the Group's reporting currency as follows:

i) assets and liabilities for each of the balance sheets are translated at the exchange rate on the balance sheet date,

ii) income and expenses for each of the income statements are translated at the average exchange rate,

iii) translation differences that arise are recorded in other comprehensive income and accumulated in a separate component in equity,

iv) goodwill and adjustments to fair value that arise from the acquisition of a foreign business are treated as assets and liabilities in that business and are translated at the closing day rate.

Exchange rates used to translate significant currencies in the consolidated year-end accounts are presented in the table below.

	INCOME STATEMENT		BALANCE SHEET	
	2021	2020	2021	2020
NOK	0.9980	0.9786	1.0254	0.9546
EUR	10.2710	10.1854	10.2269	10.0375

SEGMENT REPORTING (IFRS8)

The Group applies IFRS 8 Operating segments. An operating segment is a part of an accounting unit that meets the following requirements:

- It operates a commercial business activity from which income can be received and expenses incurred (including income and expenses from transactions with other segments within the same accounting unit).
- The operating profit/loss is examined regularly by the decision-making manager of the accounting unit for operating segments who regularly makes decisions on the resources to be allocated to the segment and evaluates its results.
- The Nordiska Group's operating segments are Partner, Corporate and other. Note 5 provides more information about these.

REVENUE RECOGNITION (IFRS15)

IFRS 15 Revenues from contracts with customers describes one single comprehensive accounting model for revenues from customer contracts. This standard does not apply for financial instruments, insurance agreements or leases.

The basic principle is that a company must recognise revenues in order to depict the transfer of promised goods and services at an amount that reflects the compensation to which the company is expected to have a right in exchange for these goods and services. The standard applies a five-stage model for revenue recognition, which consists of the following five stages:

- Identify the contract with the customer (decision on whether or not IFRS 15 is applicable to the contract).
- Identify the performance obligations (the company must identify all promises of goods or services that are contained in the contract).
- Determine the transaction price.
- Allocate the transaction price (the transaction price must be allocated to the distinct performance obligations contained in the contract).
- Recognise revenue (revenue must be recognised when a distinct performance obligation has been fulfilled).

For the Group, IFRS 15 is applied primarily to revenues from system administration and commission. All revenues where IFRS 15 is applied in the Group are recorded over time. For administration revenues, the performance commitments are fulfilled on an ongoing basis through the utilisation of the systems. Commission income is recorded when the performance obligation has been fulfilled, which is when control of the service has been transferred to the customer.

INTEREST INCOME AND INTEREST EXPENSES

Interest income from receivables and interest expenses from liabilities are calculated and recorded using the effective interest method. The effective interest is the interest that means that the current value of all estimated future payments received and made during the expected fixed-rate interest term are equal to the carrying value of the receivable or debt.

Exceptions from this are assets valued at accrued cost of acquisition, which are categorised at stage 3. Interest income is calculated for these by applying the effective in-

Notes on the financial statements (contd.)

terest rate to the gross carrying amount less provisions for credit losses. Interest income and interest expenses in the income statement consist primarily of interest in Financial assets and liabilities valued at accrued cost of acquisition plus interest from Financial assets valued at fair value via other comprehensive income.

Interest expenses in respect of borrowing from credit institutions and the public are recorded as an expense when they are accrued, which means that interest expenses are recognised on an accrual basis in the period to which they relate. Also recorded under interest expenses are costs of deposit guarantee and resolution fee, which are recognised in accordance with the same principle.

COMMISSION INCOME AND COMMISSION EXPENSES

Commission income is recorded as income from contracts with customers, which consists of compensation for services performed on the condition that this does not constitute an integral part of the effective interest rate and is instead recorded as interest income. Income reflects the compensation received in return for these services.

Commission income and charges in respect of financial services are recorded as income at a time during which the service is being provided.

Commission expenses comprise variable costs of services received to the extent that they are not considered to be interest, which relates primarily to cost allocation to partners in connection with the purchase of invoices.

SUBSIDIARIES

Participations in subsidiaries are recorded in the Parent Company at cost of acquisition minus any impairments. Transaction charges are included in the carrying amount for holdings in subsidiaries. In the consolidated accounts, transaction charges attributable to subsidiaries are recorded directly in the income statement as they arise.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

The recording of Group contributions and shareholder contributions is recorded in accordance with the principles set out in RFR 2, both in legal entities and in the Group. Group contributions to the Parent Company and shareholder contributions from the Parent Company are recorded directly in equity. Group contributions are treated and reported as dividends from subsidiaries.

NET PROFIT/LOSS FROM FINANCIAL TRANSACTIONS

The item Net profit/loss from financial transactions contains realised and unrealised value changes that have arisen in connection with financial transactions such as exchange rate fluctuations, interest rate changes and currency exchange charges.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses include staff costs including wages, bonuses and commissions, pension expenses, employer contributions and other social security contributions. They also include training, IT, telecommunication, legal, banking, travel and entertainment expenses, as well as other administrative expenses.

EXPECTED CREDIT LOSSES

The credit reserves are based on a model for expected credit losses. The requirements specify that all assets valued at accrued cost of acquisition, as well as any off-balance sheet commitments, in respect of guarantees and loan commitments issued, must be covered by credit reserves.

The assets to be tested are divided into three categories (stages) in accordance with the general method, depending on the development of credit risk from the date of disbursement.

Stage 1 – concerns assets where there has been no significant increase in the credit risk since it was first recorded.

Stage 2 – concerns assets where there has been a significant increase in the credit risk since it was first recorded. Assets with a significant increase in credit risk include (A) assets with payment overdue by between 30 and 90 days, (B) assets with a credit-impaired risk class and (C) assets concerning which other information has emerged that causes a heightened risk.

Stage 3 – Credit-impaired assets include (A) assets with payment overdue by 90 days, (B) assets with an impaired risk class, (C) assets with information from the borrower that they will be unable to meet their payment obligations on time, (D) assets that are in a trial period and additional periods of grace are granted or payments are overdue by more than 30 days, (D) other circumstances that come to

Notes on the financial statements (contd.)

the Company's attention, (E) assets in a co-limitation group where the proportion of distressed exposures exceeds 20% of the exposures.

Nordiska conducts careful monitoring of credit-impaired assets. Reclassification of credit-impaired assets takes place following a well-managed waiting period. Well-managed credit-impaired assets have a one-year waiting period before they can be reclassified as exposures with a significant increase in credit risk. Assets with a significant increase in credit risk have a two-year waiting period before these assets can be classified as healthy. In the event of late payments by more than 30 days during a two-year waiting period, reclassification takes place to credit-impaired assets, and a one-year waiting period is applied once more. Any positive or negative effects of revaluations are recorded in the income statement under the heading credit losses, net.

Default is defined as the risk that a counterparty is unable to meet its commitments towards Nordiska under a loan agreement or is 90 days late with payment.

CALCULATION OF CREDIT RESERVES

In stage 1, the credit reserves correspond to the expected credit losses as a consequence of a default within 12 months. In stages 2 and 3, the provisions must correspond to the credit losses anticipated for the full remaining maturity. The expected credit loss in a future period is obtained by multiplying the current value of exposure at default (EAD) by the probability of default (PD) and the loss given default (LGD). Nordiska assigns every single credit in the outstanding credit portfolio a specific provision based on each credit agreement. The methodology for calculating expected credit losses takes place by means of an estimate for each product area of the parameters probability of default, expected loss in event of defaults and expected exposure in event of default. The result is then calculated at the current value in order to indicate the value of the expected credit loss. Nordiska's credit risk is affected by macroeconomic developments. A worsening economy can arise due to a pandemic or geopolitical instability. The macroeconomic factors that can affect the economy include GDP, policy rates and central bank rates, inflation, property prices and unemployment. Nordiska's scenario analysis is based on a basic scenario, where negative environmental factors create a more negative scenario with increased credit losses.

MODIFIED LOANS

Nordiska's definition of modified loans is the granting of new, more favourable terms to a customer who is experiencing or facing financial difficulties by means of a) amending the original terms in a credit agreement in order to improve the borrower's opportunities to make credit payments, which would not otherwise have been available to the borrower if they had not been experiencing financial difficulties; and b) a total or partial refinancing of a problematical credit agreement, which would not have been granted if the borrower was not experiencing financial difficulties. Modified loans are redefined in the business management system with new terms when the terms in an existing agreement have been modified significantly. If the capital amount of the modified loan is less than the outstanding amount of the existing loan, the difference is written off and recorded as a confirmed credit loss.

CONFIRMED CREDIT LOSSES

Confirmed credit losses are losses that have their amount ultimately confirmed following seizure of assets, payment arrangements or bankruptcy, and after all collateral has been realised and when the assessment has been made that there is very little possibility of obtaining any further payments. The debt is then written off from the balance sheet and recorded as a confirmed loss in the income statement at this time.

OFFSET OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset in the balance sheet if Nordiska has a contractual right and intention to settle the items with one net amount. The principles for the net accounting of financial assets and financial liabilities in the balance sheet have no significant effect on the balance sheet.

Financial Instruments (IFRS 9)

RECORDING IN AND REMOVAL FROM THE BALANCE SHEET

A financial asset or financial liability is included in the balance sheet when the Company becomes a party to the instrument's contractual terms. A receivable is included when the Company has delivered and a contractual obligation exists for the counterparty to pay, even if no invoice has as

Notes on the financial statements (contd.)

yet been issued. Loan receivables, borrowing and issued securities, as well as subordinated liabilities, are recorded in the balance sheet on the settlement date. A financial asset is removed from the balance sheet when the contractual rights to cash flows from the financial asset cease or in connection with a transfer of the financial asset in which the Company essentially transfers all risks and benefits associated with ownership of the financial asset.

FINANCIAL ASSETS – CLASSIFICATION AND VALUATION

Financial assets are divided, in accordance with the provisions in IFRS 9, into one of the following valuation categories:

1. accrued cost of acquisition
2. fair value via other comprehensive income
3. fair value via the income statement

Financial liabilities are divided into the following valuation categories:

1. accrued cost of acquisition
2. fair value via the income statement

Accrued cost of acquisition

A financial asset is valued at the accrued cost of acquisition if both of the following conditions are met:

1. The financial asset is held within the framework of a business model, the aim of which is to hold the asset for the purpose of receiving contractual cash flows.
2. The agreed terms for the financial asset give rise to cash flows that are solely payments of capital amounts and interest on the outstanding capital amount.

The following financial assets are valued at accrued cost of acquisition: Lending to credit institutions and Lending to the public.

Fair value via other comprehensive income

A financial asset is valued at fair value via other comprehensive income if both of the following conditions are met:

1. The financial asset is held in accordance with a business model, the aim of which can be achieved by both receiving contractual cash flows and selling the asset.
2. The agreed terms for the financial asset give rise to cash flows that are solely payments of capital amounts and interest on the outstanding capital amount.

The Group has no assets that are valued at their fair value via other comprehensive income.

Fair value via the income statement

A financial asset is valued at fair value via the income statement if the conditions for recording at accrued cost of acquisition or at fair value via other comprehensive income are not met. Financial assets and liabilities held for trade are always categorised at fair value via the income statement, as are financial assets that are managed and evaluated based on fair values. The valuation category fair value via the income statement consists primarily of:

- Shares and participations
- Derivatives
- Chargeable treasury bonds, etc.
- Bonds and other interest-bearing securities.

