



Interim financial statement Q1 - 2022

Nordea Finance Equipment AS
Unaudited figures

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Report of the Board of Directors as of March 31, 2022

In the first three months of 2022, Nordea Finance Equipment AS has:

- established new financing to clients for MNOK 4 291 (MNOK 3 451 for the same period in 2021).
- net banking income of MNOK 400,0 (MNOK 375,2).
- total loan losses/ reversals of MNOK 46,4 or 0,48 % of average funded assets (MNOK -29,9 or 0,-31%).
- total comprehensive income of MNOK 248,2 (MNOK 146,5).
- total assets of MNOK 40 356 (MNOK 39 326).
- capital adequacy ratio of 24,5 % (23,2 %) for tier 1 capital and 26,3% (25,2 %) for total capital.

Business activities

The situation in Ukraine together with the ongoing pandemic creates uncertainty. The future direct and indirect impact on the Norwegian economy and the company's operations is uncertain. We observe that Investment is rebounding from pre covid but with longer delivery times. Financial markets are also impacted. Access to liquidity is still good but prices are coming up as spreads are increasing.

For the first three months in 2022 the new financing in Scandinavia is higher compared to 2021 as we have observed increased activity since April 2021. In the three months, Nordea Finance Equipment AS has established new financing in Scandinavia of MNOK 4 291 compared to MNOK 3 451 for the same period in 2021. This is an increase of 24,3 %. Margins for new financing are lower higher compared to the same period last year.

In equipment finance, we maintain our position as market leader in Norway. In Norway the activity and volumes after three months ends at MNOK 2 692 which is higher compared to MNOK 1 738 at the end of the first quarter of 2021. In Sweden new financing volumes decrease compared to last year from MNOK 954 to MNOK 816. In Denmark we observe a stable volumes compared to last year and Q1 ending at MNOK 782.

Total assets at end of first quarter 2022 are MNOK 40 356 which is 2,6 % higher than MNOK 39 326 at end of March 2021. A part of this increase is driven by the strengthening of NOK against SEK and DKK as approximately one third of our portfolio is in these currencies.

The company managing director Carsten Thorne decided to leave Nordea Finance Equipment at the end of March. Sjur Loen has been appointed as the new managing director for the company from 01 April 2022.

308 people were employed in Nordea Finance Equipment AS at the end of the first quarter. This is a decrease in staff of 7 since year end 2021. Turn-over in the period ends at 2,2% compared to 1,4% in the same period last year. We consider the level of turnover acceptable.

Financial Results

Nordea Finance Equipment AS has Net Banking Income of MNOK 400,0 in the first three months of 2022 compared to MNOK 375,2 in the same period in 2021. Net Interest Income after three months ends at MNOK 313,5 which is higher compared to MNOK 301,0 at end of first quarter of 2021. Net fees, income on other activity and net gains on financial instruments at fair value have increased with 16,6 % to MNOK

86,6 compared with MNOK 74,2 in the same period last year. The main driver for this increase is higher gains from repossessed assets as well as higher net commission and fee income.

Operating expenses amount to MNOK 144,6 in the period ending March 31, 2022, compared to MNOK 154,6 in the same period in 2021. This represents a decrease of MNOK 11,2 or 6,5%. The decrease in operating expenses is mainly due to the reduction in staff cost which is decreasing with 16%.

Total Cost of Risk year to date amounts to MNOK 46,4 compared to MNOK -29,1 in the same period last year. This represents 0,48% of average outstanding loans in the period, which is an decrease compared to -0,31% last year. Total write-down for impairment represents 1,1% of outstanding loans at end of the quarter compared to 1,4% at end of first quarter last year.

The operating profit is MNOK 301,9 in the first three months of 2022, compared to MNOK 190,7 in the first three months of last year. The main drivers for the MNOK 111,2 increase in operating profit is related to the positive situation on loan losses in the first quarter 2022.

Nordea Finance Equipment AS produces a net result after tax of MNOK 236,5 for the period from January 1 to March 31, 2022. This compares to a net result after tax of MNOK 148,5 in the same period last year.

Risk management and Capital adequacy

The regulatory capital as of March 31 is MNOK 7 858,7. The regulatory capital consists of MNOK 7 308,7 tier one capital, and MNOK 550,0 tier two capital.

The basis for the calculation of capital requirements and capital adequacy at the end of first quarter was MNOK 29 891,9, with credit risk weighted assets of MNOK 26 980,0, and a capital requirement for operational risk corresponding to risk weighted assets of MNOK 2911,9.

