nordiska.

ANNUAL REPORT

2023

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From the CEO

2023 was a turbulent year. There were constant discussions about electricity prices, inflation and interest rate hikes. In addition, we have sadly had to become used to the reality of war in various parts of the world. Nordiska is still relatively small, and the impact of geopolitical change is relatively limited. By contrast, inflation and interest rate hikes have had a major impact on the business. Especially the latter. Interest rate hikes have caused us to respond to these changes in our borrowing, resulting in increases in our lending rate. Despite increased interest rates and tougher times, the market for deposits among the general public has remained strong. The new interest rate situation has caused us to start focusing more on our Treasury function, which is proving its worth now in a totally different way compared with the interest rate situation we come from. Liquidity does not cost anything like as much as it did previously, when we had to pay for both deposits and also to invest liquidity. In today's market, we are receiving a return on liquidity. We are keeping to our previous motto that it is good to have plenty of liquidity, as it does not cost as much as you might think with hindsight. Liquidity creates opportunities to do business.

Growth during 2023 was cautious. The Board of Directors decided back in 2022 that we should hold back on growth ahead of the upcoming increase in interest rates, inflation and capital adequacy requirements. The latter has increased in two stages, most recently during the second half of 2023. The cautious approach has resulted in our being stable with exceptionally limited credit losses.

We signed four new partner agreements during the year. All of them are growing from a small scale, but this is actually how we have grown since the beginning. These new partner agreements contributed to our growth during the year, as did some of our existing ones. We have also monitored developments in the property market during the year and felt that once again there is more to do there. During the fourth quarter, we started once more to increase our property financing within the framework of our Corporate business area. We believe that this will also be able to grow during 2024.

Just before Christmas, we announced that Nordiska was acquiring Release Finans. An extremely fine, well-managed company. The founders are choosing to join us on a shared journey into the future through payment in newly-issued shares in Nordiska, and together with the founders we are taking over the reins from the former principal owner Fort Knox Förvaring AB. Release Finans works in the field of leasing to companies. Like Nordiska, they do this via partners. It is our assessment that both digitalisation and the green transition are driving the need for leasing and rental solutions in a world where the focus is on cash flow rather than the balance sheet. We took over the shares in Release Finans in early March 2024. In connection with the takeover, we issued an oversubscribed bond for SEK 200 million with a number of well-known financial institutions. The integration of Release Finans has gone extremely smoothly, largely thanks to the fact that we have built up competence in integrating other companies into Nordiska.

Looking ahead, our focus is on broadening our offering. We believe that the major banks will focus on one-stop consumers, driven by mortgages at one end and the biggest companies at the other. The biggest companies need large banks with advanced cash management systems to serve the needs of such companies. The cost of administration and systems plays less of a role when flows and amounts are so large. Between these extremes are the small and medium-sized companies. These companies and their customers make up Nordiska's market. There is a need here for financing and payment solutions with a focus on cost-efficient administration and efficient systems. Nordiska was an early mover in this area with our Banking-as-a-Service initiative. One element of this is our focus on developing additional services within our Embedded Finance offering. We believe that this is the next stage in the development of our business.

2023 was our best year so far. A pre-tax profit of SEK 144 million with extremely low credit losses. An amazing result. With our new colleagues, we now number 110 people and have a balance sheet in excess of SEK 10 billion. A turbulent external environment benefits a stable credit institution like Nordiska. I believe we can do many exciting things during 2024.

April 2024

Mikael Gellbäck
CEO, Nordiska Kreditmarknadsaktiebolaget

Statutory Administration Report

INFORMATION ABOUT THE BUSINESS

The Group's business

Nordiska's core business concept is to offer a diversified range of lending and leasing solutions to small and medium-sized companies and to private individuals. Financing for this primarily takes the form of deposits from the public. The Company has two main business areas: Corporate and Partner.

In the Corporate business area, Nordiska strives to provide efficient liquidity and financing solutions for companies. These solutions include loans with or without collateral, invoice discounting and invoice purchasing. Nordiska positions itself primarily through flexibility and accessibility. The objective is to build long-term relationships with all customers, thereby creating long-term, sustainable business relationships.

In the Partner business area, Nordiska offers financing solutions for various actors, such as fintech companies. Each partner conveys credit facilities and payment solutions to both private individuals and companies. In this context, the Company provides loans for private individuals without collateral, corporate loans with personal guarantees or collateral such as property mortgages or floating charges. Leasing services are also offered to companies. Communication with customers takes place primarily via partners, while Nordiska retains responsibility for all AML processes, credit assessments, credit decisions and customer complaints. Partnership agreements with partner companies also stipulate that loans that are not repaid within 90 days of the due date shall be bought back by each partner company.

Nordiska finances its lending through deposit products in Sweden and Germany. In Sweden, a variety of deposit accounts are offered with variable interest rates and no fixed-interest term; alternatively there are fixed-interest accounts with fixed-interest terms from 90 days to five years. Available in Germany are variable interest rates and a fixed-interest account with a twelve-month fixed-interest term. This takes place through a partner that specialises in deposits. The German deposits serve primarily to minimise currency risks and support lending within the Euro areas where Nordiska operates.

The business is run through the Parent Company in Sweden and the subsidiary in Norway, while partnerships are used to run the businesses in Finland, Denmark, German and the Netherlands. The Group's business activities are run primarily in the Parent Company.

Through this well-defined business model and strategy, Nordiska strives to offer adapted financial solutions for its customers, create long-term relationships and maintain its competitive strength in relation to bigger banking operators.

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.

Information about capital base and capital requirement

As of 31/12/2023, Nordiska had a capital base of SEK 701.2 million. Its total capital ratio, defined as total capital base in relation to total risk-weighted exposure amount, totalled 16.21%. As of 31/12/2023, the consolidated situation had a capital base of SEK 714.8 million and a total capital ratio of 16.23%. Regulatory capital requirements, including buffers, were met comfortably in both the Parent Company and the consolidated situation. See also Note 33 for detailed information.

BUSINESS ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the Group continued its journey of growth, and Nordiska entered into a couple of new partnerships. Lending to the public increased by over 19% compared with the previous year, while deposits from the public increased by 16%.

FINANCIAL RESULTS

The Group's operating profit totalled SEK 143.9 million (99.3). The profit for the year totalled SEK 115.3 million (89.6).

Statutory Administration Report (contd.)

Net interest income increased by 6.3% to total SEK 242 million (228). The underlying net interest income saw a positive impact in the first instance from higher deposit margins resulting from rising market rates. Average lending volumes were also higher, which had an impact on net interest income. The Swedish National Debt Office's fee for the deposit guarantee was slightly lower than previously expected. The cost decreased by SEK 0.6 million to SEK 14.5 million (15.1). Net commission fell by 25% and totalled SEK 13.4 million (18.0), a fall that is attributable to a lower level of factoring activity and a change in the limit charges to partners. The net profit/loss from financial transactions totalled SEK 35.6 million (8.3), and other operating income totalled SEK 6.6 million (8.4), driven by a higher level of activity in Treasury.

The Group continued to develop the IT platform in order to increase scalability and be able to offer more service to partners. As the Group has grown, so has the number of employees, primarily through recruitment. The cost-to-income ratio totalled 50.7% (58.6).

Credit losses fell by SEK 6.9 million and totalled SEK 5.4 million (12.3).

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

PARENT COMPANY

Nordiska Kreditmarknadsaktiebolaget (publ) is the Parent Company in the Nordiska Group. The majority of the Group's business activities are carried out in the Parent Company, and observations in respect of the Group will to a large extent also apply to the Parent Company. During the financial year 2023, operating income in the Parent Company totalled SEK 540.6 million (422.2). The profit for the year totalled SEK 115.3 million (75.8).

LIQUIDITY AND FINANCIAL INVESTMENTS

FINANCING

The Group finances itself primarily via deposits from the public, which comprise 88.2% of the balance sheet total. Apart from this, financing consists of equity.

FINANCIAL POSITION

Lending to the public totalled SEK 7,346.0 million (6,249.8) at the end of the year, an increase of 17.5% compared with the previous year. Growth during 2023 continued to come primarily from the Partner business area. There was a strategic decision to increase deposits from the public in connection with Nordiska's acquisition of Release, which resulted in an increase to SEK 8,972.1 million at the year-end compared with SEK 7,732.6 million the previous year. Nordiska continues to have a strong liquidity situation. The liquidity reserve totalled SEK 2,770.4 million (2,393.6), of which SEK 1,422.7 million (762.0) related to high-quality liquid assets in accordance with the LCR regulation.

Equity at the year-end totalled SEK 720 million (628). See the statement of changes in equity for further information about equity.

PROPOSED APPROPRIATION OF PROFITS

The AGM has at its disposal the sum of SEK 552,390,181. The Board proposes that a dividend of SEK 3,200,000 be paid to preference shareholders, corresponding to SEK 8 per share.

The Annual General Meeting has at its disposal the following amount in SEK:	**31/12/2023**
Share premium reserve	150,565,413
Retained earnings	286,559,680
Profit/loss for the year	115,265,087
Total	**552,390,181**

The Board proposes that the profits be appropriated as follows:	**31/12/2023**
Dividend to preference shareholders, SEK 8 per share	3,200,000
Carried forward to the new accounts	549,190,181
of which to share premium reserve	*150,565,413*
Total	**552,390,181**

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 capital adequacy requirements for credit risks, market risks and operational risks, as well as buffer requirements and other risks that are not covered by the minimum requirements (Pillar 2).

Statutory Administration Report (contd.)

The capital base as of 31/12/2023 totalled SEK 714.8 million, and the total capital adequacy requirements (Pillar 1, buffers and Pillar 2) as of the same date totalled SEK 617.5 million. (Note 33). 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.

For more information, see Note 36 regarding the proposed appropriation of profits.

FINANCIAL RISKS AND UNCERTAINTIES

Nordiska's business activities involve various kinds of financial risks, such as credit risks, market risks, interest rate risks, liquidity risks and operational risks. In order to limit and control risk-taking, Nordiska'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 33 for a more detailed description of financial risks, the use of financial instruments and capital adequacy in the Parent Company and the Group.

EMPLOYEES

In 2023, Nordiska intensified its engagement with its employees, with a special emphasis on the Company's core values. This is reflected in a series of workshops and a leadership programme for managers, aimed at developing skills in the areas of feedback, coaching and management by objectives. The Company has also continued to actively follow up on employee surveys and improve internal communication, and to open up more opportunities for improvement within the organisation.

Nordiska is dedicated to building and maintaining a corporate culture in which employees feel engaged and motivated, and have opportunities for professional growth. This desire has a direct link to the Company's growth, which depends on the well-being and skills development of employees, and their ability to find motivation.

The Company's progress in the areas of sustainability and long-term success is driven by a culture that encourages self-leadership and creates a supportive environment, an environment in which employees are encouraged to take the initiative and make their own decisions. During the year, Nordiska had an average workforce consisting of 72 full-time equivalents, of which 21 female and 51 male, reflecting a positive trend in the workforce compared with the previous year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the third quarter, Nordiska announced that the Swedish Financial Supervisory Authority had granted them a permit to use the alternative standardised method for the capital adequacy requirement for operational risk. This measure strengthened all capital ratios in the Company by around 40 basis points as of 30 September 2023.

During the fourth quarter, Nordiska announced that they had concluded an agreement to acquire Umeå Release Finans AB. A regulatory permit has been received for the acquisition, and the plan is that the acquisition will be completed during the first quarter. The purchase price is SEK 300 million and will be paid through a combination of newly-issued shares in Nordiska (approximately SEK 89 million) and cash (approximately SEK 211 million). The acquisition is expected to produce positive effects during 2024, including estimated operating income of SEK 141 million and a pre-tax profit of SEK 60 million for Release during 2023. In addition, synergies on the financing side are expected to total approximately SEK 38 million before tax, had Nordiska financed the business throughout 2023.

FUTURE OUTLOOK

During 2023, Nordiska continued to work in accordance with the previously communicated strategy and ambitious objectives regarding growth and expansion. The Company strives to position itself as a leading actor in the field of finance and technology, and to be a driving force in the development of the financial services of the future.

A robust organisation and infrastructure, and a technical banking platform for expansion in the years ahead have all been created. Nordiska prioritised its development as an organisation, and being even more clearly involved in guiding the cultural development. During 2023, a clearer goal structure took shape, and management by objectives became one of the business's central tools.

Enhancing management by objectives created a greater focus and transparency, with increased participation in decision-making.

Statutory Administration Report (contd.)

This development was based on Nordiska's values: to be responsive, competent, reliable, driven and positive. The Company worked actively to achieve a joint leadership style in which there was a focus on consensus and collaboration in order to promote a sustainable, efficient work environment and to achieve jointly agreed goals.

BOARD OF DIRECTORS

Nordiska's Board of Directors consists of Lars Weigl (Chairman), Mikael Gellbäck, Patrik Carlstedt, Christer Cragnell and Per Berglund.

CORPORATE GOVERNANCE REPORT

About this corporate governance report

This corporate governance report describes Nordiska's principles of corporate governance. Corporate governance is a key element of Nordiska's internal governance and control, and it pervades the entire operation. Good internal governance and control aim to ensure that Nordiska complies with applicable regulations and has a good ability to identify, measure, monitor and manage risks ensuing from the business activities that Nordiska conducts.

Nordiska has prepared this corporate governance report in accordance with the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

Nordiska runs a financing business with a licence to operate as a credit market company and is under the supervision of the Swedish Financial Supervisory Authority. Nordiska has issued transferable bonds that are traded on Nasdaq Stockholm. This means that 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.

Corporate governance

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 Nordiska's Articles of Association. Nordiska has two share classes that have been issued, ordinary shares and preference shares, which differ in their voting rights, with preference shares carrying 1/10 of the voting rights of ordinary shares, but having preferential rights in the event of a dividend.

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.

The Board has ultimate responsibility for Nordiska's organisation and the administration of Nordiska's affairs. It follows therefore that the Board has responsibility for and shall strive to ensure good internal governance and control. Within the framework of this mandate, the Board shall strive to achieve a corporate culture in which good internal governance and control are promoted in the organisation and ensure that the control environment and governance system are effective and appropriate with due regard to the business activities that Nordiska conducts.

The Board shall also adopt policy documents to be used to govern the business and to ensure that reliable, up-to-date and complete information is reported to the Board. The Board shall regularly evaluate and, if necessary, revise all internal rules that the Board has adopted in order to ensure that Nordiska's internal governance and control are effective and adapted to the business, business strategies and external regulations. Within the framework of this review, there is also an assessment of the effectiveness of the rules, actions taken and methods applied, etc.

Statutory Administration Report (contd.)

Any deficiencies identified are addressed in accordance with Nordiska's procedures. Every year, the Board confirms internal rules describing how the risks in the business are to be identified, measured, monitored and controlled.

The Board and, where applicable, the CEO receive regular reports concerning the development of the business, in particular with regard to regulatory compliance, risk management and internal audits. The content of the reports includes which measures have been taken to address any deficiencies. The Board's responsibilities and duties are described in a set of rules of procedure.

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 Lars Weigl (Chairman), Mikael Gellbäck, Patrik Carlstedt, Christer Cragnell and Per Berglund.

The Executive Group consists of the CEO, Deputy CEO, CFO, CIO, CLO, CRO, CCRO, Head of People & Culture, Head of Market and Sales and CBDO. The CEO convenes meetings.

The Executive Group's primary duties are to continuously monitor agreed and ongoing activities and Nordiska's internal processes, and to guarantee the dissemination of information within the organisation. As an element of the above, the Executive Group shall jointly examine and discuss the business reports compiled by the business on a monthly basis. The Executive Group shall also, with regard to certain matters as nominated by the CEO, prepare, discuss and, as decided by the CEO, implement decisions taken by the CEO or the Board.

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 with 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 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 make sure that the business is implementing the requirements specified in external regulations, and on an ongoing basis to strive and contribute towards there being good risk awareness in the organisation. The independence of the functions is guaranteed 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.

Share issue authorisation

The AGM of Nordiska held on 26 June 2023 adopted a share issue authorisation for the Board of Directors, with or without derogation from the shareholders' preferential rights, to make a decision, on one or more occasions during the period until the next AGM in 2024, on the issuing of new shares, options or convertibles against cash payment, with a provision on an issue in kind, offset or otherwise with conditions. The purpose of this authorisation and the reason for permitting derogations from the shareholders' preferential rights is (i) to enable the use of new shares,

Statutory Administration Report (contd.)

warrants or convertibles as payment or financing for the acquisition of assets or businesses, (ii) to strengthen the Company's capital base or (iii) to acquire capital or business relationships for other investments in the business. The share issue authorisation was registered at the Swedish Companies Registration Office on 16 August 2023.

Ownership

Nordiska's biggest shareholders as of 31 December 2023:

Con Trarion Holding AB	**28.54% (28.74)**
(half-owned indirectly each by Lank Holding AB and Edvard Berglund Holding i Stockholm AB)	
Lank Holding AB	**17.37% (17.50)**
(wholly owned by Mikael Gellbäck)	
Edvard Berglund Holding i Stockholm AB	**16.65% (16.77)**
(wholly owned by Per Berglund)	

SUSTAINABILITY REPORT

Nordiska's definition of sustainability

As a credit market company, Nordiska has an obligation to run a responsible business. Interest in and expectations of sustainability are increasing rapidly in all parts of society, which means that sustainability is always a topical issue, one that touches large parts of Nordiska's business. Because of its business, both as an organisation and at the employee level, Nordiska has a great opportunity to have an influence on the journey towards a more sustainable future. We therefore consider it important to identify the efforts being made by Nordiska at present to have a positive influence on sustainability work and to identify those areas where we have a great opportunity to improve sustainability work.

Sustainability is a broad concept, with different definitions of the word. Nordiska has signed the UN Global Compact, the world's biggest commercial initiative for sustainability. This means that we base our sustainability strategy on the four areas on which the UN Global Compact is founded: Human Rights, Health and Safety, Environment and Anti-corruption. In addition to these areas, Nordiska has also chosen to base our sustainability work on the UN's 17 global goals.

Governance of Nordiska's sustainability work

During 2023, Nordiska's sustainability initiatives saw work focused on goals, with four main goals: corporate social responsibility, social conditions, sustainable innovation and the environment. These main goals have been broken down into interim goals with associated action plans to achieve them, together with a confirmed order of priority. One key component in all of Nordiska's governance and strategic work is having well-established processes and procedures throughout the organisation. As we place great emphasis on streamlining procedures and processes, this task is an ongoing one. Nordiska's governance is founded on policies and policy documents, which are adopted by the Board of Directors or the CEO. The documents relevant to Nordiska's sustainability work include the following:

- AML – General Risk Assessment
- Remuneration Policy
- Ethics Policy
- Instructions for the Regulatory Compliance Function
- Policy for Managing Conflicts of Interest
- Policy for Managing Complaints
- Policy for Diversity and Assessment of Suitability of Board Members and Senior Executives
- Whistleblowing Policy
- Policy for Measures to Combat Money Laundering and Financing of Terrorism
- Risk Policy
- Code of Conduct

Nordiska's risk management

Nordiska's risk management comprises the adopted risk strategy, risk appetite, risk governance and framework in the form of organisation and delegation of responsibility, as well as internal policy documents. Nordiska has also implemented processes to identify, measure/value, manage, monitor and report the risks to which Nordiska is or may be exposed, as well as dependencies between these risks. The risk management system is appropriate and well-integrated into Nordiska's organisation and decision-making structure.