Financial liabilities – classification and valuation

Derivatives are recorded at fair value via the income statement. Other liabilities are initially classified at fair value, net after transaction costs. The items are subsequently recorded at accrued cost of acquisition, and any difference between the amount received (net after transaction costs)

and the repayment amount is recorded in the income statement, distributed over the loan period, using the effective interest method. Financial liabilities are removed from the balance sheet when the obligation to pay compensation for the instrument has expired or been transferred and the Group has been released from all risks and obligations associated with the financial liability.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at the cost of acquisition after a deduction for accumulated depreciation.

Rights of use in respect of leases is amortised on a straight-line basis over the lease period. The recorded cost of acquisition for the right of use is adjusted in accordance with any contractual index clauses, which also involves an adjustment of the straight-line amortisation amount.

INTANGIBLE ASSETS

Acquired software licences are capitalised on the basis of the expenses incurred when the software in question was acquired and put into use.

Costs of maintenance of software are recorded as expenses as they arise.

Notes on the financial statements (contd.)

DEPRECATION METHODS

Depreciation is on a straight-line basis over the estimated useful life of the asset.

- Software programs – 5 years
- Equipment, tools, fixtures and fittings – 5 years

Depreciation methods used and the residual values and useful lives of assets are reviewed at the end of each year. The carrying amounts of the Company's assets are reviewed on each balance sheet date in order to assess whether there is any indication of the need for impairment. If there is an indication of a need for impairment, the asset's recoverable amount is calculated as described in IAS 36.

The recoverable amount is the higher of the fair value minus costs of sale and the value in use. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free rate of interest and the risk associated with the specific asset.

CASH FLOW STATEMENT

The cash flow statement for Nordiska is prepared using the indirect method. Cash and cash equivalents relate to the item Lending to credit institutions, Chargeable treasury bonds, etc, and the tax account under Other assets. Cash and cash equivalents include bank balances and current financial investments that are exposed to only a minimal risk of value fluctuations and are traded on an open market at known values or have a remaining maturity of less than three months from the acquisition date.

LEASES (IFRS16)

Nordiska has chosen to apply the exemption in RFR 2, which means that IFRS 16 is only recorded at Group level. The right of use asset is in the consolidated balance sheet under assets, and the lease liability is under liabilities. Depreciation of the right of use assets and interest expenses for lease liabilities are recorded in the income statement under depreciation and interest expense.

The lease liability is valued on the date of acquisition at the current value of unpaid lease charges on the opening date. The right of use asset is recorded initially at cost of acquisition and is then depreciated over the period of use. Lease charges are discounted using the marginal loan rate. The Group applies the exemptions that are permitted with regard to short-term leases when the underlying asset is of low value.

LESSOR

All of Nordiska's leases in which the Company is the lessor have been assessed to be financial leases and are recorded as lending to the public. Payments received are recorded as repayment of receivables and as interest income. The lessee pays an annuity in the lease charge, and the term of the contract is generally 36 or 60 months.

LESSEE

The Parent Company's rental contract for premises comprises Operational leasing and the expenses are recorded evenly over the lease period.

EMPLOYEE BENEFITS

Relates to all compensation and benefits to employees, e.g. wages and other cash compensation, compensation in the form of shares or shares and share-related instruments, car benefits and severance pay.

Nordiska's remuneration policy has been published on the Company's website, www.nordiska.com, and has been adopted by the Company's Board of Directors in accordance with the Swedish Financial Supervisory Authority's regulation FFFS 2011:1.

PENSIONS

Nordiska's pension plans are financed through payments to insurance companies. Nordiska only has defined contribution pension plans. A defined contribution pension plan is a pension plan under which Nordiska pays fixed contributions to a separate legal entity. Nordiska has no legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all compensation to employees associated with the employees' service during the current or earlier periods.

The contributions are recorded as staff costs when they fall due for payment. Prepaid contributions are recorded as an asset to the extent that cash repayment or a reduction of future payments may be credited to Nordiska.

REDUNDANCY COMPENSATION

Compensation upon termination of employment is paid when an employee is given notice by Nordiska prior to the normal retirement date, or when an employee accepts voluntary redundancy in exchange for such compensation. Nordiska records severance pay when it is clearly obligat-

Notes on the financial statements (contd.)

ed either to terminate an employee in accordance with a detailed, formal plan without any possibility of recall, or to pay compensation when serving notice as a result of an offer having been made to encourage voluntary redundancy. Benefits that fall due more than 12 months after the balance sheet date are discounted to the current value.

NOTE 3. FINANCIAL RISK MANAGEMENT

Risk management

Nordiska's business is lending to, and borrowing from, the public. Lending takes place via promissory notes, leasing, factoring and invoice discounting. Lending and accepting deposits are naturally associated with risks. These risks are managed via decisions by the Board of Directors on the overall level of risk (risk appetite). Nordiska works continuously to reduce the level of risk through active customer contact and security management. Nordiska's risk appetite forms the basis of the commercial decisions taken by Nordiska.

Risk management is evaluated on an ongoing basis in order to safeguard controllable and low financial and operational risks. Nordiska strives continuously to achieve optimal capital utilisation by means of analysing existing and potential risks.

Description of significant risks

All commercial activities assume some risk-taking. Nordiska is primarily exposed to credit risk, liquidity risk, operational risks and various market risks. In addition to this, Nordiska is also exposed to commercial risk, strategic risk and concentration risk. Currency risks can arise from time to time in the commercial business. Below is a description of the risks to which Nordiska is exposed and how they are managed.

Credit risk

Credit risk is the risk that a borrower fails to meet his or her obligations towards Nordiska, in part the risk of an inability to pay and in such an instance that the collateral or guarantee lodged does not cover Nordiska's receivable. Ability to pay refers to the end customer's or the borrower's ability to meet his or her obligations on time.

- Counterparty risk: Credit risk in financial operations. Arises when the value of the instrument changes as a consequence of, for example, variations in interest rates or exchange rates, which then have the effect that a claim arises against the counterparty. The counterparty risk at Nordiska lies in loans to a governmental agency, which is calculated at fair value, and in derivatives with institutions to manage currency positions. Nordiska uses the market value method, in accordance with Article 274 of CRR, to calculate the exposure value of the counterparty risk.
- Concentration risk: This risk refers to the increase in credit risk that arises from Nordiska having receivables from counterparties with a dependence on each other such as, for example, concentrations in an industry, region or names.

Nordiska's granting of credit is performed in a way that promotes a healthy development of the business and is characterised by good ethics and morals, as well as ambitious goals with regard to risk and return. Nordiska only becomes involved in granting credit when the full risk can be assessed. The credit risk is performed on the basis of both internal and external rating.

In each instance of granting credit, there is an assessment of the ability to repay, the concentration risk and security. Nordiska's granting of credit takes place with reference to the adopted Credit and Risk Policy, on the basis of risk appetite. Collateral for the granting of credit consists of floating charges on assets, personal guarantees, pledges in property or tenant-owned properties or pledges in the shares in the borrowing company. There are also unsecured credits. In the case of invoice discounting, collateral consists of the invoice receivables in question as well as any supplementary collateral through personal guarantees from owners, pledges in property or tenant-owned properties, pledges in shares in borrowing companies and negative pledge clauses.

In Partner transactions, collateral consists of guarantees and receivables that are held in a blocked deposit account. To minimise credit risks in connection with invoice discounting and invoice purchasing, a right of recourse is usually applied.

To guarantee a low concentration risk in the factoring portfolio, Nordiska strives to purchase single, smaller invoices or portfolios of invoices from clients in diverse industries. A geographical distribution of the portfolio is also taken into account in order to avoid regional concentration.

Notes on the financial statements (contd.)

Geographical distribution, lending per country and type of receivable after deduction for provision

	Sweden	Norway	Denmark	Finland	Others	Total
2021						
Chargeable treasury bonds, etc.	210,051	-	-	-	82,238	292,289
Bonds and other interest-bearing securities	-	-	-	-	-	-
Lending to credit institutions	374,424	20,504	-	200,290	-	595,217
Lending to the public	4,690,568	9,346	-	542,625	1,854	5,244,393
Other	3,344,498	-	-	-	-	3,344,498
Total	**8,619,541**	**29,850**	**-**	**742,915**	**84,092**	**9,476,397**

Of total income, SEK 19,004,000 is attributable to income from Finland, 11,909,000 to income from Norway, and other income is attributable to Sweden.

	Sweden	Norway	Denmark	Finland	Others	Total
2020						
Chargeable treasury bonds, etc.	70,006	-	-	-	6,000	76,006
Bonds and other interest-bearing securities	54,395	-	-	-	-	54,395
Lending to credit institutions	292,741	164	-	170,759	-	463,664
Lending to the public	2,418,628	-	-	331,515	14,149	2,764,292
Other	435,388	-	-	-	-	435,388
Total	**3,271,158**	**164**	**-**	**502,274**	**20,149**	**3,793,745**

Of total income, SEK 6,206,000 is attributable to income from Finland, other income is attributable to Sweden.

Credit risk exposure, net book value, SEK thousands

	2021	2020
Chargeable treasury bonds, etc.	292,289	76,006
Bonds and other interest-bearing securities	2,390	54,395
Credit institutions	595,217	463,664
Municipality	248	1,563
Companies	1,020,193	370,163
Households	3,432,240	1,753,369
Receivables with pledge in home	891,592	640,759
Other	3,242,228	433,826
Total	**9,476,397**	**3,793,745**
o/n investment (receivable from credit institution or similar)	-	-
Total Credit exposure	**9,476,397**	**3,793,745**

Notes on the financial statements (contd.)

Countercyclical Capital Buffer 2021

	REA	Capital adequacy requirement	%	Current CCYB	Weighted CCYB
Country					
Sweden	-	-	92.50%	0.00%	0.00%
Finland	-	-	7.50%	0.00%	0.00%
Norway	-	-	0.00%	1.00%	0.00%
Total	-	-	100.00%	-	0.00%

Credit exposure distributed by type of collateral

	Credit exposure, gross	Loss provision	Credit risk exposure, net	Value of collateral	Credit risk exposure after the deduction of collateral
31/12/2021					
Chargeable treasury bonds, etc.	292,289	-	292,289	-	292,289
Bonds and other interest-bearing securities	2,390	-	2,390	-	2,390
Lending to credit institutions	595,217	-	462,974	-	462,974
Mortgage on residential property	892,887	-1,295	891,592	891,592	-
Mortgage on commercial property	296,257	-900	295,357	295,356	-
Company mortgage	65,083	-45	65,038	65,038	-
Share pledge	31,775	-30	31,745	31,745	-
Deposited capital	3,774,003	-55,277	3,718,726	1,550,188	2,168,538
Guarantees	16,851	-1,244	15,607	15,606	-
Unsecured	6,922	-4,854	2,068	-	2,068
Other	3,600,077	-33,709	3,566,368	36,665	3,529,703
Total	**9,573,751**	**-97,354**	**9,476,397**	**2,886,190**	**6,457,962**
31/12/2020					
Chargeable treasury bonds, etc.	76,006	-	76,006	-	76,006
Bonds and other interest-bearing securities	54,395	-	54,395	-	54,395
Lending to credit institutions	463,664	-	463,664	-	463,664
Mortgage on residential property	649,403	-8,644	640,759	640,759	-
Mortgage on commercial property	185,735	-1,274	184,461	184,461	-
Company mortgage	20,955	-962	19,993	19,993	-
Share pledge	58,844	-130	58,714	58,714	-
Deposited capital	1,840,050	-28,801	1,811,249	691,987	1,119,262
Guarantees	21,240	-2,616	18,624	18,624	-
Unsecured	5,673	-595	5,078	-	5,078
Other	462,603	-1,801	460,802	36,880	423,922
Total	**3,838,568**	**-44,823**	**3,793,745**	**1,651,418**	**2,142,327**

Notes on the financial statements (contd.)