The capital adequacy at end of March 2021 was 26,3 %. Tier 1 capital ratio was 24,5 %. At end of March 2022, the countercyclical buffer requirements in and Denmark and Sweden is 0% ,in Norway 1%. The other capital buffer requirements are constant in the period and the total capital buffer requirement above the prudential minimum capital levels is 6,02% compared to 5,91% at end of first quarter 2021. The additional prudential pillar 2 requirement is increased from 1,5% to 1,7%. The capital coverage is thus satisfactory compared to regulatory minimum requirements and the company's internal requirements and guidelines for solidity and capital adequacy. As part of the company's capital management procedures, stress testing of all relevant risks is performed and the change in the capital requirement under various stress scenarios evaluated. The capital adequacy is considered satisfactory also considering the results of the performed stress tests.

Oslo, May 9, 2022

Ari Kaperi

Chairman

Peter Hupfeld

Vice chairman

Ulrik Modigh

Eric Magnus Jacobson

Mariann H. Gulbrandsen

Ellen Pløger

Sjur Loen

CEO

INTERIM FINANCIAL STATEMENT

INCOME STATEMENT

<i>(in NOK thousand)</i>	<i>Notes</i>	YTD Q1, 2022	YTD Q1, 2021	FY, 2021
Total interest income	4	385 724	347 351	1 424 419
Total interest expenses	4	-72 237	-46 398	-190 108
Fee and commission income	5	86 117	82 173	301 833
Fee and commission expense	5	-56 061	-54 903	-185 603
Net gains and losses on financial instruments	6	-1 453	856	1 115
Other operating income	5	57 954	46 101	196 413
Net banking income		400 044	375 179	1 548 069
Staff costs	7	-95 951	-114 173	-390 810
Other expenses	7	-48 595	-40 451	-233 369
Gross operating income		255 499	220 555	923 889
Net loan losses	11	46 351	-29 903	-16 162
Operating income		301 850	190 652	907 728
Income tax expense	15	-65 335	-42 136	-318 515
Profit for the period		236 514	148 516	589 213

Other comprehensive income

Items that could be reclassified:

Exchange differences on translation of foreign operations		-2 482	-2 646	-3 925
Taxes		546	582	864

Items that cannot be reclassified:

Actuarial gains and losses		17 471		25 219
Taxes		-3 844		-5 548

Attributable to:

Equity holder of the parent		248 205	146 452	605 822
Total comprehensive income of the period		248 205	146 452	605 822

BALANCE SHEET - ASSETS & LIABILITIES

<i>(in NOK thousand)</i>	<i>Notes</i>	Q1, 2022	Q1, 2021	FY, 2021
Cash and balances with central banks		9	9	9
Hedging derivative assets	6,21,22	40 077	811	14 265
Loans to credit institutions	8	598 819	641 436	927 801
Loans to the public	9,10,11,12,13	39 489 290	38 326 713	39 325 086
Fair value changes		-12 808	26 340	14 559
Reposessed assets		8 811	15 287	8 965
Deferred tax assets	15	71 941	0	129 149
Tangible and intangible fixed assets		54 849	127 449	61 602
Other assets		104 779	187 813	100 267
Total		40 355 767	39 325 857	40 581 703
Financial liabilities at fair value through profit and loss	6,21	0	0	0
Hedging derivative liabilities	6,21	34 193	167 465	75 468
Deposits by credit institutions	16,18	30 575 927	30 340 039	30 841 653
Deposits and borrowings from the public		215 069	277 802	231 516
Other liabilities		1 331 057	949 992	951 302
Retirement benefit liabilities	19	60 079	98 798	76 611
Deferred tax liabilities	15	3 844	11 467	0
Current tax liabilities	15	0	52 374	517 787
Subordinated liabilities	17	550 224	550 121	550 197
Total liabilities		32 770 394	32 448 058	33 244 535
Share capital		945 436	945 436	945 436
Share premium account		240 639	240 639	240 639
Retained earnings		6 399 298	5 691 724	6 151 093
Total equity		7 585 373	6 877 799	7 337 168
Total		40 355 767	39 325 857	40 581 703

Lysaker, May 9th, 2022

Ari Kaperi
Chairman

Peter Hupfeld
Vice chairman

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Mariann H. Gulbrandsen

Ellen Pløgger

Sjur Loen
CEO

STATEMENT OF CHANGES IN EQUITY

<i>in NOK thousand</i>	Share capital	Share premium	Retained earnings	Translation differences	Actuarial gains and losses	Total
Equity 01.01.21	945 436	240 639	5 572 906	-1 039	-26 595	6 731 347
Profit for the period			148 516			148 516
Other comprehensive income				-2 064	0	-2 064
Dividends						0
Total equity 31.03.2021	945 436	240 639	5 721 422	-3 103	-26 595	6 877 799
Equity 01.01.22	945 436	240 639	6 162 120	-4 101	-6 924	7 337 168
Profit for the period			236 514			236 514
Other comprehensive income				-1 936	13 627	11 691
Dividends						0
Total equity 31.03.2022	945 436	240 639	6 398 634	-6 037	6 703	7 585 373