Statutory Administration Report (contd.)

With support from the Risk and Compliance functions, Nordiska regularly monitors and evaluates the risk management system in order to ensure its appropriateness and so that suitable measures can be taken as required to mitigate any deficiencies.

Nordiska's work with the UN's global Sustainable Development Goals

Nordiska works continuously to integrate the global goals into its business. Nordiska is currently working with 10 of the UN's 17 global goals. The intention is in due course to integrate additional goals into our business during 2024.

Nordiska assumes responsibility for physical and psychological well-being.

For Nordiska, it is important to be an equal opportunity organisation, and this must pervade the whole organisation. This is a constantly ongoing task.

Nordiska offers financing of sustainable initiatives, including the new production of energy-smart properties and solar panels. In doing so, Nordiska contributes sustainable energy and reduced energy consumption.

Nordiska offers favourable working conditions for employees and creates economic growth together with Nordiska's business partners.

Nordiska's technical infrastructure enables innovation and financial collaborations across national borders.

Nordiska works and supports the equal value of all, for example by being a Gold Supporter of BRIS.

Through Nordiska's property financing for new construction, Nordiska contributes to reduced energy consumption.

Through the responsible granting of credit, Nordiska assumes responsibility for only lending money to customers with a good repayment capacity.

In Nordiska's day-to-day activities, we make choices that have a positive impact on climate change.

Nordiska has global partners that create collaboration and share knowledge around technology and innovation.

Respect for human rights

Responsible granting of credit

Nordiska's main business consists of the granting of credit to both private individuals and companies in several different markets. This brings great responsibility, not only because the granting of credit requires a licence and is subject to the supervision of the Swedish Financial Supervisory Authority, but also because Nordiska has a social responsibility to grant credit responsibly.

All granting of credit takes place on the basis of good practice and is of high quality. The granting of credit is characterised by high standards when it comes to ethics, quality and control. The credit risk is affected by the repayment capacity of customers, the value of any collateral and concentrations in the credit portfolio. Nordiska shall undertake the responsible granting of credit to customers in order to safeguard financial stability and contribute to sustainable social development. When assessing repayment capacity and the value of collateral, different sustainability aspects have to be considered.

The granting of credit to consumers must be based on sustainable information about the consumer's financial situation. In the Corporate business area, especially in connection with property valuations, consideration must be given to physical environmental and climate risks, transition risks and ESG factors in the credit assessment. The granting of credit to certain sectors must be avoided completely. When conducting an analysis of risks relating to social sustainability, guidelines for measures against money laundering are applied in order to combat financial crime.

Statutory Administration Report (contd.)

During 2023, Nordiska continued to focus on increased exposure to sustainable financing solutions, including through collaboration with two new partners that exclusively finance sustainable solutions for which Nordiska is the lender. Nordiska is proud of being able to contribute in tangible terms to sustainable energy and reduced energy consumption, in accordance with the UN's global goal number 7: Affordable and Clean Energy. In 2024, Nordiska will continue to focus on granting credit to sustainable financing solutions.

Employees/attractive employer

It is extremely important for Nordiska to be an attractive employer. We are a value-based company in which our five core values – Reliable, Competent, Responsive, Driven and Positive – pervade the corporate culture.

These values are more than mere words; they provide common ground for everyone who works at Nordiska, both individually and as part of a team. By encouraging and highlighting these values in each other, we aim to enhance the positive qualities in each other. They provide us with an inner compass as we strive to realise our vision. Our values guide us in our work to create added value, exceed our customers' expectations and earn their trust.

Reliable – We are reliable and always do our utmost to meet our commitments to others. This makes it possible to create long, trusting relationships.

Competent – We are competent and always strive to learn new things and to develop. In doing so we create added value, both for the Company and for our customers.

Driven – We are driven, which means that we constantly see opportunities and do not give up. We therefore help each other as much as we dare to demand, and we give each other feedback with the intention of growing and becoming better.

Responsive – We are responsive, which means that we meet our constantly changing external environment, as well as the needs of our customers and colleagues, with an open mind and an accommodating approach.

Positive – We are positive, as we are convinced that this attitude both helps us to perform better and creates a pleasant working climate.

During the past year, we have also devoted time to taking a closer look at our corporate culture and what it means for us as an organisation. In a series of workshops, we raised issues, discussed and reflected on our shared values and convictions, in order to create an even stronger and more unified corporate culture.

Nordiska conducts continuous employee surveys that serve two purposes. Not only do they provide insights into what needs to be changed and improved in the Company, they also provide an insight into our employees' general well-being and work environment. This enables us to quickly identify and respond to opportunities for improvement and thereby maintain a high level of employee satisfaction. Employee surveys make it possible to continuously evaluate the organisation, identify opportunities for improvement and understand what employees are already satisfied with, which can be used to boost the Company's development.

Nordiska also undertakes ongoing, dedicated occupational health and safety work, which is led by our Health and Safety Committee. The objective is to continuously evaluate and improve the work environment, with a focus on both physical and psychological aspects. We strive to create a work environment in which our employees are happy and healthy, and this work is a key element of our overarching strategy to promote well-being and productivity at Nordiska. Everyone in the Company completed a CPR course during 2023.

Management by objectives

During 2023, we successfully implemented a clear management by objectives process. This work was carried out in a workshop-based format, in which all employees, including the Board of Directors, were involved. Our work on management by objectives means that we have set overarching goals that apply for the whole organisation and were then broken down at departmental and individual level. Management by objectives contributes to clarifying internal communication and ensuring that we focus on the right initiatives.

Statutory Administration Report (contd.)

Equal opportunity and diversity

Nordiska sees benefits in having people who contribute in different ways to Nordiska's success coming from different backgrounds, bringing with them additional perspectives and contributing new angles of approach and analyses.

It is therefore a given that everyone who works or has assignments within Nordiska – regardless of ethnic origin, gender, faith, age, sexual orientation or functional variation – shall have equal conditions when it comes to the selection and appointment of senior executives and other positions within the Company.

To promote knowledge and awareness around diversity and inclusion, during 2023 we collaborated with an external partner to hold specialist training courses. This step was taken to increase understanding of the subject among both employees and recruiting managers. We also have a set of guidelines for diversity, fairness and inclusion that clarify our vision of being an equal opportunity workplace.

To reinforce this, we also took part as an exhibitor at the "Women in Finance" event organised by the Stockholm School of Economics, where the aim is to increase participation among women in particular in the finance sector.

Training and learning

Nordiska is dedicated to continuous learning and development. We prioritise training and skills development at both organisational and individual level in order to create a dynamic, learning work environment. One example is the establishment of the "Nordiska Academy" during 2023, an internal forum in which knowledge is shared between different parts of the business on a monthly basis in order to increase collaboration and understanding across departmental boundaries. We have also trained our managers in the areas of feedback and coaching leadership in order to promote continuous learning and development at all levels within the organisation. We believe that continuous learning enables us as an organisation to continue to develop and perform better.

Code of Conduct and good business ethics

All employees at Nordiska follow the Company's internal policy documents for Nordiska's Code of Conduct, which has been adopted by the CEO. The Code of Conduct is intended to clarify the importance of responsible, professional conduct and how Nordiska's employees are expected to present and conduct themselves in day-to-day work in accordance with Nordiska's values, vision and goals, as well as external regulatory requirements.

Nordiska stands for good business ethics, wherever we operate. Each supplier agreement is preceded by an assessment of how the supplier complies with Nordiska's regulations concerning security and continuity, as well as the processing of personal data. We set tough demands in terms of confidentiality and IT security, as well as an exemplary reputation.

External Corporate Social Responsibility

Nordiska places a high value on contributing to social responsibility outside the organisation. In 2023, Nordiska started to sponsor a grassroots football club in Sundsvall for boys and girls aged 7–15.

The sponsorship includes support for a parasport team, offering football for girls and boys with a physical disability, visual impairment or intellectual disability, as well as an extra initiative aimed at girls in socio-economically deprived areas where girls from other cultures in particular have created a safe zone.

Participation in the "Blodomloppet" running event in both Stockholm and Sundsvall is one expression of Nordiska's corporate social responsibility. By supporting these charity runs, we contribute to health and increase awareness of blood donation, which is a tangible step towards creating a positive social impact and promoting well-being in society. This signals our engagement in social responsibility and integrates sustainability aspects into our corporate culture.

Whistleblowing

Nordiska has a clearly defined policy for whistleblowing. Employees can submit information about irregularities anonymously. To guarantee anonymity, reporting takes place via a digital third party system.

Statutory Administration Report (contd.)

Reduced climate impact

The climate crisis is one of the biggest challenges facing the world, and everyone needs to assume their responsibility on this issue. To reduce their energy consumption and climate impact, all companies and individuals can choose to make active choices that are more beneficial for our planet. Nordiska makes active choices in its day-to-day activities to contribute to a more sustainable world.

A significant proportion of previously physical documents have been moved over to digital form through the use of digital signatures and storage, as part of Nordiska's continuing work to transform its processes. Despite industry-specific legal requirements that currently prevent a complete transition to a totally digital model, we continue to actively pursue more sustainable and efficient document management through digitalisation.

During 2023, Nordiska's offices in both Stockholm and Sundsvall underwent a relocation as a result of the Company's growth. In line with our engagement in sustainability and minimising our environmental impact, we recently completed a move to a new office in which we actively promoted a circular economy. Instead of simply replacing furniture, we chose to sell the surplus and invest in used alternatives. This transition not only minimised waste and resource consumption, it also promoted the circular economy by giving new life to existing resources.

As part of our sustainability strategy, we have implemented energy-smart consumption at our offices and actively promote sorting at source and composting. These measures mark another step in our commitment to act responsibly and contribute to a more sustainable future.

At Nordiska, we prioritise the most climate-friendly transport alternative for business travel between our three offices in Stockholm, Sundsvall and Oslo. Apart from these journeys, we also strive to consistently choose the most sustainable mode of transport for other business travel and conferences.

This measure forms part of our engagement to reduce our climate impact and promote responsible travel habits within the organisation.

Combating corruption

Work to combat corruption continues to be led through strong internal governance and control, combined with a meticulous approach in Nordiska's processes, particularly when dealing with suppliers, employment procedures and 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.

Work to combat money laundering and the financing of terrorism, as well as fraud, is a continuous process. Nordiska organises regular training courses to enhance awareness throughout the organisation. Existing policy documents, such as the Instructions for measures against money laundering and the financing of terrorism and a Policy for Measures to Combat Money Laundering and Financing of Terrorism, were updated in 2023.

A General Risk Assessment form the basis of the business's processes and procedures. In addition, Nordiska's AML unit carries out operational work on the front line in order to prevent Nordiska from being used for fraud or money laundering through a risk-based working method, which includes training employees, monitoring transactions and close collaboration with the Partner business area and other departments in the business in order to identify and minimise risks.

Statutory Administration Report (contd.)

DEFINITIONS

Alternative key indicators

The definitions of alternative metrics are presented in order to provide readers of financial statements with relevant information so that they can understand the results. The alternative metrics for capital adequacy illustrate the balance between capital and risk. The alternative metrics for lending offer insights into provisions in relation to credit risk. Return on equity provides information about profit in relation to various investment metrics. The cost-to-income ratio is a profitability metric that presents costs in relation to income. The net interest margin indicates the difference between interest income and interest expenses as a proportion of the institution's interest-bearing assets. The credit loss level reflects the average level of losses on lending in relation to the total lending volume, and is crucial in assessing an institution's credit risk. The liquidity reserve is the portion of capital that is held in liquid assets in order to guarantee that an institution has sufficient liquidity to meet its commitments and to manage potential situations in the market.

RETURN ON EQUITY	Net profit/loss attributable to shareholders in relation to average capital.
LEVERAGE RATIO	Tier 1 capital in relation to total assets including items included with conversion factors as defined in Regulation (EU) No 575/2013 (CRR2).
AVERAGE LOAN PORTFOLIO	Average lending to the public at the beginning and end of the period.
COST-TO-INCOME RATIO	Total operating expenses in relation to total operating income.
COST-TO-INCOME RATIO EXCL. CREDIT LOSSES	Total operating expenses excl. credit losses in relation to total operating income.
CREDIT LOSS LEVEL	Net credit losses in relation to average loan portfolio.
COMMON EQUITY TIER 1 CAPITAL RATIO	Common Equity Tier 1 capital in relation to total risk-weighted exposure.
LIQUIDITY RESERVE	A separate reserve of high-quality liquid assets that can be used to secure the Company's short-term capacity to pay in respect of losses or reduced access to normally available financing sources.
NET INTEREST MARGIN	Net interest 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.
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.
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.
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 – INCOME STATEMENT

	2023	2022	2021	2020	2019
Interest income	486,674	334,129	195,078	127,290	92,569
Interest expenses	-244,299	-106,040	-55,215	-28,546	-16,540
Net interest	**242,375**	**228,090**	**139,862**	**98,745**	**76,028**
Commission income	16,359	23,368	24,344	19,486	18,588
Commission expenses	-2,936	-5,420	-3,571	-3,842	-3,826
Net commission	**13,423**	**17,948**	**20,772**	**15,643**	**14,762**
Net profit/loss from financial transactions	35,566	8,305	9,231	-3,209	1,928
Other operating income	6,611	8,437	49,121	4,500	2,247
Operating income	**297,975**	**262,780**	**218,987**	**115,679**	**94,965**
General administrative expenses	-138,589	-141,371	-107,072	-63,272	-50,971
Depreciation	-10,603	-8,301	-8,877	-4,817	-4,035
Other operating expenses	-1,777	-4,413	-2,565	-1,477	-1,166
Operating expenses	**-150,969**	**-154,085**	**-118,513**	**-69,566**	**-56,172**
Profit/loss before credit losses	**147,006**	**108,694**	**100,474**	**46,114**	**38,793**
Credit losses, net	-5,376	-12,277	-5,019	-1,559	-12,977
Participations in profit/loss of associated company	2,279	2,920	-	-	-
Operating profit/loss	**143,909**	**99,337**	**95,455**	**44,556**	**25,816**
Tax	-28,605	-9,707	-14,859	-9,798	-5,474
Profit/loss for the year	**115,304**	**89,630**	**80,595**	**34,756**	**20,341**

Five-year summary (SEK thousands)

FIVE-YEAR SUMMARY FOR THE GROUP – KEY INDICATORS

	2023	2022	2021	2020	2019
INCOME STATEMENT					
Net interest	242,375	228,090	139,862	98,745	76,028
Operating profit/loss	143,909	99,337	95,455	44,556	25,816
Profit/loss for the year	115,304	89,630	80,595	34,756	20,341
BALANCE SHEET					
Lending to the public	7,346,038	6,249,824	5,244,393	2,764,292	1,438,042
Deposits from the public	8,972,076	7,732,592	8,634,016	3,444,011	1,567,645
Equity	720,252	627,661	466,356	254,537	220,581
KEY INDICATORS					
Net interest margin (NIM)	3.6%	4.0%	3.5%	4.7%	5.6%
Credit loss level	-0.1%	-0.2%	0.1%	0.1%	1.0%
Cost-to-income ratio	50.7%	58.6%	54.1%	60.1%	59.2%
Return on equity (RoE)	17.1%	15.9%	22.3%	14.6%	9.6%
Common Equity Tier 1 capital ratio	13.3%	11.7%	9.0%	11.5%	19.7%
Tier 1 capital ratio	15.5%	13.9%	11.2%	11.5%	19.7%
Total capital ratio	16.2%	14.7%	12.1%	13.2%	23.2%
Average number of employees	72	59	37	30	33

Consolidated Income Statement

(SEK thousands)

	Note	2023	2022*
Interest income calculated using the effective interest method	6	486,674	334,129
Interest expenses	6	-244,299	-106,040
Net interest		**242,375**	**228,090**
Commission income	7	16,359	23,368
Commission expenses	7	-2,936	-5,420
Net commission		**13,423**	**17,948**
Net profit/loss from financial transactions	8	35,566	8,305
Other operating income	9	6,611	8,437
Operating income		**297,976**	**262,780**
General administrative expenses	10, 11, 38	-138,589	-141,371
Depreciation	12	-10,603	-8,301
Other operating expenses		-1,777	-4,413
Operating expenses		**-150,969**	**-154,085**
PROFIT/LOSS BEFORE CREDIT LOSSES		**147,006**	**108,694**
Credit losses, net	13	-5,376	-12,277
Participations in profit/loss of associated company	22	2,279	2,920
OPERATING PROFIT/LOSS		**143,909**	**99,337**
Tax on profit/loss for the year	15	-28,605	-9,707
PROFIT/LOSS FOR THE YEAR		**115,304**	**89,630**
OF WHICH ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS		**115,304**	**89,630**

*Comparative figures have been recalculated due to correction of previous error. See Note 39.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
Profit/loss for the year	**115,304**	**89,630**
Other comprehensive income		
Translation of foreign business activities	-8,070	1,043
Other comprehensive income after tax	**-8,070**	**1,043**
COMPREHENSIVE INCOME FOR THE YEAR	**107,234**	**90,673**

Consolidated Balance Sheet (SEK thousands)

	Note	31/12/2023	31/12/2022*
ASSETS			
Chargeable treasury bonds, etc.	16	1,420,556	761,535
Lending to credit institutions	17	523,115	670,784
Lending to the public	18	7,346,038	6,249,824
Bonds and other interest-bearing securities	21	2,292	2,355
Derivative instruments	37	4,109	14,326
Shares and participations	23	6,449	11,623
Participations in associated company	22	10,679	8,400
Intangible assets	19	19,648	11,095
Right of use assets	35	24,032	6,079
Property, plant and equipment	20	3,349	1,716
Other assets	25	791,934	952,687
Prepaid expenses and accrued income	26	19,819	24,547
TOTAL ASSETS		**10,172,021**	**8,714,971**
EQUITY AND LIABILITIES			
Deposits from the public	27	8,972,076	7,732,592
Derivative instruments	37	1,658	1,844
Other liabilities	28	368,608	273,196
Lease liabilities	34	23,329	5,796
Accrued expenses and prepaid income	29	86,098	73,882
Total liabilities		**9,451,769**	**8,087,310**
Share capital		50,203	50,116
Other capital contributed		228,765	228,530
Tier 1 capital instruments		94,044	94,044
Retained earnings		231,936	165,341
Profit/loss for the year		115,304	89,630
Total equity		**720,252**	**627,661**
TOTAL EQUITY AND LIABILITIES		**10,172,021**	**8,714,971**

*Comparative figures have been recalculated due to correction of previous error. See Note 39.