Liquidity risk

DEFINITION

This arises in the business because all assets, receivables and other assets need financing. See Note 32 for further information.

Liquidity risk arises when the maturities of assets and liabilities do not match, and the Company is unable to fulfil its payment commitments when due without a significant increase in the cost of cash and cash equivalents.

Liquidity risk is an area in which Nordiska has very low risk tolerance. In addition to the statutory liquidity provision, this is evident in measures including a restriction on deposit customers from withdrawing funds early from fixed-interest accounts. Furthermore, Nordiska always has the opportunity to decline invoice purchases even if they fall within limits and within the confirmed credit risk limits.

Risk management

The Board of Directors has adopted a comprehensive framework for the risk management of liquidity requirements and risks in the short and the long term. The objective of liquidity risk management is to make sure that Nordiska has control over its liquidity risk situation. The composition of the balance sheet means that Nordiska's prospects of avoiding liquidity problems are considered good. A liquid asset base with short maturities in credit receivables and a well-proportioned liquidity reserve, combined with what is in practice relatively stable and secure financing, mean that Nordiska considers the liquidity and financing risk to be manageable. Nordiska's contingency plan can improve the liquidity situation in the short term by reducing new lending or implementing a price increase for deposits, which is expected to attract new deposit volumes. Nordiska conducts regular stress tests, at least once a year, to identify and measure the liquidity risk in different scenarios, making sure that Nordiska's current exposures to liquidity risk correspond with the Risk appetite for liquidity risks as adopted by the Board. The stress tests are designed on the basis of Nordiska's current Risk profile and are based on a varying degree of stress and duration, covering both the Group's specific problems and market-related problems. The main components in the stress tests are assumptions that there is no access to secured market funding and an assumption of major withdrawals in Deposits from the public. The stress tests show how large a liquidity margin remains before thresholds are breached and/or regulatory requirements for recovery apply. Trigger levels are measured, for example, for LCR, NSFR and stress of inflows and outflows.

The short-term liquidity risk is calculated through the liquidity coverage ratio (LCR).

Risk measurement

Internal Audit conducts an independent examination and evaluation of Nordiska's governance and control of liquidity risks on a regular basis. The Risk Control function examines and provides ongoing advice and support in respect of Nordiska's management of liquidity risks. The CFO is responsible for ongoing monitoring of the liquidity and financing situation. Reporting in respect of the liquidity and financing risk takes place regularly to company management, and the Board of Directors is informed in connection with reporting to the Board.

This key indicator LCR is presented in the table below. LCR is a liquidity risk metric that measures the correlation between liquid assets and 30 days' net outflow in a stressed scenario. LCR must be at least 100 per cent at any time (for each significant currency).

Notes on the financial statements (contd.)

	2021	2020
Liquidity risk (LCR)		
All currencies, %	152	153
Liquidity coverage ratio (LCR) – Sub-components (SEK thousands)		
Liquid assets	**294,679**	**126,525**
Liquid assets level 1	294,679	126,525
Liquid assets level 2		
Cash outflows	**773,299**	**330,163**
Customer deposits	747,509	312,077
Other cash outflows	25,790	18,086
Cash inflows (limited to 75% of outflow)	**2,403,087**	**696,314**
Inflows from overdue lending from non-financial customers	1,843,301	233,341
Other cash inflows	559,785	462,974

The components are defined in accordance with the Swedish Financial Supervisory Authority's regulations on requirements for liquidity coverage ratio and recording of liquid assets and cash flows (FFFS 2012:6). Liquid assets level 1 correspond to Chapter 3 Section 6. Liquid assets level 2 correspond to Chapter 3 Section 7. Customer deposits correspond to Chapter 4 Sections 4–9. Market borrowing corresponds to Chapter 4 Sections 10–13. Other cash flows correspond to Chapter 4 Sections 14–25. Lending to non-financial customers correspond to Chapter 5 Section 4. Other cash flows correspond to Chapter 5 Sections 6-12.

Operational risks

Operational risk refers to the risk that expenses or losses arise in Nordiska's business caused by unexpected (direct or indirect) economic losses or losses of trust, as a consequence of internal errors and deficiencies in procedures, internal control, systems, technical equipment, human error, irregularities or as a consequence of external events. The operational risks are limited through qualitative and clear processes and updated procedural descriptions.

Nordiska has internal regulations that make it possible to work effectively on risk-reducing measures in order to prevent and minimise the operational risks. Nordiska uses the base method when calculating operational risks.

Market risks

DEFINITION

Market risk means the risk that the profit, balances, equity or value falls because of negative changes in risk factors in financial markets. Market risk includes interest rate risk, currency risk and risks from changes in volatilities or correlations.

Interest rate risk

Interest rate risk arises when the fixed interest term for a receivable deviates from the financing. If the market interest rate changes, this can affect profitability.

Nordiska's interest rate risk is primarily a net interest risk, i.e. that Nordiska's net interest changes in connection with interest rate changes in the market.

The interest rate risk is quantified as the effect of a parallel shift of the interest rate curve by two percentage points. As of 31 December 2021, a parallel shift has a negative impact on profit of SEK 479,000.

Currency risk

Nordiska has no trading stock, so Nordiska's exposure to market risks consists of any currency risks as a consequence of investments of Nordiska's surplus liquidity and in connection with lending and deposits in various currencies.

As the currency risk constitutes 3.6 million of the total balance sheet of 9.5 billion, this is considered small, and the underlying currencies consist primarily of EUR, which is considered to be a stable currency.

Notes on the financial statements (contd.)

Exchange rates used

EUR closing day rate 10.2269 (10.0375)

NOK closing day rate 1.0254 (0.9546)

DKK closing day rate 1.3753 (1.3492)

Risk management

Nordiska shall have a balanced risk profile with a diversified credit portfolio and at the same time shall limit exposure to the currency and interest rate risks that arise as a consequence of the business. The Risk Policy and the Liquidity Management Policy adopted by the Board, at least annually, have established strategies and processes for managing Market Risk. To minimise the currency risk, Nordiska shall, when granting credit in foreign currency, finance this if possible with a liability in the corresponding currency at the same nominal amount and with the same maturity. When exposure in foreign currency still fails to match on the asset and liability side, the risk is managed by means of hedging, for example currency hedging or currency swaps. Nordiska's risk-taking is limited by the risk appetite that the Board has adopted. Hedge accounting is not applied. By striving to achieve variable lending and deposit interest for the public, there is a high level of flexibility to adapt interest rates based on the prevailing market situation. In order to minimise the interest rate risk as far as possible, the fixed interest periods must match in respect of lending and deposits, as well as borrowing. Nordic calculates and reports to the Swedish Financial Supervisory Authority on the impact that a sudden change in the general interest rate situation would have on the Company's financial value. Nordiska has primarily variable interest rates for both lending and deposits. In accordance with industry practice, lending and deposit rates are adjusted primarily in connection with significant changes in market rates. Nordiska has good matching between assets and liabilities in respect of fixed interest rate periods, which means that the interest rate risk is also limited.

Risk measurement

To measure market risk exposure, metrics are used that aim to estimate losses under normal market conditions, as well as metrics that focus on extreme market conditions. The CFO is responsible for ongoing management and monitoring of market risks. Market risks are reported regularly to company management and the Board of Directors.

Exchange rate risk (SEK thousands)

	31/12/2021					31/12/2020				
	Long Position	Short Position	Forward Position	Net position SEK	Capital adequacy requirement	Long Position	Short Position	Forward Position	Net position SEK	Capital adequacy requirement
Currency										
DKK	-	-	-	-	-	-	-	-	-	-
NOK	408	-	-	408	33	164	-	-	651	-
EUR	835,858	-2,573,008	1,752,790	15,640	1,251	372,949	-377,098	-	4,149	-
Total	**836,267**	**-2,573,008**	**1,752,790**	**16,048**	**1,284**	**2,075**	**-1,520**	**-**	**3,595**	**288**

Operational risk (SEK thousands)

	Base indicator	
	2021	**2020**
2017		104,061
2018	185,403	93,362
2019	170,516	113,223
2020	179,595	
REA	334,696	194,091
Capital adequacy requirement	26,776	15,527

Notes on the financial statements (contd.)

Fixed-interest periods for assets and liabilities

	Up to 3 months	3–6 months	6–12 months	1–3 years	3–5 years	Over 5 years	Non-interest-bearing	Total
Interest rate exposure, 31/12/2021								
ASSETS								
Chargeable treasury bonds, etc.	267,282	25,007	–	–	–	–	–	292,289
Bonds and other interest-bearing securities	2,390	–	–	–	–	–	–	2,390
Lending to credit institutions	595,217	–	–	–	–	–	–	595,217
Lending to the public	4,575,333	73,871	98,182	436,586	26,023	8,279	26,118	5,244,393
Derivative instruments	–	–	–	–	–	–	505	505
Property, plant and equipment	–	–	–	–	–	–	1,134	1,134
Right of use assets	–	–	–	–	12,316	–	–	12,316
Intangible assets	–	–	–	–	–	–	11,694	11,694
Shares and participations	–	–	–	–	–	–	8,610	8,610
Shares in associated companies	–	–	–	–	–	–	5,480	5,480
Other assets	–	–	–	–	–	–	3,283,700	3,283,700
Prepaid expenses and accrued income	–	–	–	–	–	–	18,669	18,669
Total assets	**5,440,223**	**98,878**	**98,182**	**436,586**	**38,339**	**8,279**	**3,355,910**	**9,476,397**
LIABILITIES								
Deposits from the public	7,099,306	660,641	549,276	16,585	11,106	84	297,019	8,634,016
Liabilities to credit institutions	114,436	–	–	–	–	–	–	114,436
Other liabilities	–	–	–	–	–	–	181,398	181,938
Lease liability	–	–	–	–	11,778	–	–	11,778
Accrued expenses and prepaid income	–	–	–	–	–	–	67,873	67,873
Total equity	–	–	–	–	–	–	466,356	466,356
Total equity and liabilities	**7,213,742**	**660,641**	**549,276**	**16,585**	**22,884**	**84**	**1,013,186**	**9,476,397**
Difference between assets and liabilities	**-1,773,519**	**-561,763**	**-451,093**	**420,001**	**15,455**	**8,195**	**2,342,724**	**0**

Notes on the financial statements (contd.)

	Up to 3 months	3–6 months	6–12 months	1–3 years	3–5 years	Over 5 years	Non-interest-bearing	Total
When calculating a change in the market rate of an interest rate rise/fall of one (1) percentage point on the balance sheet date, the result is +/- SEK 48.8 million, given the interest-bearing assets and liabilities existing as of the balance sheet date. In the event of a parallel shift in the yield curve of one (1) percentage point, the interest rate risk, and the effect on equity, totals +/- SEK 3.6 million on the balance sheet date.								
Interest rate exposure, 31/12/2020								
ASSETS								
Chargeable treasury bonds, etc.	26,000	50,006	-	-	-	-	-	76,006
Bonds and other interest-bearing securities	-	-	54,395	-	-	-	-	54,395
Lending to credit institutions	463,664	-	-	-	-	-	-	463,664
Lending to the public	2,224,903	443,988	-	30,594	11,807	53,000	-	2,764,292
Property, plant and equipment	-	-	-	-	-	-	298	298
Right of use assets					12,007			12,007
Intangible assets							7,694	7,694
Shares and participations	-	-	-	-	-	-	2,000	2,000
Shares in subsidiaries	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	410,942	410,942
Prepaid expenses and accrued income	-	-	-	-	-	-	2,448	2,448
Total assets	**2,714,567**	**493,994**	**54,395**	**30,594**	**23,814**	**53,000**	**423,382**	**3,793,745**
LIABILITIES								
Deposits from the public	2,853,117	493,995	53,475	30,594	12,777	53	-	3,444,011
Other liabilities	-	-	-	-	-	-	17,913	17,913
Lease liability					11,289			11,289
Accrued expenses and prepaid income	-	-	-	-	-	-	65,995	65,995
Total equity	-	-	-	-	-	-	254,537	254,537
Total equity and liabilities	**2,853,117**	**493,995**	**53,475**	**30,594**	**24,066**	**53**	**338,445**	**3,793,745**
Difference between assets and liabilities	**-138,550**	**-1**	**920**	**-**	**-252**	**52,947**	**84,937**	**-**

Business risks

The Company's business risks are described below:

Compliance risk: This risk describes the risk that the Company unconsciously fails to observe current laws and regulations, thereby risking losses or sanctions. Compliance involves compliance with laws, ordinances, government agency regulations and internal rules, as well as good practice or good standards. The Company has a low tolerance of compliance risks.