Consolidated Statement of Changes in Equity (SEK thousands)

Statements of Changes in Equity

	Share capital	Other capital contributed[1]	Translation reserve [1)]	Tier 1 capital	Retained earnings	Total equity[2)]
Opening equity, 01/01/2023	**50,116**	**228,530**	**2,011**	**94,044**	**252,961**	**627,661**
Profit/loss for the year	-	-	-	-	115,304	115,304
Other comprehensive income for the year	-	-	-8,070	-	-	-8,070
Comprehensive income for the year	**-**	**-**	**-8,070**	**-**	**115,304**	**107,234**
Interest expense, Tier 1 capital instruments	-	-	-	-	-11,765	-11,765
Contributions from and value transfers to owners						
New share issue	87	235	-	-	-	322
Dividend to preference shareholders	-	-	-	-	-3,200	-3,200
Closing equity, 31/12/2023	**50,203**	**228,765**	**-6,059**	**94,044**	**353,300**	**720,252**

	Share capital	Other capital contributed[1]	Translation reserve [1)]	Tier 1 capital	Retained earnings	Total equity[2)]
Opening equity, 01/01/2022	**46,244**	**160,845**	**968**	**82,794**	**175,506**	**466,356**
Profit/loss for the year	-	-	-	-	89,630	89,630
Other comprehensive income for the year	-	-	1,043	-	-	1,043
Comprehensive income for the year	**-**	**-**	**1,043**	**-**	**89,630**	**90,673**
Tier 1 capital instruments	-	-	-	11,250	-	11,250
Interest expense, Tier 1 capital instruments	-	-	-	-	-8,975	-8,975
Contributions from and value transfers to owners						
New share issue	3,872	67,685	-	-	-	71,557
Dividend to preference shareholders	-	-	-	-	-3,200	-3,200
Closing equity, 31/12/2022	**50,116**	**228,530**	**2,011**	**94,044**	**252,961**	**627,661**

[1)] The translation reserve consists of translation differences that arise when translating foreign Group companies' operations that are recorded in other comprehensive income

[2)] Of the Group's total equity, the following consists of restricted equity

	31/12/2023	31/12/2022
Share capital	50,203	50,116
Fund for development expenses	19,648	11,095
Equity method reserve	10,679	8,400
Total restricted equity	**80,530**	**69,611**

Consolidated Cash Flow Statement

(SEK thousands)

	2023	2022*
Profit/loss before tax	143,909	99,337
- of which interest deposited	500,960	334,129
- of which interest paid	-256,064	-115,015
Items not included in cash flow:		
- Depreciation	10,603	8,301
- Participations in profit/loss of associated company	-2,279	-2,920
- Interest on lease liability	-1,672	-557
- Interest on Tier 1 capital instruments	-11,765	-8,975
Income tax paid	-24,817	-10,794
	113,979	**84,392**
Increase (-) / decrease (+) in lending to the public	-1,096,212	-857,545
Increase (-) / decrease (+) in other assets	41,771	12,166
Increase (-) / decrease (+) in debts to credit institutions	-	-114,436
Increase (-) / decrease (+) in blocked funds for rent guarantee	-1,005	-
Increase (+) / decrease (-) in deposits from the public	1,239,484	-901,424
Increase (+) / decrease (-) in other liabilities	105,392	-47,690
Cash flow from operating activities	**403,409**	**-1,824,537**
Acquisition of intangible assets	-13,498	-3,004
Divestments/sale of intangible assets	378	-
Acquisition of tangible assets	-2,299	-1,055
Divestments/sale of tangible assets	8	47
Acquisition of shares and participations	-	-353
Divestments/sale of shares and participations	5,174	-
Cash flow from investing activities	**-10,236**	**-4,365**
Share issue	-	71,557
Tier 1 capital instruments	-	11,250
Exercising of options	322	-
Repayment of lease liability	-5,072	-5,792
Interest on lease liability	-1,672	-287
Dividend	-3,200	-3,200
Cash flow from financing activities	**-9,622**	**73,528**
Cash flow for the year	**383,551**	**-1,755,374**
Cash and cash equivalents at beginning of period	2,391,063	4,146,953
Exchange rate difference in cash and cash equivalents	-3,558	-516
Cash and cash equivalents	**2,771,055**	**2,391,062**
The following items are included in cash and cash equivalents:		
Lending to credit institutions	521,487	668,279
Chargeable treasury bonds, etc.	1,420,556	761,535
Bonds and other interest-bearing securities	2,292	2,355
Other assets	826,720	958,894
Total cash and cash equivalents at end of period	**2,771,055**	**2,391,063**

*Comparative figures have been recalculated due to correction of previous error. See Note 39.

Income Statement for the Parent Company (SEK thousands)

	Note	2023	2022
Interest income calculated using the effective interest method	6	425,292	293,823
Lease income	6	306,228	196,436
Interest expenses	6	-242,748	-104,625
Net interest		**488,772**	**385,634**
Commission income	7	16,359	36,900
Commission expenses	7	-2,936	-3,055
Net commission		**13,423**	**33,846**
Net profit/loss from financial transactions	8	34,886	1,221
Other operating income	9	3,486	1,502
Operating income		**540,567**	**422,204**
General administrative expenses	10, 11, 38	-132,353	-135,842
Depreciation	12	-251,084	-171,991
Other operating expenses		-110	-40
Operating expenses		**-383,546**	**-307,873**
PROFIT/LOSS BEFORE CREDIT LOSSES		157,021	114,330
Credit losses, net	13	-6,697	-3,854
OPERATING PROFIT/LOSS		150,324	110,476
Group contributions	14	-6,450	-25,000
Tax on profit/loss for the year	15	-28,609	-9,710
PROFIT/LOSS FOR THE YEAR		115,264	75,766

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
PROFIT/LOSS FOR THE YEAR	115,264	75,766

Balance Sheet for the Parent Company (SEK thousands)

	Note	31/12/2023	31/12/2022*
ASSETS			
Chargeable treasury bonds, etc.	16	1,420,556	761,535
Lending to credit institutions	17	489,195	646,860
Lending to the public	18	6,513,546	5,556,410
Derivative instruments	37	3,395	14,326
Shares and participations	23	353	353
Shares in subsidiaries	24	6,275	6,275
Participations in associated company	22	5,480	5,480
Intangible assets	19	9,891	0
Property, plant and equipment	20	811,735	686,939
Other assets	25	844,760	997,314
Prepaid expenses and accrued income	26	31,550	23,574
TOTAL ASSETS		**10,136,736**	**8,699,066**
EQUITY AND LIABILITIES			
Deposits from the public	27	9,004,947	7,754,316
Derivative instruments	37	503	1,627
Other liabilities	28	341,882	267,455
Accrued expenses and prepaid income	29	82,878	69,762
Total liabilities		**9,430,209**	**8,093,160**
EQUITY			
Share capital		50,203	50,116
Fund for development expenses		9,891	-
Total restricted equity		**60,094**	**50,116**
Share premium reserve		150,565	150,330
Tier 1 capital instruments		94,044	94,044
Retained earnings		286,560	235,649
Profit/loss for the year		115,264	75,766
Total non-restricted equity		**646,433**	**555,789**
Total equity		**706,527**	**605,905**
TOTAL EQUITY AND LIABILITIES		**10,136,736**	**8,699,066**

*Comparative figures have been recalculated due to correction of previous error. See Note 39.

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

Statements of Changes in Equity

	Share capital	Fund for development expenses	Share premium reserve	Tier 1 capital	Retained earnings	Total equity
Opening equity, 01/01/2023	**50,116**	**-**	**150,330**	**94,044**	**311,415**	**605,905**
Profit/loss for the year	-	-	-	-	115,265	115,265
Comprehensive income for the year	**-**	**-**	**-**	**-**	**115,265**	**115,265**
Fund for development expenses	-	9,891	-	-	-9,891	-
New share issue	87	-	235	-	-	322
Interest expense, Tier 1 capital instruments	-	-	-	-	-11,765	-11,765
Dividend to preference shareholders	-	-	-	-	-3,200	-3,200
Closing equity, 31/12/2023	**50,203**	**9,891**	**150,565**	**94,044**	**401,824**	**706,527**

	Share capital	Fund for development expenses	Share premium reserve	Tier 1 capital	Retained earnings	Total equity
Opening equity, 01/01/2022	**46,244**	**-**	**82,645**	**82,794**	**247,824**	**459,506**
Profit/loss for the year	-	-	-	-	75,766	75,766
Comprehensive income for the year	**-**	**-**	**-**	**-**	**75,766**	**75,766**
New share issue	3,872	-	67,685	-	-	71,557
Tier 1 capital instruments	-	-	-	11,250	-	11,250
Interest expense, Tier 1 capital instruments	-	-	-	-	-8,975	-8,975
Dividend to preference shareholders	-	-	-	-	-3,200	-3,200
Closing equity, 31/12/2022	**50,116**	**-**	**150,330**	**94,044**	**311,415**	**605,904**

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 2022.

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 50,202,871, of which 49,802,871 are ordinary shares and 400,000 preference shares. The quota value is SEK 1. The total number of votes is 49,842,816, 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)

	2023	2022*
Profit/loss before tax	143,874	85,476
- of which interest deposited	741,539	490,259
- of which interest paid	-254,512	-113,600
Items not included in cash flow:		
- Depreciation	251,084	171,991
- Interest on Tier 1 capital instruments	-11,765	-8,975
Income tax paid	-25,047	-10,501
	358,145	**237,992**
Increase (-) / decrease (+) in lending to the public	-957,137	-669,602
Increase (-) / decrease (+) in other assets	22,917	60,714
Increase (-) / decrease (+) in blocked funds for rent guarantee	-534	-
Increase (-) / decrease (+) in lease objects	-372,591	-678,130
Increase (+) / decrease (-) in deposits from the public	1,250,631	-879,700
Increase (+) / decrease (-) in other liabilities	108,132	108,329
Cash flow from operating activities	**409,563**	**-1,820,397**
Acquisition of intangible assets	-11,259	-
Divestments/sale of intangible assets	378	-
Acquisition of tangible assets	-2,299	-1,055
Divestments/sale of tangible assets	-	47
Acquisition of shares and participations	-	-353
Acquisition of shares in subsidiaries	-	-3,000
Cash flow from investing activities	**-13,180**	**-4,361**
Share issue	-	71,557
Group contributions received (+) / paid (-)	-25,000	2,300
Tier 1 capital instruments	-	11,250
Exercising of options	322	-
Dividend	-3,200	-3,200
Cash flow from financing activities	**-27,878**	**81,907**
Cash flow for the year	**368,505**	**-1,742,851**
Cash and cash equivalents at beginning of period	2,366,277	4,109,127
Cash and cash equivalents	**2,734,782**	**2,366,276**
The following items are included in cash and cash equivalents:		
Lending to credit institutions	487,656	645,855
Chargeable treasury bonds, etc.	1,420,556	761,535
Other assets	826,570	958,887
Total cash and cash equivalents at end of period	**2,734,782**	**2,366,277**

*Comparative figures have been recalculated due to correction of previous error. See Note 39.

Notes on the financial statements

NOTE 1. GENERAL INFORMATION

Nordiska Kreditmarknadsaktiebolaget (publ) (the Parent Company), corp. ID no. 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 conducts credit business activities in the Corporate and Partner business areas. The business is run primarily in Sweden, but also in Norway, Denmark, Finland, Germany and the Netherlands.

Group relationships

The Parent Company is registered and has its registered office and head office in Stockholm, Sweden. The address of the head office is Riddargatan 10, 114 35 Stockholm, Sweden. Nordiska 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 by Nordiska. Nordiska Financial Partner Norway AS has in turn a branch in Sweden and one in Estonia, of which the Estonian branch is being closed down. The consolidated financial statements for the financial year 1 January – 31 December 2023 consist of the Parent Company, its subsidiaries and branches.

The Board of Directors approved these annual accounts on 23 April 2024, for adoption by the general meeting of shareholders.

NOTE 2. ACCOUNTING POLICIES

The accounting policies described below are applied by the Group and in large parts by the Parent Company, and have been applied consistently for all years presented, unless otherwise stated. The most significant deviations between the Parent Company's accounts and the Group's accounting policies are described below under the heading "The Parent Company's accounting policies".

Unless otherwise stated, all amounts in the notes are in thousand Swedish kronor (SEK thousands). Amounts in parentheses refer to the same period in the previous year.

Basis on which the statements have been prepared

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

New accounting policies

a) Standards or new interpretations of existing standards introduced during 2023

During 2023, there were changes in the IAS 1 standards that required a change in accounting or measurement policies. As a consequence of the change in IAS 1, Nordiska's accounting policies have been partly amended based on the assumption that a user of the financial statements is familiar with or has access to IFRS, and only those policies that are considered material for the Company's consolidated accounts are reproduced.

No new IFRS standards or new interpretations of existing standards that were adopted during 2023 are considered to have had any material impact on the Group's or the Parent Company's financial position, profit, cash flow or disclosures.

b) New standards, and amendments and new interpretations of existing standards that are to be applied during 2024 or thereafter

The new standards, and amendments and new interpretations of existing standards that come into force as of 1 January 2024 or thereafter are not considered to have any material impact on the Group's accounts, capital adequacy or major exposures when they are applied for the first time. The Group has not chosen to apply new or amended accounting standards in advance, but intends to observe them when they come into force.

Notes (contd.)

Correction of previous errors

During 2023, corrections were made to previous errors, as stated and described in further detail in Note 39.

Consolidated accounts

The consolidated accounts include the Parent Company and subsidiaries in which a controlling influence is held. 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 financial statements for the Parent Company and the subsidiaries that are included in the consolidated accounts refer to the same period and have been prepared in accordance with the accounting policies that apply for the Group. A subsidiary is included in the consolidated accounts from the date of acquisition, which is the date on which the Parent Company acquired a controlling influence over the subsidiary, and is included in the consolidated accounts until the date on which the controlling influence ceases to exist.

The consolidated accounts are prepared in accordance with the acquisition method. 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 than 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.

Associated companies are defined as companies in which the holding does not provide a controlling interest, but where the holding is nevertheless significant. A significant interest is assumed to exist if the Group holds, either directly or indirectly, between 20% and 50% of the votes in a company. The reporting of shares and participations in associated companies takes place in accordance with the equity method. The equity method means that participations in a company are recorded at the cost of acquisition on the date of acquisition, and subsequently adjusted by the owner company's share of the change in the net assets of the investment object. The profit participation is recorded as profit from participations in associated company.

Functional and foreign currency

The financial statements are presented in Swedish kronor, which is both the Group's and 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 closing day rates. Exchange rate differences that occur in translation are recorded in the income statement under Net profit/loss from financial transactions.

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:

1. assets and liabilities for each of the balance sheets are translated at the closing day rate;

2. income and expenses for each of the income statements are translated at the average exchange rate;

3. all exchange rate differences that arise are recorded in other comprehensive income and accumulated as a separate component in equity;

Notes (contd.)

4. 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.

Segment reporting (IFRS 8)

Segment information for the Group is presented from the Company management perspective, and the segments are identified based on internal reporting to the CEO, who is identified as the senior executive decision-maker.

The Group's operating segments are Partner, Corporate and Other. The Nordiska Group's business activities are also presented based on geographical distribution according to the following segments: Sweden, Norway, Denmark, Finland and the Netherlands. See Note 5 Operating segments for information about the various segments. Segment information is only provided for the Group and not for the Parent Company.

Income (IFRS 15)

IFRS 15 describes an accounting model for income from customer contracts. For the Group, this standard is applied for commission income and income from system administration, which according to IFRS 15 shall be recorded when the customer receives control of the product or service sold and is able to use the benefit from the product or service. Commission income and income from system administration that meet the requirement of IFRS 15.35a are recorded over time. Income that is covered by this includes limit charges. Invoice purchases and administrative charges are recorded as income as they arise.

Commission income and commission expenses

Commission income consists of invoice purchases, administrative charges and limit charges. Commission income is recorded as income from agreements 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 received in respect of financial services is recorded as income during the period when 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.

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 causes the current value of all estimated future payments received and made during the expected fixed-rate interest term to be 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 interest 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.

Net profit/loss from financial transactions

This item contains interest income from chargeable treasury bonds, internal Group liabilities and receivables, bank and tax accounts and realised and unrealised value changes that arose in connection with financial transactions such as exchange rate fluctuations, interest rate changes and currency exchange charges.

Employee benefits

Salaries and remuneration

Pay, variable remuneration and social security contributions are recorded in the income statement in the period when the employee performed the service.

Notes (contd.)

The majority of all salaries to employees are recorded in the Parent Company, with the exception of a small number of employees who receive salaries from the Norwegian sub-Group.

Pension obligations

Nordiska only has defined contribution pension plans, which are financed through payments to insurance companies. 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 notice has been served 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 obligated 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.

Option scheme

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 share warrant in the Parent Company. The Black & Scholes model was applied when valuing the share warrants. The warrants were acquired at market value, and in accordance with the warrant value 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. The Parent Company submitted an offer in 2023 to repurchase at market price, which the majority of holders accepted. Of those holders that did not accept the offer to repurchase, some holders subscribed to shares during October 2023 in accordance with the terms of the warrants, while some holders declined to subscribe. There were no warrants outstanding at the end of 2023.

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.

Only Nordiska's share of expected and confirmed credit losses is recorded. In the Partner business area, Nordiska has the right to offset expected and confirmed credit losses against the compensation that is to be paid to the partner. Credit losses in the Partner business area are therefore offset against the liability for compensation to the partner. In the event that credit losses exceed compensation, Nordiska has a right of recourse against the partner for credit losses arising in excess of the amount of compensation.

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 an impaired risk class and (C) assets concerning which other information has emerged that causes a heightened risk.

Notes (contd.)

Stage 3 – concerns (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 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 exceeding a two-year waiting period, reclassification takes place to credit-impaired assets, and a one-year waiting period is applied once more.

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.

Impairment of expected credit losses and any positive or negative effects of revaluations are recorded in the income statement under credit losses, net.

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. Nordiska assesses various macroeconomic factors, including GDP, policy rates and central bank rates, inflation, property prices and unemployment. The analysis results in three different macroeconomic scenarios for the calculation of expected credit losses. The weighting between basic, negative and positive scenario affects PD by +27% and LGD by +13% for collateral.

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.

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. The management team regularly evaluates the claims made in the income tax returns with respect to situations in which applicable tax rules

Notes (contd.)

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.

The tax rates in force 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.

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 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 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.

Notes (contd.)

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 the following:

- 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.

Intangible assets (IAS 38)

Intangible assets have a definable useful life and are recorded at cost minus accumulated amortisation. The residual value and useful life of intangible assets are reviewed, regardless of whether there is any indication of a reduction in value, at least at the end of each financial year, at which point, if required, an adjustment of the amortisation period and/or impairment is carried out.

Intangible assets include the proprietary development of software. Nordiska records internally developed intangible assets in accordance with the activation model. This means that all expenses relating to the production of an internally developed intangible asset are activated and amortised over the asset's estimated useful life, on the conditions that the criteria of IAS 38 are satisfied. The cost of acquisition of intangible assets in connection with a business combination corresponds to the fair value on the date of acquisition. Expenses that arise in connection with maintenance of software are recorded as expenses in the period in which they arise.

Property, plant and equipment

Property, plant and equipment is recorded at the cost of acquisition after a deduction for accumulated depreciation. The cost of acquisition includes the purchase price plus expenses directly attributable to the asset. In the Group, Property, plant and equipment in the balance sheet consists primarily of office equipment. The rule of exception in RFR 2 is applied in the Parent Company in respect of IFRS 16 to record all leases as lessor as operational leases, with the effect that all leases are recorded as property, plant and equipment in the Parent Company. In the Group, these are recorded under Lending to the public.

Depreciation/amortisation and impairment principles

Depreciation/amortisation is applied on a straight-line basis over the asset's estimated useful life as shown below for intangible assets and property, plant and equipment.

- Proprietary development of software 5 years
- Equipment, tools, fixtures and fittings 5 years

Depreciation of lease objects for which the Company is the lessor takes place according to an individual plan in accordance with the annuity method over the term of the lease.

Notes (contd.)

The useful life and depreciation method are reviewed and adjusted as required and in connection with each set of annual accounts. 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.

Leases (IFRS 16)

Nordiska has chosen to apply the exemption in RFR2 IFRS 16 p 1, which means that leases are recorded in accordance with IFRS 16 only in the Group and not in the Parent Company.

Lessee

In accordance with IFRS 16, Nordiska records rights of use and lease liabilities for most leases. This means that when a lease is concluded, a right of use asset and a lease liability are recorded in the balance sheet. The right of use assets are depreciated on a straight-line basis over the useful life.

Depreciation of the right of use assets and interest expenses for lease liabilities are recorded in the income statement under depreciation and interest expenses. Nordiska applies the exemptions permitted in respect of short-term agreements of low value, with the effect that leases with a term of less than 12 months and leases for which the underlying asset is of low value are not included; these leases are instead recorded directly in the income statement in the line for General administrative expenses.

Lease charges are discounted using the lease's implicit interest rate, or if this interest rate cannot be easily defined, the marginal loan rate is applied, which is the case for Nordiska's existing leases. The marginal loan rate has been defined with reference to factors including Nordiska's credit margin, the term of the contract and country.

In the Parent Company, income and expenses attributable to leases are recorded on a straight-line basis over the term of the lease.

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 at an amount that corresponds to the net investment according to the lease. 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.

Cash flow statement

The cash flow statements for the Group and the Parent Company are prepared in accordance with the indirect method and present payments received and made for the financial year from operating activities, investing activities and financing activities.

Cash and cash equivalents (IAS 7)

Cash and cash equivalents include bank balances and short-term financial investments. Balances mean funds that are available for use at any time. Short-term financial investments refer to 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. Cash and cash equivalents relate to the item Lending to credit institutions, Chargeable treasury bonds, etc., bonds and other interest-bearing securities, as well as balance in the tax account, which is under Other assets in the balance sheet. 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.

The Parent Company's accounting policies

The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) (ÅRKL). The Parent Company also applies legally restricted IFRS, which refers to the standards adopted for application with the limitations set out in RFR 2 Accounting for Legal Entities and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) on annual accounts in credit institutions and securities companies.

The Parent Company's accounting policies correspond largely with those of the Group. The most significant deviations between the Parent Company's accounts and the Group's accounting policies are as follows:

Notes (contd.)

Leases

Nordiska has chosen to apply the exemption in RFR2 IFRS 16 p 1, which means that leases are recorded in accordance with IFRS 16 only in the Group and not in the Parent Company. Leases are recorded in the income statement and balance sheet in the Parent Company as operational leases. Lease income is recorded gross in the item Lease income, i.e. before planned depreciation. Planned depreciation is recognised on an accrual basis and recorded in accordance with the annuity method on a straight-line basis over the term of the lease (see also depreciation principles under the heading Depreciation/amortisation and impairment principles).

Group contributions

Group contributions are recorded in accordance with the alternative rule. This means that Group contributions received and made are all recorded as appropriations in the income statement.

Shares in subsidiaries

The Group's holdings of shares in subsidiaries are eliminated in the consolidated accounts against equity in the subsidiary.

Shares in subsidiaries are recorded in the Parent Company at cost of acquisition minus any impairments. Dividends from subsidiaries are recorded as income when the right to receive payment from a dividend is deemed to be secure.

Participations in associated company

Shares and participations in the associated company are recorded at cost of acquisition in the Parent Company's balance sheet, in contrast to the Group, where the value is adjusted by the Company's participation in the associated company's profit/loss in accordance with the equity method.

Operating segments

Segment information is only provided for the Group and not for the Parent Company.

NOTE 3. RISK MANAGEMENT

Risk management

Nordiska's business activities and business model consist primarily of lending to the public, which is financed by borrowing from the public. Lending brings credit risks and requires sufficient liquidity and capital. Running this business also requires personnel, processes, systems and digital solutions, permits and regulatory compliance, and it is affected by external events, threats and dependencies, which result in various kinds of operational risks. Nordiska's credit risk, liquidity risk, risk of inadequate capital and operational risks are deemed to constitute the main layer of risk with regard to the core business. Nordiska's relatively slim business model also entails commercial risk in the form of, for example, earnings-related risk.

Nordiska's risk management is organised around the three lines of defence. The risks are identified, measured, controlled/managed, reported and followed up on the basis of risk. Nordiska's risk framework consists of, among other things, strategies, processes, procedures, internal rules, appetites, limits, mandates, organisation and checks, for the purpose of guaranteeing good internal governance, risk management and control.

Taking calculated risks forms a significant part of the core business, and it is this that generates the main return for Nordiska. To achieve goals for growth and profitability and to enable strategic decisions, there has to be ongoing balancing of the risks that can arise in the business, good commercial acumen and meticulous capital planning. Nordiska's risk strategy means, among other things, that risk-taking must be conscious and take place under controlled conditions. The business has to be diversified in order to spread the risk between, for example, different products, customers, markets and business partners, and to guarantee sufficient earnings and positive net interest income even if one product or partner performs less well during a given period. The capital base also has to be sufficiently robust to manage any possible losses and to ensure that our deposit customers and business partners can rely on Nordiska even in uncertain times. By maintaining a low risk profile, Nordiska strives to build confidence among stakeholders and guarantee long-term stability and profitability for Nordiska.

Notes (contd.)

Diversifying sources of income for Nordiska's main income item, net interest income, reduces the risks. To reduce vulnerabilities and dependence on net interest income, acquisitions are planned with an increased focus on leasing, thereby also diversifying income items, as the net commission is expected to become a more significant source of income than at present. On the expense side, the strategy is to minimise credit risks and credit losses by means of meticulous credit checks and efficient processes in the event that customers fail to pay on time. The biggest expenses for Nordiska comprise staff and IT costs, so it is important to manage vulnerabilities associated with operational risks. When it comes to operational risks, Nordiska maintains a special focus on minimising technology-related incidents, manual processes and operational disruption, as well as complying with the regulations under which the business operates. Nordiska conducts risk analyses, self-evaluations, etc. to identify potential threats and deficiencies in systems and operations, and takes action to improve the understanding of risks and to prevent and minimise their impact on our efficiency and resilience.

The management of market risks and liquidity risks is also important in order to ensure that Nordiska has a stable business, and the Board of Directors and management therefore have a low risk appetite.

Deposits from the public are Nordiska's main source of financing for lending, and are therefore monitored closely. Surplus liquidity is invested primarily in major Nordic banks, in a tax account and in municipal bills and treasury bonds with short maturities. Contingency plans and a recovery plan have also been drawn up to manage and secure continuity and backup procedures in the event of pressurised liquidity and capital situations. See below for more information about the management of each risk.

Credit risk

Credit risk in lending operations is defined as the risk that the counterparty is unable to meet their payment obligations. Credit risk is measured partly through the borrower's repayment capacity and partly through changes in value of pledged assets in relation to a debt. Credit risk also includes concentration 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 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. Nordiska strives to have a well-diversified portfolio with good credit quality. The granting of credit is based on the customer's repayment capacity. Nordiska calculates the probability of default and ranks the customer according to credit risk.

Collateral for the granting of credit consists of mortgages on homes, properties, floating charges, collateral on objects, cash and cash equivalents, and shares. 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. Market value is defined as the most likely price for the asset in the event of a sale in a market on a given occasion.

Notes (contd.)

In the Partner business area, Nordiska has the right to offset expected and confirmed credit losses against the compensation that is to be paid to the partner. Credit losses in the Partner business area are therefore offset against the liability for compensation to the partner. In the event that credit losses exceed compensation, Nordiska has a right of recourse against the partner for credit losses arising in excess of the amount of compensation.

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.

Risk classification system

Nordiska's risk classification system for companies is based on a risk forecast, net sales and a number of risk drivers. The risk forecast is obtained from credit reference agencies and is based on a statistical analysis of information in credit reference agency databases. The risk forecast is based on annual accounts, records of non-payment and information about the Board, and it indicates the risk that the Company may become insolvent within one year.

Nordiska's risk classification system for private customers is based on the customer's risk forecast when an application is made and on ongoing payments. The risk forecast makes use of payments, stages and PD. To calculate PD, Nordiska uses statistical models based on payment history and PD on acceptance.

There is also the application of risk class from 1 to 15, where risk class 1 is the lowest risk and 15 is the highest risk. The risk classes are updated on an ongoing basis.

Geographical distribution, net credit risk exposure per country and type of receivable (SEK thousands)

	Sweden	Norway	Denmark	Finland	Others	Total
31/12/2023						
Chargeable treasury bonds, etc.	945,921	-	-	-	474,635	1,420,556
Bonds and other interest-bearing securities	-	2,292	-	-	-	2,292
Lending to credit institutions	411,505	31,205	-	73,748	6,657	523,115
Lending to the public	5,728,420	163,601	197,487	708,325	548,205	7,346,038
Other	880,020	-	-	-	-	880,020
Total	**7,965,866**	**197,098**	**44,800**	**782,074**	**1,029,497**	**10,172,021**
31/12/2022						
Chargeable treasury bonds, etc.	761,535	-	-	-	-	761,535
Bonds and other interest-bearing securities	-	2,355	-	-	-	2,355
Lending to credit institutions	646,860	23,924	-	-	-	670,784
Lending to the public	5,025,573	109,172	179,894	756,380	178,805	6,249,824
Other	1,030,473	-	-	-	-	1,030,473
Total	**7,464,441**	**135,451**	**179,894**	**756,380**	**178,805**	**8,714,971**

Notes (contd.)

Credit Exposure Reserve per Stage, Product (SEK thousands)

	Stage 1		Stage 2		Stage 3		Total balance	Total reservation
	Amount	Reservation	Amount	Reservation	Amount	Reservation	Amount	Reservation
31/12/2023								
Corporate leases	857,014	–	12,331	–	5,767	–	875,112	–
Corporate loans with collateral	2,085,396	-3,457	44,924	-10,153	17,236	-2,204	2,147,557	-15,814
Instalment	204,119	–	5,830	–	407	–	210,355	–
Account credit	895,519	–	37,599	–	990	–	934,108	–
Corporate loans, unsecured	2,003,269	-12	53,977	–	8,060	-1,561	2,065,306	-1,573
Private loans, unsecured	1,050,990	-1,087	47,650	-388	11,081	-186	1,109,720	-1,661
Other	9,310	–	–	–	–	–	9,310	–
Private loans with collateral	12,255	-54	1,472	-54	–	–	13,727	-107
Total	**7,117,870**	**-4,610**	**203,783**	**-10,595**	**43,541**	**-3,951**	**7,365,194**	**-19,156**
31/12/2022								
Corporate leases	731,005	–	3,768	–	417	–	735,190	–
Corporate loans with collateral	1,809,103	-1,308	43,403	-111	9,836	-2,825	1,862,342	-4,244
Instalment	203,468	–	2,169	–	37	–	205,673	–
Account credit	941,764	–	32,408	–	697	–	974,869	–
Corporate loans, unsecured	1,611,786	–	20,845	–	3,153	–	1,635,784	–
Private loans, unsecured	780,225	-2,758	46,474	-842	17,469	-12,845	844,168	-16,444
Private loans with collateral	12,486	–	–	–	–	–	12,486	–
Total	**6,089,838**	**-4,066**	**149,067**	**-952**	**31,607**	**-15,670**	**6,270,512**	**-20,688**

Notes (contd.)

Credit Exposure Risk Class (SEK thousands)

	31/12/2023 COMPANIES			
	Stage 1	Stage 2	Stage 3	Total balance
	Amount	Amount	Amount	Amount
Risk class 1	6,547	–	–	6,547
Risk class 2	–	–	–	–
Risk class 3	10,576	–	–	10,576
Risk class 4	356,455	114	464	357,033
Risk class 5	970,321	–	–	970,321
Risk class 6	588,261	–	–	588,261
Risk class 7	801,345	–	–	801,345
Risk class 8	623,391	11,592	–	634,983
Risk class 9	410,404	19,872	–	430,276
Risk class 10	353,711	20,537	–	374,248
Risk class 11	316,844	11,834	–	328,678
Risk class 12	250,543	6,206	–	256,749
Risk class 13	287,887	30,931	15,984	334,802
Risk class 14	-79	10,021	–	9,943
Risk class 15	-522	–	14,030	13,508
Total	**4,975,684**	**111,107**	**30,478**	**5,117,268**

	31/12/2022 COMPANIES			
	Stage 1	Stage 2	Stage 3	Total balance
	Amount	Amount	Amount	Amount
Risk class 1	9,829	-	-	9,829
Risk class 2	25	-	-	25
Risk class 3	407	-	-	407
Risk class 4	40,010	33	186	40,230
Risk class 5	98,999	490	50	99,539
Risk class 6	986,455	170	4	986,628
Risk class 7	221,361	1,009	-	222,369
Risk class 8	352,907	1,483	-	354,390
Risk class 9	386,316	3,122	18	389,456
Risk class 10	643,581	15,704	5	659,290
Risk class 11	960,902	27,001	4,154	992,056
Risk class 12	434,835	14,843	6,236	455,915
Risk class 13	10,779	2,268	2,212	15,259
Risk class 14	2,494	-	-	2,494
Risk class 15	2,994	1,893	540	5,427
Total	**4,151,895**	**68,016**	**13,405**	**4,233,316**

Notes (contd.)

Collateral

Nordiska issues loans with and without collateral. In cases where collateral is provided, the credit risk is limited and Nordiska's credit losses are reduced in the event of the borrower being unable to fulfil their agreement. Nordiska uses collateral such as mortgages on homes and commercial properties, deposits, floating charges and collateral on objects. The value of the collateral is based on the probable price that Nordiska would receive for the asset if sold in a market on a future occasion.

Liquidity risk

Liquidity risk is the risk that Nordiska is unable to fulfil its payment commitments when due without a significant increase in the cost of obtaining means of payment.

Nordiska's appetite for liquidity risk, which is defined by the Board of Directors, is low, which means that the Company shall at any given time hold a defined proportion of liquidity in relation to deposits from the public to make it possible to continue to run normal business activities even in the event of a prolonged period of liquidity stress. Liquidity is held as far as possible in high-quality liquid assets, such as government securities and municipal bills, partly in order to maintain a sufficient liquidity reserve in each significant currency.

Nordiska has an ambition that deposits shall be distributed between accounts with variable and fixed terms. This can be managed to some extent by adjusting the deposit rate for each account type and fixed-interest term.

Short-term payment capacity is calculated through the liquidity coverage ratio (LCR), which measures the relationship between the liquidity buffer and the net liquidity flow during a stress period of 30 calendar days. The size of the liquidity buffer shall at any given time at least correspond to the net outflow, which means a liquidity coverage ratio of at least 100%. As of 30 December 2023, Nordiska's LCR was 693% (372.0), which exceeds both the regulatory requirement and the Board's defined risk appetite of 120% for liquidity coverage.

Liquidity coverage ratio (LCR)

	CONSOLIDATED SITUATION		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Liquidity coverage ratio (LCR)				
Liquidity buffer (weighted value)	1,422,709	763,871	1,420,556	761,535
Liquidity outflows (total weighted value)	205,398	821,330	212,721	821,330
Liquidity inflows (total weighted value)	821,592	1,294,050	850,884	1,294,050
Total net liquidity outflows (adjusted value)	1,026,248	205,333	995,558	205,333
Liquidity coverage ratio (%)	692.7	372.0	667.8	370.9

Nordiska's long-term funding profile is measured in the net stable funding ratio (NSFR). The NSFR sets an institution's stable funding in relation to its need for stable funding in connection with market and funding stress. The regulatory requirement means that the available stable funding must always at least correspond to the current need for stable funding. This means that the ratio must be at least 100%. As of 30 December 2023, the NSFR was 139.5% (132.4), which exceeds both the regulatory requirement and the Board's risk appetite of 115%.

Net stable funding ratio (NSFR)

	CONSOLIDATED SITUATION		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net stable funding ratio (NSFR)				
Total stable funding available (weighted value)	8,780,319	7,337,479	8,818,575	7,350,879
Total stable funding requirement (weighted value)	6,292,319	5,543,989	6,247,173	5,528,447
Net stable funding ratio (%)	139.5	132.4	141.2	133.0

Notes (contd.)

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 the size of the gap for liquidity before a breach of the trigger levels for and/or regulatory requirements for recovery arises. Trigger levels are measured, for example, for LCR, NSFR and stress of inflows and outflows.

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.

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. Operational risks are divided into process risks, personnel risks, legal and regulatory compliance risks, ICT risks and external risks. Operational risks are limited by such means as clear, high-quality processes, updated procedural descriptions, training initiatives, monitoring of systems and third party follow-up.

The Company has internal regulations and methods to identify and measure operational risks and to efficiently check and take risk mitigation measures in order to prevent and minimise operational risks. Since 2023, Nordiska has been using the alternative standardised method to calculate the capital adequacy requirement in respect of operational risks. The base method was used prior to this.

Operational risk (SEK thousands)

	2020	2021	2022	REA	Capital adequacy requirement
31/12/2023					
Retail bank	1,866,842	3,727,112	3,602,323	160,935	12,875
Commercial bank	1,078,891	1,698,635	3,434,539	135,889	10,871
Total	**2,947,752**	**5,427,767**	**7,038,884**	**296,824**	**23,746**

31/12/2022	2019	2020	2021	REA	Capital adequacy requirement
Base indicator	126,831	145,810	247,495	325,085	26,007

[*)] In 2023, Nordiska made the transition to the alternative standardised method to calculate capital adequacy requirement and risk-weighted exposure in respect of operational risk. Risk-weighted exposure and capital adequacy requirement in respect of operational risk for 2022 derive from the base method.

Notes (contd.)

Compliance risk: This risk describes the risk that the Company unconsciously fails to observe current laws and regulations, thereby risking losses or punishment. 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. Compliance risk is managed within the framework of operational 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.

Market risks

The Company is exposed to interest rate risk, currency risks and credit spread risk in its business. The Board of Directors has decided that market risk, in addition to the interest rate risk, net position in foreign currency to which the business is exposed, and the credit spread risk, may not occur. Surplus liquidity is invested in interest-bearing securities issued by states with a AAA rating and Swedish municipalities with a rating.