The Compliance function shall apply a risk-based approach to both support and control regulatory compliance and also analyse deficiencies and risks in respect of regulatory compliance. Compliance is directly responsible to the Chief Executive Officer and reports to this person and to the Board of Directors. This function must be independent in relation to the functions being controlled.

Capital planning: In accordance with the instructions for internal capital evaluation adopted by the Board of Directors, the Company must, in addition to the capital adequacy requirements, always maintain a good margin of capital for the defined risk profile and to be able to achieve the adopted strategy.

The starting point for quantifying the risks is the methods described in Pillar 1 plus supplements in cases where the levels are not deemed adequate. The internal capital evaluation involves the performance of stress tests in order to analyse sensitivity to a significantly worse development in the external environment than the forecast in the business plan.

Notes on the financial statements (contd.)

The aim is always to secure relevant capitalisation for the risk to which the business is exposed and to make sure that significant risks are identified, quantified and qualitatively described, and also understood by employees, management and the Board of Directors.

This internal evaluation of capital and liquidity takes place at least once a year and forms an integral part of the Company's risk management process. Please refer to Note 32 for information about capital adequacy.

Further information is also provided in the quarterly publication of the Company's capital situation via the Company's website. The website also features a presentation of data about the leverage ratio in accordance with Article 429 of CRR.

Profitability risk: The Company's profitability can be negatively affected by competition. This risk results in lower income and/or higher expenses in the business on an ongoing basis.

Tax risk: This risk arises through the introduction of new taxes that affect profitability without the Company receiving increased income.

Strategic risk: This risk arises through strategically incorrect decisions, which result in the business failing to achieve its goals.

NOTE 4. IMPORTANT ESTIMATES AND JUDGEMENTS FOR ACCOUNTING PURPOSES

The application of the Company's and the Group's accounting policies means in certain instances that assessments must be made that have a significant impact on amounts recorded. Amounts recorded are also affected in a number of instances by assumptions about the future. Such assumptions always involve a risk of an adjustment to the carrying amounts for assets and liabilities. The assessments and assumptions made always reflect the best and most reasonable perceptions of company management and are the subject of continuous examination and validation. The following assessments and assumptions have had a significant effect on the financial statements. Information about any significant assumptions is also provided in the relevant note.

Calculation of expected credit losses (ECL)

This is based on three components (see below). These components are calculated on the basis of internally developed statistical models, which consist of a combination of historical, current, forward-looking and macroeconomic data, as well as benchmarks deemed relevant by Nordiska.

- Probability of default (PD). The 12-month and life-long PD represent Nordiska's assessment of the probability of default within the next twelve months or during the remaining term of the contract at a given time based on conditions on the balance sheet date and future economic conditions that affect the credit risk.
- Loss given default (LGD). LGD represents the expected loss in the event of default with due consideration of mitigating factors such as collateral and the value of this.
- Exposure at default (EAD). EAD refers to the expected exposure in the event of default with due consideration of repayments of principal and interest from the balance sheet date until the default date. The 12-month ECL is calculated by the 12-month PD multiplied by LGD and EAD discounted to current value..

Notes on the financial statements (contd.)

NOTE 5. OPERATING SEGMENTS

Operating segments are recorded in accordance with IFRS 8, which means that segment information is presented on the basis of the most senior CEO decision-maker perspective, and the segments are identified based on internal reporting to the CEO who is identified as the senior executive decision-maker. Group Management presents the business broken down in the segments Partner and Corporate. The Partner business area involves income flows and interest income. The Corporate business area encompasses the product areas factoring, corporate credit and property credit.

	2021				2020		
Group, SEK million	**Partner**	**Corporate**	**Other[1]**	**Total**	**Partner**	**Corporate**	**Total**
Operating income	120,596	76,817	21,575	218,987	75,238	40,441	115,679
Operating profit/loss	55,331	35,244	4,880	95,455	28,979	15,576	44,555
Lending to the public	3,744,367	1,337,994	162,032	5,244,393	1,797,909	966,383	2,764,292

[1] Other is attributable to the acquisition of Nordiska Financial Partner Norway AS, which took place in December 2021. The acquisition took place at a low price. For further information, see also Note 36.

NOTE 6. NET INTEREST

Interest income attributable to interest-bearing securities totals SEK 0, while other interest income is distributed as follows:

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Interest income				
Lending to credit institutions	-	-	-	-
Lending to the public	192,836	127,290	186,388	127,290
Total interest income	192,836	127,290	186,388	127,290
Lease income				
Lending to the public	2,242	-	2,242	-
Total interest income	2,242	-	2,242	-
Interest expenses				
Deposits from the public	-46,097	-24,673	-42,191	-24,673
Cost of deposit guarantee	-7,093	-1,755	-7,093	-1,755
Cost of State stability fund	-14	-15	-14	-15
Interest expense, lease liability IFRS 16	-167	-221	-	-
Interest expenses, other	-1,844	-1,881	-4,376	-1,740
Total interest expenses	-55,215	-28,545	-53,674	-28,183
Net interest	**139,862**	**98,745**	**134,956**	**99,107**

Notes (contd.)

NOTE 7. NET COMMISSION

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Commission income				
- invoice purchasing	6,962	7,902	6,962	7,902
- administrative expenses	2,783	940	2,783	940
- other administrative expenses	14,293	10,644	14,293	10,644
Total commission income	**24,038**	**19,486**	**24,038**	**19,486**
Commission expenses				
- intermediary expenses	-3,257	-3,842	-3,257	-3,842
Total commission expenses	**-3,257**	**-3,842**	**-3,257**	**-3,842**
Net commission	**20,781**	**15,643**	**20,781**	**15,643**

NOTE 8. NET PROFIT/LOSS FROM FINANCIAL TRANSACTIONS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Net profit/loss from financial transactions				
- Exchange rate differences, EUR	1,802	-2,520	275	-2,520
- Exchange rate differences, NOK	14	-62	14	-62
- Exchange rate differences, DKK	-	40	-	40
- Profit from sale of participations in Group companies	-	-	20,035	-
- Profit from sale of shares	9,029	-	9,029	-
- Other	-1,614	-667	-256	-667
Net profit/loss from financial transactions	**9,231**	**-3,209**	**29,097**	**-3,209**

NOTE 9. OTHER OPERATING INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Other operating income				
- Profit in connection with acquisition at low price	37,578	-	-	-
- Rental income	185	134	185	134
- Income from system administration	10,185	2,818	-	-
- Other income related to operations	1,173	1,548	755	1,548
Total other operating income	**49,121**	**4,500**	**940**	**1,682**

Notes (contd.)

NOTE 10. GENERAL ADMINISTRATIVE EXPENSES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
STAFF COSTS, EMPLOYEES				
Salaries	-20,727	-16,371	-19,591	-16,141
Pension expenses	-2,181	-1,220	-2,040	-1,220
Social security contributions	-7,003	-4,781	-6,682	-4,735
Other staff costs	-2,949	-1,897	-2,791	-1,889
Total staff costs, employees	**-32,860**	**-24,269**	**-31,105**	**-23,985**
STAFF COSTS, BOARD OF DIRECTORS, CEO AND MANAGEMENT				
Salaries	-9,550	-5,985	-9,550	-5,985
Pension expenses	-1,363	-735	-1,363	-735
Social security contributions	-3,331	-2,059	-3,331	-2,059
Total staff costs, Board of Directors, CEO and management	**-14,244**	**-8,779**	**-14,244**	**-8,778**
TOTAL STAFF COSTS	**-47,104**	**-33,048**	**-45,349**	**-32,763**
OTHER ADMINISTRATIVE EXPENSES				
Expenses for premises *	-	-	-4,238	-3,605
IT costs	-7,637	-8,425	-6,333	-8,425
Internal Group expenses (IT expenses)	-	-	-3,601	-2,722
Notification, accounting and other admin support (lending)	-6,853	-7,054	-6,791	-7,054
Audit	-1,776	-1,584	-1,905	-1,584
Marketing	-3,593	-1,924	-3,388	-1,924
Consultancy fees	-9,896	-2,602	-5,049	-2,602
Risk and compliance	-1,725	-1,610	-1,725	-1,610
Bank expenses	-6,718	-2,501	-8,217	-2,501
Legal expenses	-8,293	-300	-6,682	-300
Other general administrative expenses	-3,293	-4,223	-2,261	-3,280
Total other administrative expenses	**-49,785**	**-30,224**	**-50,190**	**-35,608**
TOTAL GENERAL ADMINISTRATIVE EXPENSES	-96,889	-63,272	-95,539	-68,371

* In accordance with IFRS 16, expenses for premises at Group level have been removed as of 2019 and are instead recorded as interest rate expenses (Note 6) and depreciation (Note 11), see also Note 34 IFRS 16.

Notes (contd.)

Salaries, other remuneration and pension expenses in respect of senior executives

	2021					2020				
	Basic salary/fee	Variable remuneration	Other benefits	Pension expenses	Total	Basic salary/fee	Variable remuneration	Other benefits	Pension expenses	Total
Board of Directors										
Jörgen Durban	360	–	–	–	360	160	–	–	–	160
Lars Weigl (took up position in June 2021)	140									
Björn Björnsson (left position in March 2021)	42	–	–	–	42	140	–	–	–	140
Christer Cragnell	240	–	–	–	240	140	–	–	–	140
Per Berglund (left position in March 2021)	114	–	–	–	114	396	–	–	–	396
Patrik Carlstedt (took up position in March 2021)	674	–	–	124	798					
Board member/CEO										
Mikael Gellbäck	2,701	–	–	–	2,701	680	–	–	–	680
Other senior executives										
4 persons	5,279	–	12	1,239	6,530	4,469	–	–	735	5,204
TOTAL	**9,550**	**-**	**12**	**1,363**	**10,925**	**5,985**	**-**	**-**	**735**	**6,720**

Salaries and other remuneration to the CEO and other senior executives consist of a fixed salary. Board members who are also employed within the Company do not receive a fee for their Board work.

Pensions

The pensions of all employees are secured through defined contribution plans, which means that the pension expense in the financial year corresponds in full to pensionable remuneration.

The retirement age for the Chief Executive Officer and other senior executives is 65. There is no pension agreement with the CEO.

Periods of notice and severance pay

In accordance with an agreement between Nordiska and the CEO, the period of notice is six months.

Gender distribution

	GROUP						PARENT COMPANY					
	2021			2020			2021			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
All employees (average)	11	28	39	10	20	30	10	27	37	10	20	30
Board members (balance sheet date)	–	5	5	–	5	5	–	5	5	–	5	5
Other senior executives (balance sheet date)	1	3	4	1	3	4	1	3	4	1	3	4

Notes (contd.)