Interest rate risk

Interest rate risk (gap risk) considers the consequences of a deficiency in matching of fixed-interest terms between a company's assets, liabilities and derivatives. The capital requirement for interest rate risk is included within the framework of Pillar 2 and is calculated on the basis of an extreme value test, which quantifies the effect on the financial value based on a number of scenarios for risk-free market interest rates.

The outcome of each scenario is the sum of its impact on all currencies, and the capital requirement for interest rate risk is the biggest negative outcome of these aggregate totals.

Interest rate risk occurs in Nordiska's business primarily as a consequence of the fact that the Company provides lending at an agreed variable rate and offers deposits at both variable and fixed-term interest. Interest rate risk can be partly managed by investing in fixed-interest interest-bearing securities.

The capital requirement for interest rate risk, which is included in Pillar 2, totalled SEK 34 million as of 30 December 2023.

Notes (contd.)

Fixed-interest periods for assets, equity and liabilities (SEK thousands)

	Up to 3 months	3–6 months	6–12 months	1–3 years	3–5 years	Over 5 years	Non-inter-est-bearing	Total
Interest rate exposure, 31/12/2023								
ASSETS								
Chargeable treasury bonds, etc.	1,420,556	–	–	–		–	–	1,420,556
Bonds and other interest-bearing securities	2,292	–	–	–	–	–	–	2,292
Lending to credit institutions	523,115	–	–	–	–	–	–	523,115
Lending to the public	7,346,038	–	–	–	–	–	–	7,346,038
Derivative instruments	–	–	–	–	–	–	4,109	4,109
Property, plant and equipment	–	–	–	–	–	–	3,349	3,349
Right of use assets	–	–	–	–	–	–	24,032	24,032
Intangible assets	–	–	–	–	–	–	19,648	19,648
Shares and participations	–	–	–	–	–	–	6,449	6,449
Participations in associated company	–	–	–	–	–	–	10,679	10,679
Other assets	–	–	–	–	–	–	791,934	791,934
Prepaid expenses and accrued income	–	–	–	–	–	–	19,819	19,819
Total assets	**9,292,001**	**-**	**-**	**-**	**-**	**-**	**880,020**	**10,172,021**
LIABILITIES AND EQUITY								
Deposits from the public	6,506,412	161,591	1,804,132	96,853	20,381	–	382,708	8,972,076
Derivative instruments	–	–	–	–	–	–	1,658	1,658
Other liabilities	–	–	–	–	–	–	368,608	368,608
Lease liability	–	–	–	–	23,329	–	–	23,329
Accrued expenses and prepaid income	–	–	–	–	–	–	86,098	86,098
Total equity	94,044	–	–	–	–	–	626,208	720,252
Total equity and liabilities	**6,600,456**	**161,591**	**1,804,132**	**96,583**	**43,710**	**-**	**1,465,280**	**10,172,021**
Difference between assets, equity and liabilities	**-2,691,545**	**161,591**	**1,804,132**	**96,583**	**43,710**	**-**	**585,260**	**-**

Notes (contd.)

Fixed-interest periods for assets, equity and liabilities (SEK thousands)

	Up to 3 months	3–6 months	6–12 months	1–3 years	3–5 years	Over 5 years	Non-inter-est-bearing	Total
Interest rate exposure, 31/12/2022								
ASSETS								
Chargeable treasury bonds, etc.	761,535	–	–	–	–	–	–	761,535
Bonds and other interest-bearing securities	2,355	–	–	–	–	–	–	2,355
Lending to credit institutions	670,784	–	–	–	–	–	–	670,784
Lending to the public	5,010,109	366,365	131,632	716,402	25,316	–	–	6,249,824
Derivative instruments	–	–	–	–	–	–	14,326	14,326
Property, plant and equipment	–	–	–	–	–	–	1,716	1,716
Right of use assets	–	–	–	–	–	–	6,079	6,079
Intangible assets	–	–	–	–	–	–	11,095	11,095
Shares and participations	–	–	–	–	–	–	11,623	11,623
Participations in associated company	–	–	–	–	–	–	8,400	8,400
Other assets	–	–	–	–	–	–	952,687	952,687
Prepaid expenses and accrued income	–	–	–	–	–	–	24,547	24,547
Total assets	**6,444,783**	**366,365**	**131,632**	**716,402**	**25,316**	**-**	**1,030,473**	**8,714,971**
LIABILITIES AND EQUITY								
Deposits from the public	6,967,119	92,606	317,851	51,176	9,644	–	294,197	7,732,592
Derivative instruments	–		–	–	–	–	1,844	1,844
Liabilities to credit institutions	–	–	–	–	–	–	–	-
Other liabilities	–	–	–	–	–	–	273,196	273,196
Lease liability	–	–	–	–	5,796	–	–	5,796
Accrued expenses and prepaid income	–	–	–	–	–	–	73,882	73,882
Total equity	94,044	–	–	–	–	–	533,615	627,661
Total equity and liabilities	**7,061,163**	**92,606**	**317,851**	**51,176**	**15,440**	**-**	**1,176,734**	**8,714,971**
Difference between assets, equity and liabilities	**-616,380**	**273,759**	**-186,219**	**665,226**	**9,876**	**-**	**-146,261**	**-**

Notes (contd.)

Currency risk

Currency risk arises as a consequence of assets and liabilities in the same foreign currency not corresponding, which has a negative impact on the Company's profit/loss in the event of an unfavourable change in the exchange rate against the Swedish krona.

Nordiska's currency risk arises primarily in connection with lending in foreign currency when there is no financing in the form of deposits. The risk is managed by arranging financing in the same currency, for example via derivatives such as currency swaps.

Nordiska's currency risk is monitored and managed on an ongoing basis and is kept at a low level, in accordance with the Board's defined risk appetite for net position in a single currency and total net position for all currencies in the balance sheet.

Currency risk (SEK thousands)

	31/12/2023					
	Long Position	Short Position	Currency swap position	Net long SEK	Net short SEK	Capital adequacy requirement
Currency						
DKK	215,881	-37,016	-174,190	4,675	-	-
NOK	86,817	-27,214	-65,149	-	-5,546	-
EUR	2,011,320	-2,585,404	576,992	2,907	-	-
Total	**2,314,018**	**-2,649,635**	**337,654**	**7,583**	**-5,546**	**-**

	31/12/2022					
Currency						
DKK	194,521	-34,443	-159,987	92	-	-
NOK	46,343	-	-53,916	-	-7,574	-
EUR	1,158,251	-1,928,957	771,602	895	-	-
Total	**1,399,115**	**-1,963,400**	**557,699**	**987**	**-7,574**	**-**

Credit spread risk

Credit spread risk is the risk that the market's general valuation of transferable instruments with a credit risk changes over what is required by the level of the general interest rate situation for instruments with a low credit risk and over what is required by a possible change in the instrument's specific credit risk, i.e. the change in market value that arises for interest-bearing securities as a consequence of fluctuations in their credit spread.

Nordiska calculates the credit risk spread for all assets in interest-bearing securities. A calculation is performed in accordance with the standardised method described in FI dnr 19-4434, in which the stress level for each individual instrument is determined on the basis of its issuer category and creditworthiness.

As of 31 December 2023, the credit spread risk in Nordiska's interest-bearing securities totalled SEK 0.76 million.

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. When lending in a foreign currency in which there is no natural financing, primarily in the form of deposits, this is managed through currency swaps. Nordiska's risk-taking is limited by risk appetite and limits in each asset type, as decided by the Board.

Notes (contd.)

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.

Business risks

Business risk is the risk of declining earnings due to difficult competitive conditions, incorrect strategy or wrong decisions. Nordiska divides business risk into risk of weakened earnings, strategic risk and reputational risk.

Risk of weakened earnings: The risk of, for example, reduced margins, which in turn can arise from factors such as more expensive financing or tougher competition.

Strategic risk: The risk of loss due to unfavourable business decisions, incorrect execution of strategic decisions or failure to respond to changes in the industry, the political environment or legal conditions.

Reputational risk: Reputational risk refers to the risk of a loss of reputation as a consequence of inadequate management of the above-mentioned risks as well as other events.

Capital planning

Nordiska is subject to capital adequacy and liquidity requirements, including leverage ratio requirements. See section under heading Liquidity risk in this note for information about liquidity. According to the Board's defined risk appetites and limits, Nordiska shall maintain a capital buffer over the aggregated regulatory requirements (including buffer and Pillar 2 requirements).

The regulatory capital adequacy requirement consists of two elements for Nordiska: the risk-weighted element (capital adequacy) and the non risk-weighted element (leverage ratio).

The risk-weighted capital adequacy requirement is divided into Pillar 1 and Pillar 2, and the combined buffer requirement. In addition to these requirements, the Swedish Financial Supervisory Authority can notify an institution of what level of capital they believe that the institution should maintain in the form of what is known as a Pillar 2 guideline. The purpose of this is to guarantee that the institution is adequately capitalised to cover risks that are not covered by other requirements and that the Company can absorb losses in the event of financial stress.

When this annual report was prepared, Nordiska had not received notification of any Pillar 2 guideline.

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

Nordiska must, at any given time, be sufficiently well capitalised to be able to manage the risks to which the business is or is expected to be exposed. It is extremely important that material risks are identified, qualified and qualitatively described, and also understood by employees, management and the Board.

This internal evaluation of capital and liquidity (IKLU) takes place once a year and forms an integral part of the Nordiska's risk management process. Please refer to Note 33 for information about capital adequacy.

In addition to the Annual Report, information is also issued quarterly about the Company's capital situation via interim reports on Nordiska's website. The website also features a presentation of data about the leverage ratio in accordance with Article 429 of CRR.

Notes (contd.)

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 judgements 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 judgements 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 judgements 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 judgement 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 (contd.)

NOTE 5. OPERATING SEGMENTS

The operating segments are recorded in accordance with IFRS 8.

The segment comprising the Partner business area involves income flows consisting of interest income from partners. The segment comprising the Corporate business area includes the product areas factoring, corporate credit and property credit. All assets that are expected to be recovered after 12 months are in Sweden.

	GROUP							
	2023				2022			
	Partner	Corporate	Other[1]	Total	Partner	Corporate	Other[1]	Total
Income statement								
Interest income	314,126	103,077	12,934	430,138	213,203	77,211	18,936	309,350
Lease income	56,536	-	-	56,536	24,779	-	-	24,779
Interest expenses	-195,143	-48,839	-317	-244,299	-83,506	-22,313	-222	-106,040
Net interest	**175,519**	**54,238**	**12,617**	**242,375**	**154,476**	**54,898**	**18,714**	**228,090**
Commission income	10,404	5,953	2	16,359	15,516	7,011	841	23,368
Commission expenses	-	-2,936	-	-2,936	-3,599	-1,626	-195	-5,420
Net commission	**10,404**	**3,017**	**2**	**13,423**	**11,917**	**5,385**	**646**	**17,948**
Net profit/loss from financial transactions	28,410	7,110	46	35,566	6,540	1,748	17	8,305
Other operating income	5,887	585	140	6,612	6,644	1,775	18	8,437
Operating income	**220,220**	**64,950**	**12,806**	**297,976**	**179,577**	**63,806**	**19,395**	**262,780**
Total operating expenses before credit losses	-120,457	-28,659	-1,854	-150,969	-104,356	-37,086	-12,642	-154,085
Profit/loss before credit losses	**99,763**	**36,291**	**10,952**	**147,006**	**75,222**	**26,720**	**6,753**	**108,694**
Credit losses	-3,452	-1,161	-763	-5,376	-	-3,854	-8,423	-12,277
Participations in profit/loss of associated company	-	-	2,279	2,279	-	-	2,920	2,920
Operating profit/loss	**96,310**	**35,131**	**10,189**	**143,909**	**75,222**	**22,866**	**1,250**	**99,337**
Balance sheet								
Lending to the public	5,867,907	1,468,591	9,539	7,346,038	4,937,408	1,299,515	12,901	6,249,824

[1] Other consists of income and expenses that are not directly related to the Partner or Corporate business §areas. This mainly includes income generated from the tax account and loan portfolio from the acquisition of Nordiska Financial Partner Norway, which is being closed down.

Notes (contd.)

	GROUP					
	2023					
Geographical distribution	**Sweden**	**Norway**	**Denmark**	**Finland**	**Netherlands**	**Total**
Income statement						
Interest income	320,143	12,031	15,211	55,503	27,250	430,138
Lease income	56,536	-	-	-	-	56,536
Commission income	16,359	-	-	-	-	16,359
Net profit/loss from financial transactions	35,566	-	-	-	-	35,566
Other operating income	6,412	199	-	-	-	6,611
Balance sheet						
Lending to the public	5,778,844	163,601	197,487	708,325	497,780	7,346,038

	2022						
Geographical distribution	**Sweden**	**Norway**	**Denmark**	**Finland**	**Netherlands**	**Other**	**Total**
Income statement							
Interest income	253,648	19,961	2,619	32,301	821	-	309,350
Lease income	24,779	-	-	-	-	-	24,779
Commission income	23,368	-	-	-	-	-	23,368
Net profit/loss from financial transactions	6,769	96	174	1,096	-	170	8,305
Other operating income	8,234	203	-	-	-	-	8,437
Balance sheet							
Lending to the public	5,025,573	109,172	179,894	756,380	178,805	0	6,249,824

Revenues from contracts with customers (IFRS 15)

IFRS 15 in respect of Revenues from contracts with customers is applied for different kinds of services, which are recorded in the income statement primarily as Commission income. The standard is also applicable to certain services contained in the item Other operating income under Income from system administration, see Note 9.

	GROUP	
	2023	**2022**
Distribution of income linked to IFRS 15		
Commission income	16,359	36,900
Income from system administration	3,358	6,321
Total	**19,717**	**43,221**

Notes (contd.)

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	
	2023	2022	2023	2022
Interest income				
Lending to credit institutions	2,105	437	1,282	-
Lending to the public	484,568	333,692	424,010	293,823
Total interest income	**486,674**	**334,129**	**425,292**	**293,823**
Lease income				
Lending to the public	-	-	306,228	196,436
Total lease income	**-**	**-**	**306,228**	**196,436**
Interest expenses				
Deposits from the public	-228,135	-89,540	-228,135	-89,481
Cost of deposit guarantee	-14,543	-15,070	-14,543	-15,070
Cost of State stability fund	-23	-14	-23	-14
Interest expense, lease liability (IFRS 16)	-1,672	-577	-	-
Interest expenses, other	74	-839	-46	-61
Total interest expenses	**-244,299**	**-106,040**	**-242,748**	**-104,625**
Net interest	**242,375**	**228,090**	**488,772**	**385,634**

NOTE 7. NET COMMISSION

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Commission income				
Invoice purchasing	5,461	7,011	5,461	6,087
Administrative expenses	60	102	60	14,815
Intermediary charge	435	482	435	482
Limit charges, Partner business area	10,404	15,772	10,404	15,516
Total commission income	**16,359**	**23,367**	**16,359**	**36,900**
Commission expenses				
Intermediary expenses	-2,936	-5,420	-2,936	-3,055
Total commission expenses	**-2,936**	**-5,420**	**-2,936**	**-3,055**
Net commission	**13,423**	**17,948**	**13,423**	**33,846**

Notes (contd.)

NOTE 8. NET PROFIT/LOSS FROM FINANCIAL TRANSACTIONS

	GROUP		PARENT COMPANY	
	2023	**2022**	**2023**	**2022**
Net profit/loss from financial transactions				
Exchange rate differences, EUR	-1,769	-13,444	-1,704	-10,825
Exchange rate differences, NOK	-1,508	-371	909	-371
Exchange rate differences, DKK	4,921	10,204	4,921	10,204
Profit from sale of current investments	3,127	1,343	-	-
Interest income from chargeable treasury bonds	30,938	-	30,938	-
Other	-143	10,573	-177	2,214
Net profit/loss from financial transactions	**35,566**	**8,305**	**34,886**	**1,221**

NOTE 9. OTHER OPERATING INCOME

	GROUP		PARENT COMPANY	
	2023	**2022**	**2023**	**2022**
Other operating income				
Internal Group Services	-	-	948	-
Rental income	-	94	-	94
Income from system administration	3,358	6,321	-	-
Other income relating to operations	3,254	2,022	2,538	1,408
Total other operating income	**6,611**	**8,437**	**3,486**	**1,502**

Notes (contd.)

NOTE 10. GENERAL ADMINISTRATIVE EXPENSES

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
General administrative expenses				
Expenses for premises [1]	-2,219	-	-7,238	-4,900
IT costs	-14,226	-13,535	-10,589	-8,496
Internal Group expenses (IT expenses)	-	-	-3,264	-3,260
Notification, accounting and other admin support (lending)	-7,189	-7,396	-7,010	-7,162
Audit	-6,100	-4,732	-3,758	-3,440
Marketing	-3,397	-3,430	-3,397	-2,959
Consultancy fees	67	-20,176	2,180	-24,292
Risk and compliance	-2,293	-795	-2,091	-795
Bank expenses	-3,779	-3,960	-3,644	-3,801
Staff costs	-84,795	-78,411	-80,768	-65,414
Legal expenses	-9,679	-8,936	-9,091	-8,528
Other general administrative expenses	-4,978	-	-3,684	-2,794
Total other administrative expenses	**-138,589**	**-141,371**	**-132,353**	**-135,842**

[1] 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 12), see also Note 35 IFRS 16.

	PARENT COMPANY	
	2023	2022
Operational leases		
Lease charges recorded as expenses during the year in which the Company is lessee. Includes lease expenses incurred via operational leases such as premises rented in advance, and IT and office equipment.	6,574	4,170
Future payment commitments in respect of leases		
Within one year	6,282	4,170
Between one year and five years	24,989	-
More than five years	-	-
Total	**31,271**	**4,170**

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 Note 35.

Notes (contd.)

NOTE 11. STAFF COSTS

	GROUP 2023	GROUP 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
Salaries and other remuneration				
Board members	-2,143	-1,950	-2,143	-1,950
CEO	-3,475	-4,517	-2,446	-2,432
Other senior executives	-11,361	-11,754	-11,361	-8,861
Other employees	-37,586	-33,651	-35,778	-29,491
Total	**-54,565**	**-51,872**	**-51,729**	**-42,734**
Social security contributions				
Board members, CEO and senior executives	-8,334	-8,164	-7,953	-6,298
(of which pension expenses)	-3,169	-2,697	-3,015	-2,137
Other employees	-18,801	-14,381	-18,135	-12,953
(of which pension expenses)	-7,208	-4,401	-6,945	-3,964
Total	**-27,134**	**-22,545**	**-26,088**	**-19,251**
Total salaries, other remuneration, social security contributions and pension expenses	**-81,700**	**-74,417**	**-77,817**	**-61,985**

	GROUP							
	2023				2022			
	Basic salary/ board fee	Variable remuneration	Pension expenses	Total	Basic salary/ board fee	Variable remuneration	Pension expenses	Total
Chairman of the Board	-555	-	-	-555	-480	-	-	-480
Board members	-1,588	-	-139	-1,727	-1,470	-	-113	-1,584
CEO	-3,475	-	-642	-4,118	-4,517	-	-286	-4,803
Deputy CEO	-1,981	-	-474	-2,454	-1,695	-	-373	-2,068
Other senior executives	-9,381	-	-1,914	-11,295	-10,060	-	-1,925	-11,985
Total	**-16,980**	**-**	**-3,169**	**-20,149**	**-18,222**	**-**	**-2,697**	**-20,920**

	PARENT COMPANY							
	2023				2022			
	Basic salary/ board fee	Variable remuneration	Pension expenses	Total	Basic salary/ board fee	Variable remuneration	Pension expenses	Total
Chairman of the Board	-555	-	-	-555	-480	-	-	-480
Board members	-1,588	-	-139	-1,727	-1,470	-	-113	-1,584
CEO	-2,446	-	-488	-2,934	-2,432	-	-	-2,432
Deputy CEO	-1,981	-	-474	-2,454	-1,695	-	-373	-2,068
Other senior executives	-9,381	-	-1,914	-11,295	-7,165	-	-1,233	-8,399
Total	**-15,951**	**-**	**-3,015**	**-18,966**	**-13,243**	**-**	**-1,720**	**-14,963**

Notes (contd.)

Salaries and other remuneration in respect of senior executives

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 pension expense for the year in relation to pensionable remuneration totals 13.8% (11.0). The retirement age for the Chief Executive Officer and other senior executives is 65. There is no separate pension agreement with the CEO.

Related party transactions

There were no transactions with key individuals in a senior position during 2023.

Periods of notice and severance pay

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

The majority of all salaries to employees are recorded in the Parent Company, with the exception of a small number of employees who receive salaries from the Norwegian sub-Group.

	2023		2022	
	Average number of employees	**Of which male**	**Average number of employees**	**Of which male**
Average number of employees				
Parent Company	68	48	51	35
Subsidiaries	4	3	2	2
Group total	**72**	**51**	**53**	**37**

	2023		2022	
	Number on balance sheet date	**Of which male**	**Number on balance sheet date**	**Of which male**
Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives				
Board members	5	5	5	5
CEO and other senior executives	9	6	9	6

Notes (contd.)

NOTE 12. DEPRECIATION

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Depreciation				
Amortisation of intangible assets	-4,566	-3,603	-990	-
Amortisation of right of use assets (leases, IFRS 16)	-5,379	-4,272	-	-
Depreciation of property, plant and equipment	-658	-427	-250,093	-171,991
Total depreciation	**-10,603**	**-8,301**	**-251,083**	**-171,991**

NOTE 13. CREDIT LOSSES

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Credit losses				
Provisions, Stage 1	-544	15,654	-3,464	148
Provisions, Stage 2	-9,643	6,493	-10,484	79
Provisions, Stage 3	11,719	2,703	9,625	-3,855
Total	**1,532**	**24,851**	**-4,322**	**-3,628**
Confirmed credit losses	-7,499	-38,294	-2,505	-644
Recovered previously impaired receivables	592	1,166	130	418
Total	**-6,908**	**-37,128**	**-2,375**	**-226**
Recorded credit losses for the period, net	**-5,376**	**-12,277**	**-6,697**	**-3,854**

NOTE 14. GROUP CONTRIBUTIONS

	PARENT COMPANY	
	2023	2022
Appropriations		
Group contributions made	-6,450	-25,000
Total	**-6,450**	**-25,000**

Group contributions in 2023 relate to two transactions of SEK 3.85 million from the Parent Company to Nordiska Financial Technology AB and SEK 2.6 million from the Parent Company to NNAV Holding 1 AB. The Group contribution in 2022 relates to a transaction from the Parent Company to the Swedish branch (Nordiska Financial Partner Norway AS).

Notes (contd.)

NOTE 15. TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Tax on profit/loss for the year				
Current tax on profit/loss for the year	-28,334	-9,968	-28,334	-10,243
Tax attributable to previous years	-281	261	-275	533
Deferred tax	10	-	-	-
Tax recorded in income statement	**-28,605**	**-9,707**	**-28,609**	**-9,710**
Recorded tax				
Profit/loss for the year before tax	143,909	99,337	143,874	85,476
Minus the profit/loss from investments recorded in accordance with the equity method	-2,279	-2,920	-	-
	141,630	**96,417**	**143,874**	**85,476**
Tax in accordance with current tax rate (20.6%)	-29,176	-19,862	-29,638	-17,608
Tax effect of non-taxable income	1,641	5,188	1,583	171
Tax effect of non-deductible expenses	-279	-644	-279	-52
Increase in tax loss carryforwards without corresponding capitalisation of deferred tax	-742	-2,072	-	-
Tax attributable to previous years*	-281	261	-275	533
Tax reduction, equipment	-	7,246	-	7,246
Utilisation of previously non-capitalised tax loss carryforwards	233	176	-	-
Total carrying amount	**-28,605**	**-9,707**	**-28,609**	**-9,710**
Effective tax rate	19.9%	9.8%	19.9%	11.4%

*Tax attributable to previous years is due to a tax reduction for purchases of inventory during 2021 not being accepted in full. SEK 186 million was requested as a basis for a tax reduction for purchases of inventory, and SEK 179 was accepted as a basis for a tax reduction for purchases of inventory. The tax effect of this was posted in 2023. Non-capitalised tax loss carryforwards of SEK 188 million remain in the Group, of which SEK 159 million are blocked as a deficit until 2027.

Notes (contd.)

NOTE 16. CHARGEABLE TREASURY BONDS, ETC.

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Chargeable treasury bonds, etc.				
Municipal bills	945,922	672,509	945,922	672,509
Treasury bills	474,635	89,026	474,635	89,026
Total	**1,420,556**	**761,535**	**1,420,556**	**761,535**

2023	GROUP	PARENT COMPANY
Specification of treasury bills and municipal bills		
Örebro Municipality, due date 26/01/2024. Nom. amount SEK 100,000,000	99,746	99,746
Örebro Municipality, due date 15/03/2024. Nom. amount SEK 100,000,000	99,202	99,202
City of Borås, due date 21/02/2024 Nom. amount SEK 50,000,000	49,729	49,729
Huddinge Municipality, due date 01/03/2024. Nom. amount SEK 100,000,000	99,358	99,358
Lund Municipality, due date 18/01/2024. Nom. amount SEK 100,000,000	99,834	99,834
Lund Municipality, due date 15/02/2024. Nom. amount SEK 100,000,000	99,524	99,524
Malmö Municipality, due date 19/02/2024. Nom. amount SEK 100,000,000	99,480	99,480
Norrköping Municipality, due date 02/02/2024. Nom. amount SEK 100,000,000	99,668	99,668
Sundsvall Municipality, due date 18/01/2024. Nom. amount SEK 100,000,000	99,834	99,834
Trelleborg Municipality, due date 13/02/2024. Nom. amount SEK 100,000,000	99,547	99,547
Germany RB Bill, due date 17/01/2024. Nom. amount EUR 3,000,000	33,288	33,288
Germany RB Bill, due date 17/01/2024. Nom. amount EUR 5,000,000	55,385	55,385
Germany RB Bill, due date 21/02/2024. Nom. amount EUR 5,000,000	55,189	55,189
Germany RB Bill, due date 21/02/2024. Nom. amount EUR 10,000,000	110,392	110,392
Germany RB Bill, due date 20/03/2024. Nom. amount EUR 5,000,000	55,035	55,035
Germany RB Bill, due date 20/03/2024. Nom. amount EUR 5,000,000	55,040	55,040
Netherlands RB Bill, due date 28/02/2024. Nom. amount EUR 10,000,000	110,306	110,306
Total	**1,420,556**	**1,420,556**

2022		
Specification of treasury bills and municipal bills		
Östersund Municipality, due date 17/02/2023. Nom. amount SEK 100,000,000	99,703	99,703
Norrköping Municipality, due date 20/01/2023. Nom. amount SEK 125,000,000	124,864	124,864
Norrköping Municipality, due date 10/03/2023. Nom. amount SEK 100,000,000	99,547	99,547
Norrköping Municipality, due date 17/03/2023. Nom. amount SEK 100,000,000	99,492	99,492
Government, due date 15/02/2023. Nom. amount SEK 100,000,000	99,737	99,737
Västerås Municipality, due date 23/03/2023. Nom. amount SEK 150,000,000	149,166	149,166
Germany RB 0% Bill, due date 22/03/2023. Nom. amount EUR 8,000,000	89,026	89,026
Total	**761,535**	**761,535**

Notes (contd.)

NOTE 17. LENDING TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Lending to credit institutions				
Swedish currency	198,755	434,193	187,754	419,534
Foreign currency	324,360	236,591	301,441	227,326
Total	**523,115**	**670,784**	**489,195**	**646,860**
Maturity information				
Blocked funds	11,157	2,505	11,069	2,505
Payable on request	511,957	668,279	478,126	644,355
Total lending to credit institutions	**523,115**	**670,784**	**489,195**	**646,860**

Notes (contd.)

NOTE 18. LENDING TO THE PUBLIC

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Companies	5,117,269	4,233,315	4,289,453	3,561,659
Private individuals	2,247,925	2,037,197	2,243,428	2,009,765
Total lending to the public, gross	**7,365,194**	**6,270,512**	**6,532,881**	**5,571,424**
Stage 1	7,117,870	6,089,837	6,306,626	5,403,669
Stage 2	203,783	149,067	188,481	141,239
Stage 3	32,485	22,648	26,718	17,557
*of which receivables in Stage 3 with no credit risk**	11,055	8,959	11,055	8,959
Total lending to the public, gross	**7,365,194**	**6,270,511**	**6,532,881**	**5,571,424**
Stage 1	-4,610	-4,006	-4,789	-1,325
Stage 2	-10,595	-967	-10,595	-111
Stage 3	-3,951	-15,715	-3,951	-13,577
Total expected credit losses in accordance with IFRS 9	**-19,156**	**-20,687**	**-19,335**	**-15,013**
Stage 1	5,677,352	4,807,393	4,666,966	4,087,802
Stage 2	174,246	148,247	158,944	140,419
Stage 3	13,502	9,793	7,735	4,702
*of which receivables in Stage 3 with no credit risk**	11,055	8,959	11,055	8,959
Total Partner business area	**5,876,156**	**4,974,393**	**4,844,701**	**4,241,882**

*For receivables in Stage 3 with no credit risk, deposits were made to cover the full exposure.

Notes (contd.)

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Stage 1	-1,652	-2,801	-1,652	-
Stage 2	-1,100	-856	-1,100	-
Stage 3	-	-2,138	-	-
Total provisions, Partner business area	**-2,752**	**-5,794**	**-2,752**	**-**
Stage 1	1,440,518	1,282,444	1,639,660	1,315,867
Stage 2	29,537	820	29,537	820
Stage 3	18,983	12,855	18,983	12,855
Total Corporate business area	**1,489,038**	**1,296,118**	**1,688,180**	**1,329,542**
Stage 1	-2,958	-1,205	-3,138	-1,325
Stage 2	-9,495	-111	-9,495	-111
Stage 3	-3,951	-13,577	-3,951	-13,577
Total provisions, Corporate business area	**-16,404**	**-14,893**	**-16,584**	**-15,013**
Stage 1	7,113,260	6,085,831	6,301,837	5,402,344
Stage 2	193,188	148,101	177,887	141,128
Stage 3	28,534	6,934	22,767	3,980
*- of which receivables in Stage 3 with no credit risk**	11,055	8,959	11,055	8,959
Total lending to the public, net	**7,346,038**	**6,249,824**	**6,513,546**	**5,556,410**

*For receivables in Stage 3 with no credit risk, deposits were made to cover the full exposure.

Notes (contd.)

Outcome according to IFRS 9

	GROUP				
	Opening balance*	Changed credit risk	New provisions	Loans concluded	Closing balance
2023					
Provisions for credit losses					
Receivables in stage 1	4,066	1,754	2,355	-3,565	4,610
Receivables in stage 2	952	879	9,686	-923	10,595
Receivables in stage 3	15,670	-83	186	-11,822	3,951
Total	**20,688**	**2,436**	**12,341**	**-16,310**	**19,156**
Confirmed credit losses					7,499
Changed credit risk					2,550
New provisions					12,227
Reversed provisions, loans concluded					-16,310
Recovered previously impaired receivables					-592
Of which provision not affecting profit					-
Recorded credit losses for the period					**5,375**
2022					
Provisions for credit losses					
Receivables in stage 1	19,720	-379	5,836	-21,111	4,066
Receivables in stage 2	7,446	1,104	435	-8,032	952
Receivables in stage 3	18,373	4,803	7,090	-14,597	15,670
Total	**45,539**	**5,529**	**13,361**	**-43,740**	**20,688**
Confirmed credit losses					38,294
Changed credit risk					5,529
New provisions					13,361
Reversed provisions, loans concluded					-43,740
Recovered previously impaired receivables					-1,166
Of which provision not affecting profit					12,277
Recorded credit losses for the period					**12,277**

*Opening provision for 2023 only contains provision affecting profit, while the closing provision for 2022 contains provision affecting profit and provision linked to Partner with KFF.

Notes (contd.)

Outcome, capital

	Opening balance	Changed credit risk	New loans	Loans concluded	Closing balance
2023					
Capital					
Receivables in stage 1	6,089,838	-513,255	4,870,262	-3,328,974	7,117,870
Receivables in stage 2	149,067	69,565	103,786	-118,636	203,783
Receivables in stage 3	31,607	10,233	23,542	-21,841	43,541
Total	**6,270,512**	**-433,457**	**4,997,590**	**-3,469,451**	**7,365,194**
2022					
Capital					
Receivables in stage 1	5,207,439	-58,423	4,188,461	-3,247,638	6,089,838
Receivables in stage 2	105,544	47,170	88,489	-92,136	149,067
Receivables in stage 3	31,291	11,805	12,673	-24,161	31,607
Total	**5,344,274**	**552**	**4,289,622**	**-3,363,936**	**6,270,512**

NOTE 19. INTANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Intangible assets				
Cost of acquisition	44,197	24,434	12,781	1,900
Accumulated depreciation	-24,549	-13,340	-2,890	-1,900
Total	**19,648**	**11,095**	**9,891**	**-**
Accumulated cost of acquisition				
Book value as of 1 January	31,077	21,430	1,900	1,900
Acquisitions	13,498	3,004	11,259	-
Impairments for the year	-378	-	-378	-
Book value as of 31 December	**44,197**	**24,434**	**12,781**	**1,900**
Accumulated depreciation				
Book value as of 1 January	-19,983	-9,736	-1,900	-1,900
Depreciation for the year	-4,585	-3,604	-1,009	-
Disposals and retirements	19	-	19	-
Book value as of 31 December	**-24,549**	**-13,340**	**-2,890**	**-1,900**
Carrying amount				
As of 31 December	**19,648**	**11,095**	**9,891**	**-**

Notes (contd.)

NOTE 20. PROPERTY, PLANT AND EQUIPMENT

	GROUP		PARENT COMPANY	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Office equipment				
Cost of acquisition	5,176	4,825	5,176	2,878
Accumulated depreciation	-1,827	-3,109	-1,827	-1,186
Total	**3,349**	**1,716**	**3,349**	**1,693**
Accumulated cost of acquisition				
Book value as of 1 January	4,825	3,817	2,878	1,870
New acquisitions	2,299	1,055	2,299	1,055
Disposals and retirements	-1,947	-47	-	-47
Book value as of 31 December	**5,176**	**4,825**	**5,176**	**2,878**
Accumulated depreciation				
Book value as of 1 January	-3,109	-2,683	-1,185	-851
Depreciation for the year	-658	-428	-642	-337
Disposals and retirements	1,939	2	-	2
Book value as of 31 December	-1,827	-3,109	-1,827	-1,186
Carrying amount				
As of 31 December	**3,349**	**1,716**	**3,349**	**1,693**

	GROUP		PARENT COMPANY	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Lease objects				
Cost of acquisition	-	-	1,212,221	876,814
Accumulated depreciation	-	-	-403,835	-191,569
Total	**-**	**-**	**808,386**	**685,245**
Accumulated cost of acquisition				
Book value as of 1 January	-	-	876,814	200,294
New acquisitions	-	-	413,547	688,801
Disposals and retirements	-	-	-78,141	-12,280
Book value as of 31 December	**-**	**-**	**1,212,221**	**876,814**
Accumulated depreciation				
Book value as of 1 January	-	-	-191,569	-21,521
Depreciation for the year	-	-	-249,451	-177,431
Disposals and retirements	-	-	37,185	7,383
Book value as of 31 December	**-**	**-**	**-403,835**	**-191,569**
Carrying amount				
As of 31 December	**-**	**-**	**808,386**	**685,245**

Notes (contd.)

NOTE 21. BONDS AND OTHER INTEREST-BEARING SECURITIES

	GROUP			
	31/12/2023		31/12/2022	
Bonds and other interest-bearing securities	Cost of acquisition	Fair value	Cost of acquisition	Fair value
Interest-bearing securities	2,228	2,292	2,377	2,355
Total	**2,228**	**2,292**	**2,377**	**2,355**
KLP Kort Stat P, Quantity 1,929.2975. Cost price NOK 1,010.16	1,924	1,980	2,051	2,054
SEB Short Bond D SEK. Quantity 33,718.8717. Cost price SEK 9.06	304	312	326	301
Total	**2,228**	**2,292**	**2,377**	**2,355**

NOTE 22. SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANY

	GROUP	
	31/12/2023	31/12/2022
Accumulated equity shares		
Book value as of 1 January	8,400	5,480
Participations in profit/loss of associated company	2,279	2,920
Book value as of 31 December	**10,679**	**8,400**

	PARENT COMPANY	
	31/12/2023	31/12/2022
Accumulated cost of acquisition		
Book value as of 1 January	5,480	5,480
Book value as of 31 December	**5,480**	**5,480**

Specification of values and participation owned in associated company

	Corp. ID no.	Reg. office	No. of shares	Equity share (%)	Book value (SEK thousands)	Participation in associated company's profit/loss (SEK thousands)	Participation in associated company's other comprehensive income (SEK thousands)
Directly/indirectly owned by the Parent Company on 31/12/2023							
Executor Finans AB	556376-1369	Varberg	4,800	48%	10,679	2,279	2,279
Total			**4,800**	**48%**	**10,679**	**2,279**	**2,279**
Directly/indirectly owned by the Parent Company on 31/12/2022							
Executor Finans AB	556376-1369	Varberg	4,800	48%	8,400	2,920	2,920
Total			**4,800**	**48%**	**8,400**	**2,920**	**2,920**

Notes (contd.)