Remuneration to the auditors

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Audit assignment [1]	-933	-996	-835	-966
Auditing work apart from the audit assignment	-182	-214	-172	-214
Total remuneration to the auditors	-1,115	-1,210	-1,007	-1,180

[1] The audit assignment refers to fee for the statutory audit, i.e. work that was necessary in order to issue the audit report, as well as what is referred to as audit advice offered in connection with the audit assignment.

Operational leases

	PARENT COMPANY	
	2021	2020
Leases where the Company is the lessee. Includes lease expenses incurred via operational leases such as premises rented in advance.	2,810	2,864
Total operational leases	**2,810**	**2,864**
Leases where the Company is the lessee		
Future leases in respect of operational leasing with leases with a remaining maturity of <1 year	-	-
Future leases in respect of operational leasing with leases with a remaining maturity of >1 year <5 years	-	-

All leases are operational and are included above for the Parent Company. Leases at Group level are recorded in accordance with IFRS 16 in separate tables, and consist of interest expenses, depreciation, right of use assets and lease liabilities, see also Note 33.

NOTE 11. DEPRECIATION

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Depreciation				
Amortisation of intangible assets	-3,738	-1,961	-	-
Amortisation of right of use assets (leases, IFRS 16)	-2,643	-2,643	-	-
Depreciation of property, plant and equipment	-280	-213	-226	-162
Total depreciation	**-6,661**	**-4,817**	**-226**	**-162**

Notes (contd.)

NOTE 12. CREDIT LOSSES

	GROUP		PARENT COMPANY	
Credit losses	**2021**	**2020**	**2021**	**2020**
Provisions, Stage 1	-1,742	255	-818	255
Provisions, Stage 2	-356	100	-75	100
Provisions, Stage 3	8,379	11,261	5,653	11,261
Total	**6,281**	**11,616**	**4,760**	**11,616**
Confirmed credit losses	-11,723	-13,463	-7,220	-13,463
Recovered previously impaired receivables	423	288	423	288
Total	**-11,300**	**-13,175**	**-6,797**	**-13,175**
Recorded credit losses for the period, net	**-5,019**	**-1,559**	**-2,037**	**-1,559**

NOTE 13. APPROPRIATIONS

	PARENT COMPANY	
Appropriations	**2021**	**2020**
Group contributions received	2,300	1,400
Total	2,300	1,400

NOTE 14. TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Tax on profit/loss for the year				
Current tax on profit/loss for the year	-15,120	-9,535	-15,102	-9,525
Adjustment of final tax 2019	261	-261	261	-261
Tax recorded in income statement	**-14,859**	**-9,798**	**-14,841**	**-9,786**
RECORDED TAX				
Profit/loss before tax	95,455	44,555	90,234	44,508
Tax in accordance with effective tax rate	-19,664	-9,535	-18,588	-9,525
Tax effect of non-taxable income	5,188	-	4,130	-
Tax effect of non-deductible expenses	-644	-	-644	-
Current tax on profit/loss for the year	**-15,120**	**-9,535**	**-15,102**	**-9,525**
Effective tax rate in Sweden	-20.6%	-21.4%	-20.6%	-21.4%

Notes (contd.)

NOTE 15. CHARGEABLE TREASURY BONDS, ETC.

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Chargeable treasury bonds, etc.				
Municipal bills	210,051	70,006	210,051	70,006
German government	82,238	6,000	82,238	6,000
	292,289	**76,006**	**292,289**	**76,006**
Örebro Municipality, due date 12/03/2021. Nom. amount: 20,000	-	20,002	-	20,002
Helsingborg Municipality, due date 19/04/2021. Nom. amount: 50,000	-	50,004	-	50,004
Germany RB Bond, due date 03/02/2021. Nom. amount: EUR 600,000	-	6,000	-	6,000
Helsingborg Municipality, due date 07/06/2022. Nom. amount: 25,000	25,007	-	25,007	-
Norrtälje Municipality, due date 23/03/2022. Nom. amount: 35,000	35,011	-	35,011	-
Sundsvall Municipality, due date 24/02/2022. Nom. amount: 90,000	90,016	-	90,016	-
Uppsala Municipality, due date 21/03/2022. Nom. amount: 60,000	60,018	-	60,018	-
Germany RB Bond, due date 19/01/2022. Nom. amount: EUR 200,000	2,042	-	2,042	-
Germany RB 0% Disk, due date 23/02/2022. Nom. amount: EUR 7,850,000	80,196	-	80,196	-
	292,289	**76,006**	**292,289**	**76,006**

NOTE 16. LENDING TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Lending to credit institutions				
- Swedish currency	402,583	186,842	386,515	285,366
- foreign currency	192,634	134,129	173,270	177,608
	595,217	**320,971**	**559,785**	**462,974**
Maturity information				
Blocked funds	1,293	1,005	1,005	1,005
Payable on request	593,924	319,966	558,780	461,969
Total lending to credit institutions	**595,217**	**320,971**	**559,785**	**462,974**

Blocked funds relate to a deposit for a rental contract.

Notes (contd.)

NOTE 17. LENDING TO THE PUBLIC

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Companies	1,911,785	1,025,382	1,911,052	1,025,382
Private individuals	3,432,240	1,782,170	3,237,600	1,782,170
Public sector	248	1,563	248	1,563
Total lending to the public, gross	**5,344,273**	**2,809,115**	**5,148,900**	**2,809,115**
Stage 1	5,207,439	2,711,221	5,051,729	2,711,221
Stage 2	105,544	43,671	81,601	43,671
Stage 3	31,291	54,223	15,571	54,223
Deposits	-	-	-	-
Other	-	-	-	-
Total lending to the public, gross	**5,344,273**	**2,809,114**	**5,148,901**	**2,809,115**
Stage 1	-71,582	-28,514	-54,052	-28,514
Stage 2	-9,345	-720	-2,338	-720
Stage 3	-18,955	-15,589	-10,150	-15,589
Deposits	-	-	-	-
Other	-	-	-	-
Total expected credit losses in accordance with IFRS 9	**-99,881**	**-44,823**	**-66,540**	**-44,823**
Stage 1	5,135,857	2,682,707	4,997,677	2,682,707
Stage 2	96,199	42,951	79,263	42,951
Stage 3	12,336	38,634	5,421	38,634
Deposits	-	-	-	-
Other	-	-	-	-
Total lending to the public, net	**5,244,393**	**2,764,292**	**5,082,361**	**2,764,292**

Notes (contd.)

NOTE 18. INTANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Intangible assets				
- cost of acquisition	21,430	14,417	1,900	1,900
- accumulated depreciation	-9,736	-6,723	-1,900	-1,900
	11,694	**7,694**	**-**	**-**
Accumulated cost of acquisition				
Opening balance	14,417	11,208	1,900	1,900
Acquisitions	10,435	3,209	-	-
Impairments	-3,422[1]	-	-	-
Closing balance	**21,430**	**14,417**	**1,900**	**1,900**
Accumulated depreciation				
Opening balance, 1 January	-6,723	-4,761	-1,900	-1,900
Depreciation for the year	-3,050	-1,962	-	-
Disposals and retirements	37	-	-	-
Closing balance, 31 December	**-9,736**	**-6,723**	**-1,900**	**-1,900**
Carrying amounts				
As of 31 December	**11,694**	**7,694**	**-**	**-**

[1] Intangible non-current assets associated with software, IT systems and brands will not be used and will be phased out. A decision was therefore made that they are to be impaired as of 31 December 2021.

Notes (contd.)

NOTE 19. PROPERTY, PLANT AND EQUIPMENT

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Property, plant and equipment				
- cost of acquisition	3,817	991	1,870	878
- accumulated depreciation	-2,683	-693	-851	-624
	1,134	**298**	**1,020**	**254**
Accumulated cost of acquisition				
Opening balance, 1 January	991	898	878	785
Acquisitions	2,826	93	992	93
Closing balance, 31 December	**3,817**	**991**	**1,870**	**878**
Accumulated depreciation				
Opening balance, 1 January	-693	-479	-624	-461
Depreciation for the year	-1,990	-214	-226	-163
Closing balance, 31 December	**-2,683**	**-693**	**-851**	**-624**
Carrying amounts				
As of 31 December	**1,134**	**298**	**1,020**	**254**

NOTE 20. BONDS AND OTHER INTEREST-BEARING SECURITIES

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Bonds and other interest-bearing securities				
Covered bonds	-	54,395	-	54,395
Interest-bearing securities	2,390	-	-	-
	2,390	**54,395**	**-**	**54,395**
Swedish covered bond, due date 15/09/2021. Nom. amount 54,000	-	54,395	-	54,395
KLP Statsobligasjon, Quantity 2,031.41. Cost price NOK 1,000.66	2,075	-	-	-
SEB Short Bond D SEK. Quantity 39,586.14. Cost price SEK 7.72	315	-	-	-
	2,390	**54,395**	**-**	**54,395**

Notes (contd.)

NOTE 21. SHARES IN ASSOCIATED COMPANY

	2021	2020
Participations in associated company and proportion of equity in associated company		
Opening cost of acquisition	-	-
Change during the year	5,480	-
Closing accumulated cost of acquisition	**5,480**	**-**
Closing book value of participations in associated company	5,480	-

	2021			2020		
	Proportion of equity	Number of shares	Book value	Proportion of equity	Number of shares	Book value
Executor Finans AB	48%	4,800	5,480	0%	0	0
Total shares and participations in associated company		**4,800**	**5,480**		**0**	**0**

NOTE 22. SHARES AND PARTICIPATIONS

	2021	2020
Shares and participations		
Opening cost of acquisition	2,000	-
Change during the year	6,610	2,000
Closing accumulated cost of acquisition	**8,610**	**2,000**
Closing book value of shares and participations	8,610	2,000

	Corp. ID no.	ISIN	Reg. office	No. of shares	No. of subscription rights	Cost of acquisition (SEK)	Carrying amount (SEK)	Fair value (SEK)
Holding as of 31 December 2021								
VISA Inc.	-	US92826C839	San Francisco	919	-	-	SEK 8,609,580	SEK 8,609,580
Grängesberg Exploration Holding AB (publ)	556710-2784	SE0007789417	Stockholm	-	-	-	-	-
Grängesberg Exploration Holding AB Uniträtter	556710-2784	SE0007789417	Stockholm	-	-	-	-	-
Holding, 31 December 2020								
Grängesberg Exploration Holding AB (publ)	556710-2784	SE0007789417	Stockholm	50,000,000	-	SEK 2,000,000	SEK 2,000,000	SEK 5,750,000
Grängesberg Exploration Holding AB Uniträtter	556710-2784	SE0007789417	Stockholm	50,000,000	-	-	-	SEK 1,400,000

Notes (contd.)

NOTE 23. SHARES IN SUBSIDIARY

	2021	2020
Shares in subsidiary		
Opening cost of acquisition	3,050	3,050
Change during the year	225	-
Closing accumulated cost of acquisition	**3,275**	**3,050**
Closing book value of participations in subsidiary	3,275	3,050

	Corp. ID no.	Reg. office	No. of shares	Proportion (%)	Cost of acquisition (SEK)	Unconditional shareholder contribution (SEK)	Carrying amount (SEK)
Holding, 31 December 2020							
Nordiska Financial Technology AB	559080-4570	Stockholm	50,000	100	50,000	3,000,000	3,050,000
NNAV Holding 1 AB	559329-7038	Stockholm	250	100	25,000	200,000	225,000

NOTE 24. OTHER ASSETS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Other assets				
Tax account	3,251,108	409,068	3,251,104	409,068
Receivable from subsidiary	-	-	73,410	4,900
Receivable from Group companies	-	-	34,803	-
Default receivables	184	893	184	893
Other current receivables	29,348	981	40	-
Deposits	2,975	-	-	-
Other assets	86	-	-	-
Total other assets	**3,283,700**	**410,942**	**3,359,541**	**414,861**

NOTE 25. PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Prepaid expenses and accrued income				
Prepaid expenses	6,853	1,888	6,853	2,607
Commitment for pension contribution	-	394	-	394
Accrued income	361	-	469	-
Other	11,455	166	11,455	166
Total prepaid expenses and accrued income	**18,669**	**2,448**	**18,777**	**3,167**

Notes (contd.)