NOTE 23. SHARES AND PARTICIPATIONS

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Shares and participations				
Opening book value	11,623	8,610	353	-
Acquisitions	-	353	-	353
Unrealised value changes	3,015	2,660	-	-
Divestments	-7,756	-	-	-
Translation difference	-222	-	-	-
Closing book value of shares and participations	**6,659**	**11,623**	**353**	**353**

Specification of values, Group

	Corp. ID no.	ISIN	Reg. office	No. of shares	Cost of acquisition	Carrying amount	Fair value
Holding as of 31 December 2023							
Visa Inc. Class A shares	-	US92826C839	San Francisco	0	-	-	-
Visa Inc. Class C shares	-	US92826C839	San Francisco	919	353	6,096	6,096
Qliro AB	556962-2441	SE0013719077	Stockholm	27,590	353	353	563
Total				**28,509**	**706**	**6,449**	**6,659**
Holding as of 31 December 2022							
Visa Inc. Class A shares	-	US92826C839	San Francisco	29	-	6,240	6,240
Visa Inc. Class C shares	-	US92826C839	San Francisco	919	-	5,030	5,030
Qliro AB	556962-2441	SE0013719077	Stockholm	27,590	353	353	353
Total				**28,538**	**353**	**11,623**	**11,623**

Specification of values, Parent Company

	Corp. ID no.	ISIN	Reg. office	No. of shares	Cost of acquisition	Carrying amount	Fair value
Holding as of 31 December 2023							
Qliro AB	556962-2441	SE0013719077	Stockholm	27,590	353	353	563
Total				**27,590**	**353**	**353**	**563**
Holding as of 31 December 2022							
Qliro AB	556962-2441	SE0013719077	Stockholm	27,590	353	353	353
Total				**27,590**	**353**	**353**	**353**

Notes (contd.)

NOTE 24. SHARES IN SUBSIDIARIES

	31/12/2023	31/12/2022
Shares in subsidiaries		
Opening cost of acquisition	6,275	3,275
Change during the year	-	3,000
Closing accumulated cost of acquisition	**6,275**	**6,275**
Closing book value of participations in subsidiaries	6,275	6,275

	Corp. ID no.	Reg. office	No. of shares	Equity share (%)	Cost of acquisition (SEK thousands)	Unconditional shareholder contribution (SEK thousands)	Carrying amount (SEK thousands)
Holding as of 31 December 2023							
Nordiska Financial Technology AB	559080-4570	Stockholm	50,000	100	50	3,000	3,050
NNAV Holding 1 AB	559329-7038	Stockholm	250	100	25	3,200	3,225
Nordiska Financial Partner Norway AS (indirect ownership via NNAV Holding 1 AB)	990,892,040	Oslo	19,224,646	99.4	-	-	-
Total			**19,274,896**		**75**	**6,200**	**6,275**

	Corp. ID no.	Reg. office	No. of shares	Equity share (%)	Cost of acquisition (SEK thousands)	Unconditional shareholder contribution (SEK thousands)	Carrying amount (SEK thousands)
Holding as of 31 December 2022							
Nordiska Financial Technology AB	559080-4570	Stockholm	50,000	100	50	3,000	3,050
NNAV Holding 1 AB	559329-7038	Stockholm	250	100	25	3,200	3,225
Nordiska Financial Partner Norway AS (indirect ownership via NNAV Holding 1 AB)	990,892,040	Oslo	19,224,646	99.4	-	-	-
Total			**19,274,896**		**75**	**6,200**	**6,275**

Nordiska Kreditmarknadsaktiebolaget (publ) is the Parent Company in the Group. The Group's business is run through establishments in Sweden and Norway, with the majority of business activities run in the Parent Company in Sweden. Business activities in Sweden are also carried out in the subsidiaries Nordiska Financial Technology AB, which carries out programming, and application and system development for the financial sector, NNAV Holding 1 AB, which owns and manages securities and associated business activities through the Swedish branch of Nordiska Financial Partner Norway AS, which provided credit facilities in the Swedish private client market, but whose portfolio was sold in 2023 to the Parent Company in the Group. Business activities are also carried in the form of lending to the public via partners in Norway through Nordiska Financial Partner Norway AS.

	Sweden	Norway
Average number of employees	69	3
Net sales	535,274	9,056
Profit/loss before tax	144,439	-2,616
Tax on profit/loss for the year	28,608	0

Notes (contd.)

NOTE 25. OTHER ASSETS

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Other assets				
Tax account	778,731	939,898	778,581	939,891
Tax assets	6,972	7,246	6,972	7,246
Deferred tax asset	169	178	-	-
Recourse receivables	41	214	41	214
Short-term lease receivables	-	-	59,163	49,964
Other assets	6,022	5,152	4	-
Total other assets	**791,934**	**952,687**	**844,760**	**997,314**

NOTE 26. PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Prepaid expenses and accrued income				
Prepaid expenses for premises	-	-	1,911	1,215
Prepaid deposit expenses	6,416	605	6,416	605
Prepaid system expenses	11,330	10,482	11,330	10,482
Accrued income, Group companies	-	-	948	-
Accrued interest income, Group companies	-	-	9,365	3,847
Other	2,073	13,460	1,581	7,425
Total prepaid expenses and accrued income	**19,819**	**24,547**	**31,550**	**23,574**

NOTE 27. DEPOSITS FROM THE PUBLIC

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Deposits from the public				
Accrued interest liability	22,209	4,616	22,209	4,616
Deposits from the public				
- in SEK	6,567,045	5,858,513	6,567,045	5,858,513
- in NOK	592	-	33,462	21,724
- in EUR	2,382,230	1,869,463	2,382,230	1,869,463
Total deposits from the public	**8,972,076**	**7,732,592**	**9,004,947**	**7,754,316**
Remaining maturity of no more than 3 months	6,876,299	6,997,765	6,909,170	7,019,488
Outstanding term of longer than 3 months but no more than 1 year	1,976,683	660,380	1,976,683	660,380
Longer than 1 year but no more than 5 years	119,094	74,447	119,094	74,447
Total deposits from the public	**8,972,076**	**7,732,592**	**9,004,947**	**7,754,316**

Notes (contd.)

NOTE 28. OTHER LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Other liabilities				
Trade and other payables	12,404	7,320	11,824	6,451
Withholding tax, employees	2,975	3,895	2,777	3,534
Tax liabilities	14,908	13,620	15,197	13,560
Funds in blocked accounts	206	1,506	206	1,506
Non-invested deposits	44,723	21,372	42,456	21,296
Deposits	21	682	21	682
Liabilities to Group companies	-	-	6,490	25,000
Credit loss reserve	264,111	198,790	233,893	179,220
Overpayment of loans	10,437	3,811	10,399	5,004
Advance payment of leases	9,060	12,794	9,060	12,794
Other liabilities	9,762	9,406	9,559	-1,593
Total other liabilities	**368,608**	**273,196**	**341,882**	**267,455**

NOTE 29. ACCRUED EXPENSES AND PREPAID INCOME

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Accrued expenses and prepaid income				
Accrued holiday pay	4,086	3,502	3,795	3,049
Accrued social security contributions for holiday pay	1,225	1,043	1,193	958
Prepaid interest income	14,104	16,637	14,104	16,637
Accrued intermediary expenses*	57,543	40,723	56,348	38,278
Other accrued expenses and prepaid income	9,140	11,977	7,438	10,840
Total accrued expenses and prepaid income	**86,098**	**73,882**	**82,878**	**69,762**

*Accrued intermediary expenses relate to expenses for intermediary activities attributable to the Partner business area.

NOTE 30. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Pledged assets and contingent liabilities				
Pledges and comparable collateral lodged for own liabilities and provisions	1,500	7,505	1,500	7,505
Total	**1,500**	**7,505**	**1,500**	**7,505**

Notes (contd.)

NOTE 31. CATEGORISATION OF FINANCIAL INSTRUMENTS

The table below illustrates the Group's assets and liabilities valued at accrued cost of acquisition and fair value as of 31 December 2023.

	GROUP					
	31/12/2023			31/12/2022		
	Accrued cost of acquisition	Fair value	Total carrying amount	Accrued cost of acquisition	Fair value	Total carrying amount
Chargeable treasury bonds, etc.	-	1,420,556	1,420,556	-	761,535	761,535
Lending to credit institutions	523,115	-	523,115	670,784	-	670,784
Lending to the public	7,346,038	-	7,346,038	6,249,824	-	6,249,824
Bonds and other interest-bearing securities	-	2,292	2,292	-	2,355	2,355
Derivative instruments	-	4,109	4,109	-	14,326	14,326
Shares and participations	-	6,449	6,449	-	11,623	11,623
Other assets	835,785	-	835,785	996,124	-	996,124
Total assets	**8,704,937**	**1,433,406**	**10,138,344**	**7,916,732**	**789,839**	**8,706,570**
Deposits from the public	8,972,076	-	8,972,076	7,732,592	-	7,732,592
Derivative instruments	-	1,658	1,658	-	1,844	1,844
Lease liability	23,329	-	23,329	5,796	-	5,796
Other liabilities	454,706	-	454,706	347,078	-	347,078
Total liabilities	**9,450,111**	**1,658**	**9,451,769**	**8,085,466**	**1,844**	**8,087,310**

The assets and liabilities valued at fair value 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.

	GROUP							
	31/12/2023				31/12/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Chargeable treasury bonds, etc.	474,635	945,922	-	1,420,556	80,026	672,509	-	761,535
Bonds and other interest-bearing securities	2,292	-	-	2,292	2,355	-	-	2,355
Derivative instruments	-	4,109	-	4,109	-	14,326	-	14,326
Shares and participations	6,449	-	-	6,449	11,623	-	-	11,623
Total assets	**483,376**	**950,031**	**-**	**1,433,406**	**103,004**	**686,835**	**-**	**789,839**
Derivative instruments	-	1,658	-	1,658	-	1,844	-	1,844
Total liabilities	**-**	**1,658**	**-**	**1,658**	**-**	**1,844**	**-**	**1,844**

Notes (contd.)

NOTE 32. RELATED PARTY TRANSACTIONS

Related parties are defined in Chapter 1, Section 4 of the Annual Accounts for Credit Institutions and Securities Companies Act (ÅRKL) (Chapter 1, Sections 8 and 9 of the Swedish Annual Accounts Act (ÅRL)) and IAS 24.

During the year, the Parent Company has lent funds and received interest on receivables from subsidiaries, associated companies, Group companies and companies that are related to the owner. The Parent Company has also used a software licence for Nordiska's technical platform via the subsidiary Nordiska Financial Technology AB.

Details of transactions with key individuals in a senior position are provided in Note 11. Participations in associated company are described in Note 21.

	GROUP		PARENT COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Receivables from related parties				
Subsidiary	-	-	81,255	106,917
Associated company	135,000	91,000	135,000	91,000
Group company	-	-	128,654	59,669
Company related to owner	35,325	37,250	35,416	37,250
Total	**170,325**	**128,250**	**380,326**	**294,836**
Liabilities to related parties				
Subsidiary	-	-	-7,000	-275
Group company	-	-	-32,910	-25,000
Total	**-**	**-**	**-39,910**	**-25,275**
Income from related parties				
Subsidiary	-	-	2,989	3,291
Associated company	6,216	2,837	6,216	2,837
Group company	-	-	6,130	2,542
Company related to owner	2,399	1,617	2,399	1,617
Total	**8,615**	**4,454**	**17,734**	**10,288**
Expenses in respect of related parties				
Subsidiary	-	-	-9,714	-3,260
Total	**-**	**-**	**-9,714**	**-3,260**

Notes (contd.)

NOTE 33. CAPITAL ADEQUACY

Capital adequacy analysis

Disclosures in this note are provided in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("the Prudential Requirements Regulation") and regulations that supplement the Prudential Requirements Regulation, the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) on annual accounts in credit institutions and securities companies, and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2014:12) on supervisory requirements and capital buffers. Other required disclosures are provided in a separate Pillar 3 report that is available on Nordiska's website, www.nordiska.se.

The new accounting standards, and amendments and new interpretations of existing standards that come into force as of 1 January 2024 or thereafter are not considered to have any material impact on the Group's accounts, capital adequacy or major exposures when they are applied for the first time.

Information about capital base and capital requirement

Calculation of the capital base and capital base requirement has been performed in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, the Swedish Act (2014:966) on Capital Buffers and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) on supervisory requirements and capital buffers. Outcome refers to calculation in accordance with the statutory minimum requirements for capital, known as Pillar 1, for credit risk, market risk, operational risk and CVA risk, capital requirements for a capital conservation buffer and a countercyclical capital buffer, and other capital base requirements (Pillar 2). The capital base requirement for credit risk is calculated according to the standardised method and represents 8 per cent of risk-weighted exposure. The capital base requirement for operational risk has been calculated using the alternative standardised method since 2023. The base method was used prior to this. The capital base requirement for exchange rate risk is calculated using the simplified standardised method. Capital adequacy requirements for CVA risk are calculated using the standardised method.

Nordiska Kreditmarknadsaktiebolaget (publ) and the consolidated situation are both classified in accordance with Article 433 of Regulation (EU) No 575/2013 of the European Parliament and of the Council as small and non-complex institutions. There are no current or expected material practical or legal obstacles to a rapid transfer of funds from the capital base or repayment liabilities between the Parent Company and subsidiary. Nordiska Kreditmarknadsaktiebolaget (publ) and the consolidated situation fulfilled the regulatory capital adequacy requirements with a margin throughout 2023.

Information about the consolidated situation

Nordiska Kreditmarknadsaktiebolaget (publ) (556760-6032) is the Parent Company in the consolidated situation. In addition to the Parent Company, the consolidated situation also includes NNAV Holding 1 AB and Nordiska Financial Partner Norway AS. Nordiska Financial Partner Norway AS has in turn a branch in Sweden and one in Estonia.

Notes (contd.)

Summary statement of capital base requirements and capital base (SEK million)

Information below about capital base and capital base requirements in accordance with FFFS 2014:12

	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 a of the Prudential Requirements Regulation (Pillar 1 requirements)	198,204	4.50	194,678	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)	43,704	0.99	43,109	1.00
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	187,445	4.26	183,489	4.24
Common Equity Tier 1 capital requirement in accordance with Pillar 2 guidance*	–	–	–	–
Total applicable Common Equity Tier 1 capital level	**429,352**	**9.75**	**421,276**	**9.74**
Internally assessed Common Equity Tier 1 capital requirement	**429,352**	**9.75**	**421,276**	**9.74**
Common Equity Tier 1 capital in accordance with part two of the Prudential Requirements Regulation	**586,967**	**13.33**	**573,390**	**13.25**
Tier 1 capital				
Tier 1 capital adequacy requirements in accordance with Article 92.1 b of the Prudential Requirements Regulation (Pillar 1 requirements)	264,271	6.00	259,571	6.00
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)	58,271	1.32	57,478	1.33
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	187,445	4.26	183,489	4.24
Tier 1 capital requirement in accordance with Pillar 2 guidance*	–	–	–	–
Total applicable Tier 1 capital level	**509,988**	**11.58**	**500,538**	**11.57**
Internally assessed Tier 1 capital requirement	**509,988**	**11.58**	**500,538**	**11.57**
Tier 1 capital in accordance with part two of the Prudential Requirements Regulation	**681,011**	**15.46**	**667,434**	**15.43**
Capital base				
Capital base requirements in accordance with Article 92.1 c of the Prudential Requirements Regulation (Pillar 1 requirements)	352,362	8.00	346,095	8.00
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)	77,695	1.76	76,638	1.77
Combined buffer requirement in accordance with Chapter 2, Section 2 of the Swedish Act (2014:966) on Capital Buffers	187,445	4.26	183,489	4.24
Capital base requirement in accordance with Pillar 2 guidance*	–	–	–	–
Total applicable capital base level	**617,502**	**14.02**	**606,222**	**14.01**
Internally assessed capital requirement	**617,502**	**14.02**	**606,222**	**14.01**
Capital base in accordance with part two of the Prudential Requirements Regulation	**714,820**	**16.23**	**701,243**	**16.21**

Notes (contd.)

	Amount	Proportion of total exposure (%)	Amount	Proportion of total exposure (%)
Capital base relating to leverage ratio				
Tier 1 capital adequacy requirement in accordance with Article 92.1 d of the Prudential Requirements Regulation	288,168	3.00	288,274	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	**288,168**	**3.00**	**288,274**	**3.00**
Tier 1 capital in accordance with part two of the Prudential Requirements Regulation	**681,011**	**7.09**	**667,434**	**6.95**

Notes (contd.)

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Capital base				
Capital instruments and associated share premium reserves: share capital	333,250	179,866	176,850	176,757
Non-distributed profits	144,822	234,144	286,560	227,663
Interim profit/loss net after deduction for foreseeable expenses and dividend that have been verified by persons in an independent position	110,980	83,510	112,065	72,566
Common Equity Tier 1 capital before legislative adjustments	**589,051**	**497,520**	**575,475**	**476,986**
Minus additional value adjustment	-1421	-762	-1,421	-762
Minus intangible assets	-664	-	-664	-
Minus deferred tax asset	-	-	-	-
Minus significant holdings in units in the financial sector	-	-	-	-
Reversal in accordance with transitional rules to IFRS 9	-	1,743	-	1,743
Total legislative adjustments of Common Equity Tier 1 capital	**-2,084**	**982**	**-2,084**	**982**
Common Equity Tier 1 capital	**586,967**	**498,502**	**573,390**	**477,968**
Tier 1 capital contribution	94,044	94,044	94,044	94,044
Tier 1 capital	**681,011**	**592,545**	**667,434**	**572,011**
Tier 2 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	**714,820**	**626,354**	**701,243**	**605,820**

	GROUP		PARENT COMPANY	
Risk-weighted exposure	**2023**	**2022**	**2023**	**2022**
Credit risk according to the standardised method**				
Exposures to national governments or central banks	-	-	-	-
Exposure to regional or local autonomous bodies and government agencies	-	-	-	-
Exposures to institutions	108,000	138,298	141,996	166,760
Exposures to companies	268,614	866,290	268,614	881,547
Exposures to households	3,093,963	2,167,031	3,017,424	2,098,495
Exposures secured through mortgages on property	513,737	713,524	513,737	713,524
Exposures in default	43,822	10,169	43,822	7,668
Share exposures	22,373	22,231	12,108	14,795
Others	53,278	13,556	30,568	11,571
Total risk-weighted exposure for credit risk	**4,103,786**	**3,931,099**	**4,028,269**	**3,894,360**
Risk-weighted exposure for market risk (exchange rate risk)	-	-	-	-
Risk-weighted exposure for operational risk***	**296,824**	**325,085**	**294,005**	**265,920**
Risk-weighted exposure for credit valuation adjustment risk (CVA)	**3,914**	**4,174**	**3,914**	**4,174**
TOTAL RISK-WEIGHTED EXPOSURE	**4,404,524**	**4,260,359**	**4,326,188**	**4,164,454**

Notes (contd.)