NOTE 26. DEPOSITS FROM THE PUBLIC

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Deposits from the public				
- Accrued interest liability	6,010	8,745	6,010	8,745
Non-invested deposits	7,068	12	7,068	12
- in Swedish currency	6,149,161	3,075,157	6,149,161	3,075,157
- in euros	2,471,777	360,097	2,471,777	360,097
Total deposits from the public	**8,634,016**	**3,444,011**	**8,634,016**	**3,444,011**
Remaining maturity of no more than 3 months	622,286	3,064,520	622,286	3,064,520
Outstanding term of longer than 3 months but no more than 1 year	7,985,037	320,338	7,985,037	320,338
Longer than 1 year but no more than 5 years	26,693	58,765	26,693	58,765
Longer than five years	–	389	–	389
Total deposits from the public	**8,634,016**	**3,444,011**	**8,634,016**	**3,444,011**

NOTE 27. OTHER LIABILITIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Other liabilities				
Trade and other payables	14,261	2,822	10,917	2,822
Withholding tax, employees	4,217	1,395	2,320	1,395
Tax liabilities	5,866	3,782	6,323	3,708
Funds in blocked accounts	1,507	4,491	1,507	4,491
Non-invested deposits	13,315	3,144	16,665	3,144
Deposits	1,341	958	1,341	958
Other liabilities	141,431	1,321	135,811	899
Total other liabilities	**181,938**	**17,913**	**174,883**	**17,417**

NOTE 28. ACCRUED EXPENSES AND PREPAID INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Accrued expenses and prepaid income				
Accrued holiday pay	4,224	1,992	2,432	1,992
Accrued social security contributions and holiday pay	1,286	626	764	626
Interest income allocated over time	20,201	2,226	20,201	2,226
Intermediary commissions	28,750	59,412	28,453	59,412
Other prepaid income and accrued expenses	13,411	1,739	2,272	1,456
Total accrued expenses and prepaid income	**67,873**	**65,995**	**54,122**	**65,712**

Notes (contd.)

NOTE 29. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Pledged assets and contingent liabilities				
Pledges and comparable collateral lodged for own liabilities and provisions	6,005	6,005	6,005	6,005
Contingent liabilities	-	-	-	-

NOTE 30. CATEGORISATION OF FINANCIAL INSTRUMENTS

	2021			2020		
	Accrued cost of acquisition	Fair value	Total carrying amount	Accrued cost of acquisition	Fair value	Total carrying amount
Chargeable treasury bonds, etc.	-	292,289	292,289	-	76,006	76,006
Lending to credit institutions	595,217	-	595,217	462,974	-	462,974
Lending to the public*	5,244,393	-	5,244,393	2,764,292	-	2,764,292
Bonds and other interest-bearing securities	-	2,390	2,390	-	54,395	54,395
Derivative instruments	-	505	505	-	-	-
Shares and participations	-	8,610	8,610	2,000	-	2,000
Shares in associated company	5,480	-	5,480	-	-	-
Other assets	3,330,488	-	3,330,488	421,331	-	421,331
Total assets	**9,175,578**	**303,794**	**9,479,372**	**3,650,597**	**130,401**	**3,780,998**
Liabilities to credit institutions	114,436	-	-	-	-	-
Deposits from the public	8,634,016	-	8,634,016	3,444,011	-	3,444,011
Lease liability	11,778	-	11,778	-	-	-
Other liabilities	364,247	-	364,247	83,129	-	83,129
Total liabilities	**9,010,041**	**-**	**9,010,041**	**3,527,140**	**-**	**3,527,140**

2021 relates to the Group, while 2020 is solely the Parent Company.

* Carrying amount is presumed to be a reasonable approximation of fair value, because the interest rates are variable and credit losses are valued from the first day.

Shares and participations refer to shares in VISA Inc. owned through Nordiska Norway Financial Partner AS. The shares are revalued on an ongoing basis. The revaluation is based on the price of VISA Inc. shares on the New York Stock Exchange (nyse.com) multiplied by the number of shares using a conversion factor defined by VISA Inc. minus a market discount linked to turnover in the shares.

Notes (contd.)

The table below contains financial Instruments recorded at fair value distributed by valuation level. When fair values are confirmed for financial instruments, different methods are used, depending on the degree of observability of market data in the valuation, as well as activity in the market.

The methods are divided into three different valuation levels:

Level 1 – Listed prices (non-adjusted) in an active market for identical assets or liabilities

Level 2 – Model valuation using observable input data

Level 3 – Model valuation in which input is not based on observable market data

Transfers between different levels can take place if there are indications that the market conditions have changed.

	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Chargeable treasury bonds, etc.	292,289	–	–	**292,289**	76,006	–	–	**76,006**
Bonds and other interest-bearing securities	2,390	–	–	**2,390**	54,395	–	–	**54,395**
Derivative instruments	–	–	505	**505**	–	–	–	**-**
Shares and participations	–	8,610	–	**8,610**	–	–	–	**-**
Total assets	**294,679**	**8,610**	**505**	**303,794**	**130,401**	**-**	**-**	**130,401**
Derivative instruments	–	–	–	**-**	–	–	–	**-**
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2021 relates to the Group, while 2020 is solely the Parent Company.

Notes (contd.)

NOTE 31. RELATED PARTY TRANSACTIONS

Parties related to Nordiska Kreditaktiemarknadsbolag that have conducted transactions during the year and the previous year:

Counterparty	Relation to related party	Business relationships
Nordiska Financial Technology AB	Subsidiary	Utilisation of licence for Nordiska's technical platform
Sala Bly AB	Company related to owner	Nordiska had receivables and received interest
Sala Bly Fastigheter AB	Company related to owner	Nordiska had receivables and received interest
Grängesberg Exploration Holding AB	Company related to owner	Nordiska offset receivable against receipt of shares in the counterparty.
Apilkal Holding AB	Company related to owner	Nordiska had receivables and received interest
Executor Finans AB	Associated company	Nordiska had receivables and received interest
Kv Tystberga-Eneby AB	Company related to owner	Nordiska had receivables and received interest
NNAV 1 Holding AB	Subsidiary	Nordiska had receivables and received interest
Nordiska Financial Partner Norway AS	Group company	Nordiska had receivables and received interest

Summary of transactions with related parties (amount in SEK thousands)

	Sales of goods/ services to related party	Purchase of goods and services from related party	Interest income from related party	Lending to the public as of 31 December	Other liabilities as of 31 December
2021					
Nordiska Financial Technology AB	-	2,640	157	8,800	275
NNAV 1 Holding AB	-	-	151	64,610	-
Nordiska Financial Partner Norway AS	-	-	584	34,803	-
Executor Finans AB	-	-	766	49,699	-
Apikal Holding AB	-	-	590	15,800	-
Kv Tystberga-Eneby AB	-	-	9	6,750	-
Total	**-**	**2,640**	**2,257**	**180,462**	**275**
2020					
Nordiska Financial Technology AB	-	2,235	-	4,900	-
Sala Bly AB	-	-	438	2922	-
Sala Bly Fastigheter AB	-	-	452	2981	-
Total	**-**	**2,235**	**890**	**10,803**	**188**

Notes (contd.)

NOTE 32. CAPITAL ADEQUACY

	GROUP		PARENT COMPANY	
	Amount	Proportion of risk-weighted exposure	Amount	Proportion of risk-weighted exposure
Common Equity Tier 1 capital				
Common Equity Tier 1 capital adequacy requirements in accordance with Article 92.1 of the Prudential Requirements Regulation (Pillar 1 requirements)	167,254	4.50%	160,368	4.50%
Special Common Equity Tier 1 capital adequacy requirement in accordance with Chapter 2, Section 1, Paragraph 2 of the Swedish Act (2014:968) concerning Special Supervision of Credit Institutions and Securities Companies (Pillar 2 requirements)	27,607	0.72%	23,052	0.65%
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	96,429	2.50%	89,093	2.50%
Common Equity Tier 1 capital requirement in accordance with Pillar 2 guidance	-	-	-	-
Total applicable Common Equity Tier 1 capital level	**291,291**	**7.72%**	**277,410**	**7.65%**
Internally assessed Common Equity Tier 1 capital requirement	**291,291**	**7.72%**	**277,410**	**7.65%**
Common Equity Tier 1 capital in accordance with part two of the Prudential Requirements Regulation	**348,263**	**9.03%**	**342,898**	**9.62%**
Tier 1 capital				
Tier 1 capital adequacy requirements in accordance with Article 92.1 b of the Prudential Requirements Regulation (Pillar 1 requirements)	231,431	6.0%	213,824	6.0%
Special Tier 1 capital adequacy requirement in accordance with Chapter 2, Section 1, Paragraph 2 of the Swedish Act (2014:968) concerning Special Supervision of Credit Institutions and Securities Companies (Pillar 2 requirements)	33,523	0.9%	27,992	0.8%
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	96,429	2.5%	89,093	2.5%
Tier 1 capital requirement in accordance with Pillar 2 guidance	-	-	-	-
Total applicable Tier 1 capital level	**361,383**	**9.4%**	**330,909**	**9.3%**
Internally assessed Tier 1 capital requirement	**361,383**	**9.4%**	**330,909**	**9.3%**
Tier 1 capital in accordance with part two of the Prudential Requirements Regulation	**431,057**	**11.2%**	**425,691**	**11.9%**
Capital base				
Capital base requirements in accordance with Article 92.1 c of the Prudential Requirements Regulation (Pillar 1 requirements)	308,574	8.0%	285,098	8.0%
Special capital base requirement in accordance with Chapter 2, Section 1, Paragraph 2 of the Swedish Act (2014:968) concerning Special Supervision of Credit Institutions and Securities Companies (Pillar 2 requirements)	41,411	1.1%	34,579	1.0%
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	97,467	2.5%	89,093	2.5%
Capital base requirement in accordance with Pillar 2 guidance	-	-	-	-
Total applicable capital base level	**447,452**	**11.6%**	**408,770**	**11.5%**
Internally assessed capital requirement	**447,452**	**11.6%**	**408,770**	**11.5%**
Capital base in accordance with part two of the Prudential Requirements Regulation	**464,865**	**12.1%**	**459,500**	**12.9%**

Notes (contd.)

Capital base relating to leverage ratio				
Tier 1 capital adequacy requirement in accordance with Article 92.1 d of the Prudential Requirements Regulation	115,715	3.0%	106,912	3.00%
Special Tier 1 capital adequacy requirement in accordance with Chapter 2, Section 1, Paragraph 1 of the Swedish Act concerning Special Supervision of Credit Institutions and Securities Companies (Pillar 2 requirements)		-		-
Tier 1 capital requirement in accordance with Pillar 2 guidance		-		-
Total applicable Tier 1 capital level	**115,715**	**3.00%**	**106,912**	**3.00%**
Tier 1 capital adequacy requirement in accordance with part two of the Prudential Requirements Regulation	**431,057**	**11.2%**	**425,691**	**11.9%**

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Capital base				
Capital instruments and associated share premium reserves: share capital	106,771	43,541	95,079	43,541
Non-distributed profits	162,821	141,786	172,432	141,786
Interim profit/loss net after deduction for foreseeable expenses and dividend that have been verified by persons in an independent position	78,274	34,722	72,192	34,722
Common Equity Tier 1 capital before legislative adjustments	**347,867**	**220,049**	**339,704**	**220,049**
Minus additional value adjustment	-874		-292	
Minus intangible assets	-2,217			
Minus deferred tax asset				
Minus holdings in units in the financial sector in which the institution has a significant investment				
Reversal in accordance with transitional rules to IFRS 9	3,486	4,880	3,486	4,880
Total legislative adjustments of Common Equity Tier 1 capital	**395**	**4,880**	**3,194**	**4,880**
Common Equity Tier 1 capital	**348,262**	**224,929**	**342,898**	**224,929**
Tier 1 capital contribution	82,794	-	82,794	-
Tier 1 capital (Common Equity Tier 1 capital + Tier 1 capital contribution)	**431,056**	**224,929**	**425,691**	**224,929**
Capital instruments and associated share premium reserves	33,809	33,809	33,809	33,809
Tier 2 capital	**33,809**	**33,809**	**33,809**	**33,809**
TOTAL CAPITAL (TIER 1 CAPITAL + TIER 2 CAPITAL)	**464,865**	**258,738**	**459,500**	**258,738**
Risk-weighted exposure (Credit risk according to the standardised method)[1]				
Exposures to national governments or central banks	-	-	-	-

[1] Additional information regarding Pillar III is available at www.nordiska.se

Notes (contd.)

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Exposure to regional or local autonomous bodies and government agencies	-	-	-	-
Exposures to institutions	154,433	87,834	143,440	87,834
Exposures to companies	481,889	301,664	481,889	301,664
Exposures to households	2,506,905	1,155,105	2,364,668	1,155,105
Exposures in the form of covered bonds	0	5,429	0	5,429
Exposures secured through mortgages on tenant-owned properties	321,385	176,889	321,385	176,889
Defaulted exposures	4,496	27,015	4,496	27,015
Share exposures	8,755	5,050	8,755	5,050
Others	20,058	5,899	20,058	5,899
Total risk-weighted exposure for credit risk	**3,497,920**	**1,764,885**	**3,344,690**	**1,764,885**
Risk-weighted exposure for market risk (exchange rate risk)	16,048	0	16,467	0
Risk-weighted exposure for operational risk (the base method)	334,696	194,091	194,091	194,091
Risk-weighted exposure for credit valuation adjustment risk (CVA)	8,512	0	8,479	0
TOTAL RISK-WEIGHTED ASSETS	**3,857,177**	**1,958,976**	**3,563,727**	**1,958,976**
Risk-based capital adequacy requirement (Credit risk in accordance with the standardised method)				
Exposures to national governments or central banks	-	-	-	-
Exposure to regional or local autonomous bodies and government agencies	-	-	-	-
Exposures to institutions	12,355	7,027	11,475	7,027
Exposures to companies	38,551	24,133	38,551	24,133
Exposures to households	200,552	92,408	189,173	92,408
Exposures in the form of covered bonds	0	434	0	434
Exposures secured through mortgages on tenant-owned properties	25,711	14,151	25,711	14,151
Defaulted exposures	360	2,161	360	2,161
Share exposures	700	404	700	404
Others	1,605	472	1,605	472
Total capital adequacy requirement for credit risk	**279,834**	**141,191**	**267,575**	**141,191**
Capital adequacy requirement for market risk (exchange rate risk)	1,284	0	1,317	0
Capital adequacy requirement for operational risk (the base method)	26,776	15,527	15,527	15,527
Capital adequacy requirement for credit valuation adjustment risk (CVA)	681	0	678	0
Total capital adequacy requirements – Pillar 1	**308,574**	**156,718**	**285,098**	**156,718**
Special capital base requirements (Pillar 2 requirements)				

Notes (contd.)

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Concentration risk	40,926	17,723	34,100	17,723
Interest rate risk in the bank book	485	11	479	11
Total capital requirements – Pillar 2	**41,411**	**17,733**	**34,579**	**17,733**
Capital buffers				
Capital conservation buffer	96,429	48,974	89,093	48,974
Countercyclical buffer	259	0	0	0
System risk buffer	778	0	0	0
Total capital adequacy requirement – Capital buffers	97,467	48,974	89,093	48,974
Total capital requirement – Pillar 2 guidance	**447,452**	**223,426**	**408,770**	**223,426**
Capital ratios and buffers				
Common Equity Tier 1 capital ratio	9.03%	11.48%	9.62%	11.48%
Tier 1 capital ratio	11.18%	11.48%	11.95%	11.48%
Total capital ratio	12.05%	13.21%	12.89%	13.21%
Institution-specific buffer requirements				
of which: capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
of which: countercyclical capital buffer requirement	0.01%	0.00%	0.00%	0.00%
of which: system risk buffer requirement	0.02%	0.00%	0.00%	0.00%
Common Equity Tier 1 capital available for use as buffer	4.53%	6.98%	5.12%	6.98%

Notes (contd.)

Key indicators – Capital adequacy and liquidity coverage ratio

		31 DEC 21	30 SEP 21	30 JUNE 21	31 MARCH 21	31 DEC 20
Capital base available						
Common Equity Tier 1 capital	1	349,600,822	310,179,504	281,966,215	242,502,431	224,929,749
Tier 1 capital	2	432,394,572	372,973,254	344,759,965	242,502,431	224,929,749
Total capital	3	466,203,509	406,782,191	378,568,901	276,311,367	258,738,686
Risk-weighted exposure						
Total risk-weighted exposure	4	3,857,177,310	3,042,099,640	2,586,010,893	2,242,263,108	1,958,976,103
Capital relations (as a percentage share of risk-weighted exposure)						
Common Equity Tier 1 capital ratio (%)	5	9.06	10.20	10.90	10.82	11.48
Tier 1 capital ratio (%)	6	11.21	12.26	13.33	10.82	11.48
Total capital ratio (%)	7	12.09	13.37	14.64	12.32	13.21
Additional capital base requirements to manage risks other than the risk of excessively low leverage ratio (as a proportion of risk-weighted exposure)						
Additional capital base requirements to manage risks other than the risk of excessively low leverage ratio (%)	EU 7a	0.00	0.00	0.00	0.00	0.00
of which: must comprise Common Equity Tier 1 capital (as a percentage)	EU 7b	0.00	0.00	0.00	0.00	0.00
of which: must comprise Tier 1 capital (as a percentage)	EU 7c	0.00	0.00	0.00	0.00	0.00
Total capital base requirement for the review and evaluation process (%)	EU 7d	8.00	8.00	8.00	8.00	8.00
Combined buffer requirement and total capital adequacy requirement (as a percentage of risk-weighted exposure)						
Capital conservation buffer (%)	8	2.50	2.50	2.50	2.50	2.50
Capital conservation buffer due to macro supervisory risks or system risk identified at Member State level (%)	EU 8a	0.00	0.00	0.00	0.00	0.00
Institution-specific countercyclical capital buffer (%)	9	0.00	0.00	0.00	0.00	0.00
System risk buffer (%)	EU 9a	0.00	0.00	0.00	0.00	0.00
Buffer for global systemically relevant institution (%)	10	0.00	0.00	0.00	0.00	0.00
Buffer for other systemically relevant institutions (%)	EU 10a	0.00	0.00	0.00	0.00	0.00
Combined buffer requirement (%)	11	2.50	2.50	2.50	2.50	2.50
Aggregated capital adequacy requirement (%)	EU 11a	10.50	10.50	10.50	10.50	10.50
Available Common Equity Tier 1 capital after fulfilment of the total capital base requirement for the review and evaluation process (%)	12	4.56	5.70	6.40	6.32	6.98
Leverage ratio						
Total exposure metric	13	9,246,837,939	6,503,978,303	5,004,261,939	4,398,296,639	3,590,641,618

Notes (contd.)

		31 DEC 21	30 SEP 21	30 JUNE 21	31 MARCH 21	31 DEC 20
Leverage ratio (%)	14	4.66	5.73	6.89	5.51	6.26
Additional capital base requirements to manage the risk of excessively low leverage ratio (as a proportion of risk-weighted exposure)						
Additional capital base requirements to manage the risk of excessively low leverage ratio (%)	EU 14a	0.00	0.00	0.00	0.00	0.00
of which: must comprise Common Equity Tier 1 capital (as a percentage)	EU 14b	0.00	0.00	0.00	0.00	0.00
of which: must comprise Tier 1 capital (as a percentage)	EU 14c	0.00	0.00	0.00	0.00	0.00
Total requirements in respect of leverage ratio for the review and evaluation process (%)	EU 14d	0.00	0.00	0.00	0.00	0.00
Leverage ratio buffer requirement (%)	EU 14e	0.00	0.00	0.00	0.00	0.00
Aggregated leverage ratio requirement (%)	EU 14f	3.00	3.00	3.00	3.00	3.00
Liquidity coverage ratio (%)						
Total near-money assets (weighted value – average)	15	294,679,167	238,686,589	173,961,474	148,592,658	126,524,691
Total net liquidity outflows (adjusted value)	16	193,421,599	144,117,055	106,104,229	97,953,769	82,540,716
Liquidity coverage ratio (%)	17	152.35	165.62	163.95	151.70	153.29
Net stable funding ratio						
Total stable funding available	18	8,038,259,105	5,775,443,812	4,593,528,757	4,177,540,062	3,140,746,922
Total stable funding requirement	19	5,894,053,562	4,188,253,697	3,367,475,561	2,959,597,899	2,402,679,138
Net stable funding ratio (%)	20	136.38	137.90	136.41	141.15	130.72

Notes (contd.)

NOTE 33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Financial assets				
Chargeable treasury bonds, etc. (Note 15)	292,289	76,006	292,289	76,006
Bonds and other interest-bearing securities (Note 20)	2,390	54,395	-	54,395
Lending to credit institutions (Note 16)	595,217	463,664	559,785	462,974
Lending to the public (Note 17)	5,244,393	2,764,292	5,082,361	2,764,292
Right of use asset (Note 34)	12,316	12,007	-	-
Total financial assets	**6,146,605**	**3,370,364**	**5,934,435**	**3,357,667**
Financial assets – Remaining maturity				
On demand	594,212	463,664	558,780	461,294
Remaining maturity of no more than 3 months	402,546	334,068	685,799	332,858
Outstanding term of longer than 3 months but no more than 1 year	734,272	657,677	710,748	655,493
Longer than 1 year but no more than 5 years	1,819,634	1,230,150	1,759,316	1,225,696
Longer than five years	2,295,940	684,806	2,219,791	682,326
Total financial assets	**6,146,605**	**3,370,365**	**5,934,435**	**3,357,667**
Financial liabilities				
Deposits from the public (Note 26)	8,634,016	3,444,011	8,634,016	3,444,011
Other liabilities (Note 27)				
Trade and other payables	14,261	2,822	10,917	2,822
Funds in blocked accounts	1,507	4,491	1,507	4,491
Deposits	1,341	958	1,341	958
Lease liability (Note 34)	11,778	11,289	-	-
Total financial liabilities	**8,662,902**	**3,463,571**	**8,647,780**	**3,452,282**
Financial liabilities – Remaining maturity				
On demand	-	-	-	-
Remaining maturity of no more than 3 months	642,379	3,073,438	636,051	3,072,791
Outstanding term of longer than 3 months but no more than 1 year	7,985,037	322,279	7,985,037	320,338
Longer than 1 year but no more than 5 years	38,471	67,466	26,693	58,765
Longer than five years	-	389	-	389
Total financial liabilities	**8,665,886**	**3,463,571**	**8,647,780**	**3,452,282**

Notes (contd.)