	GROUP		PARENT COMPANY	
	2023	**2022**	**2023**	**2022**
Risk-based capital adequacy requirement				
Credit risk according to the standardised method	328,303	314,488	322,261	311,549
Market risk (exchange rate risk)	-	-	-	-
Operational risk	23,746	26,007	23,520	21,274
Credit value adjustment risk (CVA)	313	334	313	334
Total capital adequacy requirements, Pillar 1	**352,362**	**340,829**	**346,095**	**333,156**
Special capital base requirements (Pillar 2 requirements)				
Concentration risk	42,919	40,995	41,859	40,943
Interest rate risk in the bank book	34,020	7,085	34,022	6,897
Credit spread risk	757	-	757	-
Total capital adequacy requirements, Pillar 2	**77,695**	**48,080**	**76,638**	**47,840**
Buffer requirement and Pillar 2 guidance				
Combined buffer requirement	187,453	145,494	183,489	141,494
of which: capital conservation buffer requirement	110,113	106,509	108,155	104,111
of which: countercyclical capital buffer requirement	77,340	38,985	75,334	37,383
Pillar 2 guidance*	-	-	-	-
Total buffer requirement and Pillar 2 guidance	**617,510**	**535,123**	**606,222**	**522,490**
Total capital adequacy requirement	**617,510**	**535,123**	**606,222**	**522,490**
Capital ratios and buffers				
Common Equity Tier 1 capital ratio (%)	13.33	11.70	13.25	11.48
Tier 1 capital ratio (%)	15.46	13.91	15.43	13.74
Total capital ratio (%)	16.23	14.70	16.21	14.55
Combined buffer requirement (%)	4.26	3.42	4.24	3.40
of which: capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50
of which: countercyclical capital buffer requirement (%)	1.76	0.92	1.74	0.90
Common Equity Tier 1 capital available for use as buffer (%)	8.83	7.20	8.75	6.98

*) As of 31/12/2023, Nordiska had not been notified of any risk-based Pillar 2 guidance or leverage ratio guidance from the Swedish Financial Supervisory Authority.

**) Additional information is available in the published Pillar III report at www.nordiska.se.

***) In 2023, Nordiska made the transition to the alternative standardised method to calculate capital adequacy requirement and risk-weighted exposure in respect of operational risk. Risk-weighted exposure and capital adequacy requirement in respect of operational risk for 2022 derive from the base method.

Notes (contd.)

	31 Dec 23	30 Sep 23	30 Jun 23	31 Mar 23	31 Dec 22
Net stable funding ratio					
Total stable funding available	8,780,319	7,810,294	7,606,456	7,156,503	7,335,038
Total stable funding requirement	6,292,319	5,757,394	5,461,222	5,384,327	5,568,612
Net stable funding ratio (%)	139.5	135.7	139.3	132.9	131.7
Liquidity coverage ratio (%)					
Total high-quality liquid assets (average weighted value)	1,422,709	1,024,013	1,165,636	864,103	763,871
Total net liquidity outflows (adjusted value)	205,398	188,194	185,369	204,980	205,333
Liquidity outflows – total weighted value	821,592	752,775	741,475	819,919	821,330
Liquidity inflows – total weighted value	1,026,248	1,004,351	793,913	1,021,619	1,294,050
Liquidity coverage ratio (%)	692.7	544.1	628.8	421.6	372.0

Notes (contd.)

NOTE 34. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	GROUP				
	On demand	Within one year	Between one and five years	More than five years	Total
2023					
Financial assets					
Chargeable treasury bonds, etc. (Note 16)	-	1,420,556	-	-	1,420,556
Bonds and other interest-bearing securities (Note 21)	2,292	-	-	-	2,292
Lending to credit institutions (Note 17)	511,957	9,657	1,500	-	523,115
Lending to the public (Note 18)	164,856	1,802,811	4,272,059	1,106,312	7,346,038
Right of use asset (Note 35)	-	4,578	19,104	-	23,682
Total	**679,105**	**3,237,603**	**4,292,663**	**1,106,312**	**9,315,683**
Financial liabilities					
Deposits from the public (Note 27)	6,148,338	2,704,644	119,094	-	8,972,076
Other liabilities (Note 28)	-	-	-	-	-
Trade and other payables	12,404	-	-	-	12,404
Funds in blocked accounts	-	206	-	-	206
Deposits	-	21	-	-	21
Lease liability (Note 35)	-	4,119	19,210	-	23,329
Total	**6,160,742**	**2,708,990**	**138,304**	**-**	**9,008,037**
2022					
Financial assets					
Chargeable treasury bonds, etc. (Note 16)	-	761,535	-	-	761,535
Bonds and other interest-bearing securities (Note 21)	2,355	-	-	-	2,355
Lending to credit institutions (Note 17)	669,779	1,005	-	-	670,784
Lending to the public (Note 18)	27,317	1,476,576	4,472,344	273,587	6,249,824
Right of use asset (Note 35)	-	6,237	-	-	6,237
Total	**699,451**	**2,245,353**	**4,472,344**	**273,587**	**7,690,735**
Financial liabilities					
Deposits from the public (Note 27)	6,997,726	660,419	74,447	-	7,732,592
Other liabilities (Note 28)	-	-	-	-	-
Trade and other payables	-	7,320	-	-	7,320
Funds in blocked accounts	-	1,506	-	-	1,506
Deposits	-	682	-	-	682
Lease liability (Note 35)	-	5,796	-	-	5,796
Total	**6,997,726**	**675,722**	**74,447**	**-**	**7,747,895**

Notes (contd.)

	PARENT COMPANY				
	On demand	Within one year	Between one and five years	More than five years	Total
2023					
Financial assets					
Chargeable treasury bonds, etc. (Note 16)	–	1,420,556	–	–	1,420,556
Bonds and other interest-bearing securities (Note 21)	–	–	–	–	–
Lending to credit institutions (Note 17)	478,126	9,569	1,500	–	489,195
Lending to the public (Note 18)	273,684	1,763,863	3,459,462	1,016,538	6,513,547
Right of use asset (Note 35)	–	–	–	–	–
Total	**751,810**	**3,193,988**	**3,460,962**	**1,016,538**	**8,423,298**
Financial liabilities					
Deposits from the public (Note 27)	6,180,616	2,704,644	119,094	–	9,004,354
Other liabilities (Note 28)	–	–	–	–	–
Trade and other payables	11,824	–	–	–	11,824
Funds in blocked accounts	–	206	–	–	206
Deposits	–	21	–	–	21
Lease liability (Note 35)	–	–	–	–	–
Total	**6,192,440**	**2,704,871**	**119,094**	**-**	**9,016,405**
2022					
Financial assets					
Chargeable treasury bonds, etc. (Note 16)	–	761,535	–	–	761,535
Bonds and other interest-bearing securities (Note 21)	–	–	–	–	–
Lending to credit institutions (Note 17)	644,355	1,005	–	1,500	646,860
Lending to the public (Note 18)	27,150	1,489,716	3,603,983	435,561	5,556,410
Right of use asset (Note 35)	–	–	–	–	–
Total	**671,505**	**2,252,257**	**3,603,983**	**437,061**	**6,964,805**
Financial liabilities					
Deposits from the public (Note 27)	7,019,450	660,419	74,447	–	7,754,316
Other liabilities (Note 28)	–	–	–	–	–
Trade and other payables	–	6,451	–	–	6,451
Funds in blocked accounts	–	1,506	–	–	1,506
Deposits	–	682	–	–	682
Lease liability (Note 35)	–	–	–	–	–
Total	**7,019,450**	**669,058**	**74,447**	**-**	**7,762,955**

Notes (contd.)

NOTE 35. LEASES

The Group's leased assets that are classified as right of use assets refer to office premises in Sweden and Norway. New acquisitions during the year consist primarily of a contract for the new head office in Stockholm in the Parent Company. Total cash flow for leases for the year totalled SEK -6,744 thousands (-6,079).

	GROUP	
	31/12/2023	31/12/2022
Right of use assets		
Opening cost of acquisition	20,051	18,578
New acquisitions	25,570	1,195
Remeasurements	1,601	277
Terminated agreements	-19,744	-
Translation difference	-24	-
Closing recorded cost of acquisition	**27,453**	**20,051**
Opening accumulated depreciation	-13,973	-9,700
Terminated agreements	15,899	-
Depreciation for the year	-5,379	-4,273
Translation difference	31	-
Closing accumulated depreciation	**-3,422**	**-13,973**
Closing carrying amount of right of use assets	**24,032**	**6,079**
Lease liabilities		
Opening lease liabilities	5,796	11,778
New acquisitions	24,662	-
Repayments during the year	-5,072	-5,792
Interest paid	-1,672	-287
Remeasurements	1,610	-190
Disposals and retirements	-3,668	-
Interest expenses for the year	1,672	287
Closing lease liabilities	**23,329**	**5,796**
See Note 34 for a maturity analysis of lease liabilities.		
Amounts recorded in income statement		
Amortisation and impairments of right of use assets	-5,379	-4,273
Interest expenses for lease liabilities	-1,672	-287
Expenses in respect of low-value leases	-145	-136
Total	**-7,196**	**-4,696**
Deferred tax on right of use assets and lease liabilities		
Deferred tax on right of use assets	-4,955	-1,193
Deferred tax on lease liabilities	5,125	1,352
Deferred tax asset (+) / liability (-)	**169**	**159**

Notes (contd.)

NOTE 36. PROPOSED APPROPRIATION OF PROFITS

	31/12/2023
The Annual General Meeting has at its disposal the following amount in SEK:	
Share premium reserve	150,565,413
Retained earnings	286,559,680
Profit/loss for the year	115,265,087
Total	**552,390,181**

	31/12/2023
The Board proposes that the profits be appropriated as follows:	
Dividend to preference shareholders, SEK 8 per share	3,200,000
Carried forward to the new accounts	549,190,181
of which to share premium reserve	*150,565,413*
Total	**552,390,181**

For further information, see also page 4 in the Statutory Administration Report.

Notes (contd.)

NOTE 37. DERIVATIVES

		GROUP			
		31/12/2023		31/12/2022	
	Currency	Fair value	Nominal value	Fair value	Nominal value
Hedging instruments					
Currency swaps	EUR	3,640	581,676	14,326	656,570
Currency swaps	USD	469	6,475	-	-
Total positive market values		**4,109**	**588,150**	**14,326**	**656,570**
Currency swaps	EUR	-	-	-205	120,237
Currency swaps	NOK	-1,515	35,889	-545	53,366
Currency swaps	DKK	-143	174,572	-1,016	43,850
Currency swaps	USD	-	-	-78	8,753
Total negative market values		**-1,658**	**210,461**	**-1,844**	**226,206**
Total		**2,451**	**798,611**	**12,482**	**882,776**

		PARENT COMPANY			
		31/12/2023		31/12/2022	
	Currency	Fair value	Nominal value	Fair value	Nominal value
Hedging instruments					
Currency swaps	EUR	3,395	576,992	14,326	656,570
Total positive market values		**3,395**	**576,992**	**14,326**	**656,570**
Currency swaps	EUR	-	-	-65	115,032
Currency swaps	NOK	-360	65,125	-545	53,366
Currency swaps	DKK	-143	174,572	-1,016	43,850
Total negative market values		**-503**	**239,697**	**-1,627**	**212,248**
Total		**2,892**	**816,689**	**12,699**	**868,818**

Derivatives refer to hedging of bank balances and receivables in EUR, NOK, DKK and USD. The change in market value is recorded via the income statement when it arises.

Notes (contd.)

NOTE 38. REMUNERATION TO AUDITORS

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
KPMG AB				
Audit assignment	4,862	3,037	2,613	1,745
Auditing work apart from the audit assignment	589	992	495	992
Tax advice	49	-	49	-
Other services	600	220	600	220
Total remuneration to auditors	**6,100**	**4,249**	**3,758**	**2,957**

Audit assignment refers to examination of the annual accounts and bookkeeping, as well as the administration of the Board of Directors and the CEO, other duties incumbent on the Company's auditors and miscellaneous advice. Auditing activities in addition to the audit assignment primarily involve a summary examination of interim reports, and other services relate primarily to services in connection with business combinations.

NOTE 39. CORRECTION OF PREVIOUS ERRORS

During 2023, the following corrections were made to previous errors in the Group and the Parent Company. The corrections did not affect the taxable profit.

The recording of associated companies was not performed correctly in the Parent Company and the Group. The equity method was applied in the Group, but the profit participation was incorrectly recorded directly in equity instead of via the income statement. In addition, the Parent Company incorrectly applied the equity method instead of recording participations in associated companies at cost of acquisition. The corrections have been applied retrospectively and affected the financial statements for the previous periods.

In 2023, a correction was made in the Parent Company and the Group in respect of the incorrect presentation in the balance sheet of liabilities to business partners. These had previously been presented in the balance sheet as a reduction in the carrying amount of lending to the public (SEK 73.9 million for 2022) or as accrued expenses and prepaid income (SEK 15.6 million for 2022). In 2023, these were instead presented as other liabilities in the balance sheet (SEK 89.5 million for 2022). These reclassifications only affect the balance sheet and have no effect on the income statement.

In addition, the Parent Company had in previous years incorrectly presented internal Group receivables as other assets in the balance sheet (SEK 166.4 for 2022). A correction was made in 2023 and the receivables are now presented instead as lending to the public. The changes have affected the financial statements for 2022 and 2023 in the following way:

Notes (contd.)

	GROUP					
	OB 2022			2022		
	Original amount	Amount of change	Correct amount	Original amount	Amount of change	Correct amount
Balance sheet						
Participations in associated company	5,480	0	5,480	8,167	233	8,400
Share premium reserve	160,845	0	160,845	230,664	-2,134	228,530
Other assets	3,283,700	0	3,283,700	952,134	553	952,687
Lending to the public	5,244,393	55,277	5,299,670	6,175,882	73,942	6,249,824
Other liabilities	181,938	55,277	237,215	183,658	89,538	273,196
Accrued expenses and prepaid income	67,873	0	67,873	89,476	-15,594	73,882
Income statement						
Participations in profit/loss of associated company	-	-	-	0	2,920	2,920
Cash flow statement						
Participations in associated company	-	-	-	-2,687	-233	-2,920
Lending to the public	-	-	-	-931,489	73,944	-857,545
Other liabilities	-	-	-	26,254	-73,944	-47,690

	PARENT COMPANY					
	OB 2022			2022		
	Original amount	Amount of change	Correct amount	Original amount	Amount of change	Correct amount
Balance sheet						
Participations in associated company	5,480	0	5,480	8,167	-2,687	5,480
Share premium reserve	82,645	0	82,645	152,464	-2,134	150,330
Other assets	3,376,322	-105,913	3,270,409	1,163,170	-165,856	997,314
Other liabilities	174,883	55,277	230,160	196,283	71,172	267,455
Lending to the public	4,886,807	161,190	5,047,997	5,318,828	237,582	5,556,410
Cash flow statement						
Participations in associated company	-	-	-	-2,687	2,687	0
Lending to the public	-	-	-	-432,021	-237,581	-669,602
Other assets	-	-	-	-105,695	166,409	60,714
Other liabilities	-	-	-	39,457	71,172	110,629

Notes (contd.)

NOTE 40. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

In 2024, Nordiska continued its growth strategy by acquiring all outstanding shares in Umeå Release Finans AB. This acquisition marks a significant milestone in Nordiska's efforts to expand its presence in the financing sector and strengthen its position in the market for small and medium-sized companies. The acquisition of Release Finans was completed on 5 March 2024, once Nordiska had received the necessary regulatory approval before the acquisition could be executed.

The purchase price for the acquisition totalled SEK 300 million, of which SEK 210.8 million comprises cash remuneration and SEK 89.2 million an issue in kind. The agreement does not contain a conditional purchase price. Acquisition-related expenses total SEK 4.1 million, which is recorded in the Group in the balance sheet.

As the acquisition took place after the balance sheet date, the acquisition made no contribution to the profit in 2023. If, however, the acquisition had taken place on 1 January 2023, Release Finans would have contributed income of SEK 968 million and a profit of SEK 53 million, not adjusted in accordance with IFRS.

The book value is the same as the fair value for all assets below, except Lending to the public, for which the book value is SEK 1,607 million. The goodwill that arises through the acquisition is attributable to the expected synergy effects that are expected to arise through the merger of business activities in Release Finans and Nordiska. The goodwill that arises is not expected to be tax-deductible.

Information about net assets acquired	**Amount (SEK thousands)**
Lending to the public	1,754,091
Lending to credit institutions	21,509
Intangible assets	22,353
Tangible assets	2,615
Other assets	25,839
Prepaid expenses and accrued income	10,510
Liabilities to credit institutions	-1,244,918
Other liabilities	-150,862
Accrued expenses and prepaid income	-10,013
Subordinated loan	-150,000
Fair value of net assets	**281,125**
Acquisition price	**300,000**
Goodwill	**18,875**

At the same time, during the same period, Nordiska managed to successfully issue subordinated Tier 2 notes at an amount of SEK 200 million. These notes have a maturity of ten years and three months, with the first redemption date after five years. The interest rate for the Tier 2 notes is variable and is based on 3-month STIBOR plus 825 basis points per year. The issue of the Tier 2 notes was oversubscribed, which means that Fort Knox Förvaring AB's previous commitment of SEK 150 million was not fully utilised.

Nordiska entered into an agreement to acquire Rocker AB on 26 March 2024. Completion is expected to take place in May or early June 2024, on the condition that all conditions for completion are met. Rocker and Nordiska offer financial products based on proprietary technological platforms, which through this transaction will now have the opportunity to be linked up, to the benefit of better customer experiences and a broader range of services.

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 Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) (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, 23 April 2024

Lars Weigl
Chairman of the Board

Mikael Gellbäck
CEO/Board member

Per Berglund
Board member

Christer Cragnell
Board member

Patrik Carlstedt
Board member

Our Audit Report was submitted on 23 April 2024.

KPMG AB

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 2023, except for the corporate governance report on pages 6–8 and the sustainability report on pages 8–12. The Company's annual accounts and consolidated accounts are included on pages 4–80 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 2023 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 2023 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 6–8 and the sustainability report on pages 8–12. 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 statement of comprehensive income and the balance sheet for 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 Responsibilities. 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.

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.

Reservation for credit losses

See Notes 13 and 18 and the accounting policies on pages 27–28 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 6,514 million (5,556) as of 31 December 2023, corresponding to 64.3% (63.9) of the Company's total assets. The Company's reserves for credit losses in the loan portfolio total SEK 19 million (15).

Audit Report (contd.)

The corresponding amount for the Group is SEK 7,346 million (6,250) in lending to the public, which corresponds to 72.2% (71.7) of the Group's total assets. The Group's reserves total SEK 19.2 million (20.7).

Reserves for credit losses in the Company's and the Group's loan portfolio correspond to management's best estimate of potential losses arising in the loan portfolio as of the balance sheet date.

HOW THE MATTER WAS CONSIDERED IN THE AUDIT

We reviewed the principles applied with reference to IFRS 9 in order to assess whether the Company's and the Group's interpretations of these are reasonable. We also tested the Company's and the Group's 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 the circumstances presented in the disclosures in the annual accounts and whether the information is sufficiently comprehensive 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 accounts; this is on pages 8–12. 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.

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:

Audit Report (contd.)

- 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 2023 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 The 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.

Audit Report (contd.)

This means that we focus the examination on such actions, areas and relationships that are material for the operation 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 6–8 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 recommendation 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.

The auditor's opinion concerning the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 8–12 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 recommendation RevR 12 The auditor's examination of the statutory sustainability report. This means that our examination of the sustainability 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 sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm was appointed as Nordiska Kreditmarknadsaktiebolaget (publ)'s auditor at the shareholders' general meeting held on 26 June 2023. KPMG AB, or auditors working at KPMG AB, has/have been the Company's auditor since 2021.

Stockholm, 23 April 2024

KPMG AB

Dan Beitner

Authorised Public Accountant

nordiska.

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