NOTE 34. LEASES (IFRS16)

Nordiska has classified the rental agreement relating to the Group's office premises as a leased asset. The lease liability is valued at the current value of remaining lease payments with the aid of a marginal loan rate (5-year government bond + margin of 2.5%) on the opening date. The depreciation period has been expressed as the remaining contract term for the lease on the opening date. The depreciation period has been expressed as the remaining contract term for the lease.

The lease is recorded on an ongoing basis as a right of use (asset) and a lease liability respectively. The estimated interest expense for the lease liability is recorded via the income statement as an interest expense. Leases with a maturity of less than 12 months are not included, nor are leases for which the underlying asset is of little value. Comparative figures have not been translated. Nordiska has exercised the opportunity in RFR2 not to apply IFRS 16 for the Parent Company.

The lease liability is valued on the date of acquisition at the current value of unpaid lease charges on the opening date, discounted by the marginal loan rate. The lease liability is then reduced by lease charges paid and increased by interest expenses calculated on the current lease liability. The right of use asset is recorded initially at discounted cost of acquisition, minus accumulated depreciation and any accumulated impairments, and taking into account any revaluations of the lease liability. Nordiska applies the exemptions that the standard permits with regard to short-term leases and leases for which the underlying asset is of low value. These leases are recorded instead as general administrative expenses.

Rent of premises – the Group

	2021		2020	
	Right of use	Lease liability	Right of use	Lease liability
Cost of acquisition				
As of 1 January	14,650	13,877	14,650	13,877
Additional right of use/lease liability	2,952	3,131	-	-
As of 31 December	**17,602**	**17,008**	**14,650**	**13,877**
Accumulated depreciation				
As of 1 January 2021	-2,643	-2,588	-	-
Depreciation/repayments and interest for the year	-2,643	-2,642	-2,643	-2,588
As of 31 December 2021	**-5,286**	**-5,230**	**-2,643**	**-2,588**
Carrying amount				
As of 31 December	**12,316**	**11,778**	**12,007**	**11,289**

Amounts recorded in the income statement – the Group

	Amount (SEK thousands)
Amortisation of right of use	-2,643
Interest expenses for lease liability	-167
Total	**-2,810**

Total cash flow for leasing in 2021 was SEK 2,810,000.

Notes (contd.)

NOTE 35. PROPOSED APPROPRIATION OF PROFITS

According to the balance sheet for Nordiska Kreditmarknadsaktiebolaget AB, the Annual General Meeting has at its disposal profits as follows:

For further information, see also Note 4 Statutory Administration Report.

	Amount (SEK thousands)
Retained earnings	256,676
Distributed to preference shareholders	-1,600
Profit/loss for the year	75,392
Total available for distribution	**330,468**
Dividend to preference shareholders	-
Carried forward to the new accounts	**330,468**

NOTE 36. ACQUISITIONS OF BUSINESSES

On 9 December 2021, Nordiska Financial Partner Norway AS and its branches were acquired. The acquisition included not only the lending business, but also assets, obligations and personnel. The acquisition enables Nordiska to expand its business in Norway.

The consolidated income statement includes a pre-tax loss of SEK 534,000 from Nordiska Financial Partner Norway AS. Because the purchase price was lower than the fair value of net assets, negative goodwill arose in the amount of SEK 37.6 million, which is included in the item Other income. The acquired business was generating a loss. The Board of Directors made a decision to close down the branches, in connection with which a reserve of SEK 10.0 million in respect of obligations such as premises and IT systems was included under the item General administrative expenses.

If the Group had owned Nordiska Financial Partner Norway AS throughout the whole year, the pre-tax loss would have totalled SEK 14.1 million.

	Amount (SEK thousands)
Information about net assets acquired	
Lending to the public	160,062
Lending to credit institutions	34,589
Bonds and other interest-bearing securities	2,385
Shares and participations	7,829
Intangible assets	3,366
Tangible assets	2,761
Other assets	38,272
Liabilities to credit institutions	118,311
Derivative instruments	872
Other liabilities	7,514
Accrued expenses and prepaid income	4,939
Subordinated loan	35,265
Fair value of net assets	**82,361**
Acquisition price	**44,783**

NOTE 37 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A portfolio sale of SEK 120 million took place during February, which produced a pre-tax profit in the Group of SEK 16 million. On 25 February 2022, the Board of Directors decided on a preferential rights issue of up to SEK 60.5 million with the support of a share issue authorisation at an extraordinary general meeting on 7 September 2021.

Nordiska Kreditmarknadsaktiebolaget's income statement and balance sheet will be submitted for adoption at the Annual General Meeting.

The Board of Directors and the Chief Executive Officer hereby certify that the annual accounts and the consolidated accounts have been prepared in accordance with IFRS as adopted by the EU and the Swedish Annual Accounts Act (1995:1559) for Credit Institutions and Securities Companies (ÅRKL), with the application of the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) and the Swedish Financial Accounting Standards Council's recommendations, and give a true and fair view of the financial position and results of the Group and the Parent Company, and that the statutory administration report gives a true and fair view of the progress of the business operations, its position and results, and describes significant risks and uncertainties faced by the Group and the Parent Company.

Stockholm, / /2022

Jörgen Durban
Chairman of the Board

Lars Weigl
Board member

Patrik Carlstedt
Board member

Mikael Gellbäck
CEO/Board member

Christer Cragnell
Board member

Our Audit Report was submitted on / /2022.

Dan Beitner
Authorised Public Accountant

Audit Report

To the general meeting of shareholders of Nordiska Kreditmarknadsaktiebolaget (publ), corporate ID no. 556760-6032

REPORT ON THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS

Opinion

We have audited the annual accounts and the consolidated accounts of Nordiska Kreditmarknadsaktiebolaget (publ) for 2021, except for the corporate governance report on pages 4–5. The company's annual accounts and consolidated accounts are included on pages 6–61 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and in all material respects present a fair view of the parent company's financial position as of 31 December 2021 and of its financial performance and cash flow for the year in compliance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated financial accounts have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and in all material respects present a fair view of the Group's financial position as of 31 December 2021 and its financial performance and cash flows for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance report on pages 4–5. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and the consolidated accounts are compatible with the content of the supplementary report that was submitted to the Board of Directors of the parent company in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinion

We have conducted the audit in accordance with International Standards on Auditing (ISA) and auditing standards generally accepted in Sweden. Our responsibilities under those standards are described in further detail in the section entitled Auditor's responsibility. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on our best knowledge and conviction, no forbidden services as described in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where relevant, its parent company or its controlled companies within the EU.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Other disclosures

The audit of the annual accounts and the consolidated accounts for 2020 was conducted by a different auditor, who submitted an audit report dated 25 February 2021 with unmodified opinions in the Report on the annual accounts and the consolidated accounts.

Key audit matters

Key audit matters are the matters that, in our professional judgement were the most significant for the audit of the annual accounts and consolidated financial accounts for the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated financial accounts as a whole, but we do not provide a separate opinion on these matters.

Audit Report (contd.)

Reservation for credit losses

See Notes 12 and 17 and the accounting policies on pages 23–24 in the annual accounts and consolidated accounts for detailed disclosures and a description of this matter.

DESCRIPTION OF THE MATTER

The granting of credit in Nordiska Kreditmarknadsaktiebolaget (publ) consists of lending with or without collateral to private individuals and companies.

The company's lending to the public totalled SEK 5,082 million as of 31 December 2021, corresponding to 54.5% of the company's total assets. The company's reserves for credit losses in the loan portfolio total SEK 67 million. The corresponding amount for the Group is 5,244 in lending to the public, which corresponds to 55.3% of the Group's total assets. The Group's reserves total SEK 100 million.

The reserves require that Nordiska Kreditmarknadsaktiebolaget (publ) makes assessments and assumptions regarding the credit risks and calculations of expected credit losses. The complexity surrounding these calculations and the assessments and assumptions made causes us to view this as a key audit matter.

HOW THE MATTER WAS CONSIDERED IN THE AUDIT

We tested Nordiska Kreditmarknadsaktiebolaget (publ)'s key controls in the lending process, including credit decisions, credit checks and the identification and confirmation of the loans for which reserves are to be made.

Controls tested comprised both manual controls and automatic controls in the application system. We also tested general IT controls including authorisation management for the systems in question.

We reviewed the principles applied with reference to IFRS 9 in order to assess whether the company's interpretations of these are reasonable. We also tested key controls in respect of the reservation process. We also controlled random samples of input data in the models and the correctness of the calculations, and evaluated the management team's assessments. We used our internal model specialists in our audit, to support us in the review measures we performed.

We assessed that the circumstances presented in the disclosures in the annual accounts and whether the information is sufficiently comprehensive to serve as a description of Nordiska Kreditmarknadsaktiebolaget (publ)'s assessments.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated financial statements. This is on page 3. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained during the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for ensuring that the annual accounts and the consolidated accounts are prepared and that they give a true and fair view in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and, in the case of consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control they deem necessary to prepare annual accounts and consolidated accounts that do not contain material misstatements, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Audit Report (contd.)

The auditor's responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts as a whole do not contain any material misstatement, whether due to fraud or error, and to submit an audit report that contains our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit under ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, and draw up and perform audit procedures, inter alia on the basis of these risks and obtain audit evidence that is sufficient and appropriate for providing a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- gain an understanding of the part of the company's internal controls relevant to our audit in order to draw up audit procedures that are appropriate in the circumstances, but not in order to express an opinion on the effectiveness of internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the board and CEO in the accounts together with associated information.
- draw a conclusion on the appropriateness of the use of the going concern assumption by the Board of Directors and CEO when preparing the annual accounts and the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the information, and whether the annual accounts and the consolidated accounts reflect the underlying transactions and events in a way that gives a true and fair view.
- obtain sufficient and appropriate audit evidence with regard to the financial information for the units or business activities within the Group to provide an opinion in respect of the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our opinion.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during the audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken in order to eliminate threats or safeguards that have been taken.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks of material misstatement, and which are therefore key audit matters. We describe these matters in the audit report unless laws or other regulations preclude disclosure about the matter.

Audit Report (contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Nordiska Kreditmarknadsaktiebolaget (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in this regard is described in more detail in the section entitled Auditor's responsibility. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for the appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other matters, take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

The auditor's responsibility

Our objective concerning the audit of the administration, and thus our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- has in any other way acted in breach of the Swedish Companies Act, the Swedish Banking and Financing Business Act, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies or the articles of association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thus our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operation

Audit Report (contd.)

and where deviations and violations would have particular importance for the company's situation. We examine and test decisions taken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we have examined the Board of Directors' reasoned statement as well as a selection of supporting data for this in order to be able to assess whether the proposal is compatible with the Swedish Annual Accounts Act.

The auditor's examination of the corporate governance report

The Board of Directors is responsible for the corporate governance report on pages 4–5 and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our review of the corporate governance report has another aim and direction, and is substantially less exhaustive in scope, than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinion.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 Section 6, second paragraph, items 2–6 of the Swedish Annual Accounts Act and Chapter 7 Section 31, second paragraph of the same Act are consistent with the other parts of the annual accounts and consolidated accounts and are in compliance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

KPMG AB, Box 382, 101 27, Stockholm was appointed as Nordiska Kreditmarknadsaktiebolaget (publ)'s auditor at the shareholders' general meeting held on 3 June 2021. KPMG AB, or auditors working at KPMG AB, has been the company's auditor since 2021.

Stockholm, 5 April 2022

KPMG AB

Dan Beitner
Authorised Public Accountant

nordiska.

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