CASH FLOW STATEMENT

Amounts in NOK thousand

	2022	2021
Operations		
Interest income	344 289	332 746
Interest expenses	-72 237	-46 398
Other receipts	100 871	68 655
Operating expenses	-134 872	-143 204
Receipts on previous losses	5 424	7 006
Paid taxes	-11 765	47 978
Net cash flow from operations	231 710	266 783
New investments leasing	-4 030 427	-2 963 026
Proceeds from sale of leasing assets	770 303	788 089
Decrease in loans (net)	3 149 086	4 776 950
Decrease (increase) in other receivables	58 917	501 248
Decrease (increase) in advance payments	-4 512	-41 493
Net cash flow from current financial activity	-56 633	3 061 768
Decrease (increase) in tangible assets	17 672	-7 477
Net cash flow from investment activity	17 672	-7 477
Increase (decrease) in deposits from customers	-16 447	51 294
Payment of dividends	0	0
Increase (decrease) subordinated debt	0	0
Increase (decrease) in loans from credit institutions	-207 886	-3 403 101
Increase (decrease) in debt	-270 786	-228 404
Increase (decrease) accrued costs	-24 535	-4 725
Currency exchange without cash effect	-1 936	-2 063
Net cash flow from long term financial activity	-521 590	-3 096 725
Net cash flow	-328 841	224 349
Cash at the 1st of January	927 120	416 336
Cash at end of period	598 279	640 686
Reconciliation cash at end of period		
Cash and balances with central banks	9	9
Deposits with credit institutions	598 269	640 677
Cash at end of period	598 279	640 686

NOTES

1. ACCOUNTING PRINCIPLES

Nordea Finance Equipment AS is a Scandinavian finance company and its business is carried out through a broad, Scandinavian distribution network with 15 regional and sales offices in Norway, 4 offices in Sweden and 2 in Denmark. Nordea Finance Equipment AS forms part of Nordea Bank Abp, a group listed on the stock exchange with head office in Helsinki, Finland. The Group consolidated financial statement is prepared by Nordea Bank, and is available on www.nordea.com.

The company is a limited company incorporated and domiciled in Norway. Its registered office is in Essendrops gate 7, Oslo.

The interim financial statements for the period ended March 31st 2022, were authorised for issue by the Board of Directors on May 9th, 2022.

Nordea Finance Equipment AS's activities are neither seasonal nor cyclical in nature, its period results were not affected by any seasonal or cyclical factors.

The interim financial statements for Nordea Finance Equipment AS for the 3 month period ending March 31st 2022, are prepared and presented in accordance with the revised IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with the financial statement as at 31 December 2021.

IFRS, IFRIC interpretation and amendments applied by Nordea Finance Equipment AS as at January 1st, 2022

The following amended standards issued by the International Accounting Standards Board (IASB) were implemented by Nordea Finance Equipment on 1 January 2022, but have not had any significant impact on Nordea Finance Equipment's financial statements.

Accounting standards, amendments or interpretation	Adoption date by the European Union	
	Union	Effective date
Amendments to IFRS 3 Business Combinations	25.10.2018	01.01.2022
Amendments to IAS 16 Property, Plant and Equipment	14.10.2020	01.01.2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	14.05.2020	01.01.2022

Accounting standards, Amendments or interpretation to be applied in the future

Not all of the accounting standards and interpretations published by the IASB (International Accounting Standards Board) have been adopted by the European Union at March 31, 2021. These accounting standards and interpretations are required to be applied from annual periods beginning on January 1, 2022 at the earliest or on the date of their adoption by the European Union. Accordingly, they were not applied by Nordea Finance Equipment AS as of March 2021.

Accounting standards, Amendments or interpretation adopted by the European Union on March 31, 2022.

No new standards

Accounting standards, amendments or interpretations not yet adopted by the European Union on March 31, 2022

Accounting standards, amendments or interpretations	Adoption date by the IASB	
	the IASB	Effective date
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies	01.02.2021	01.01.2023
Amendments to IAS 8 - Definition of Accounting Estimates	01.02.2021	01.01.2023

2. IMPORTANT ACCOUNTING ESTIMATES AND DISCRETIONARY EVALUATION

The preparation of interim financial statements in conformity with generally accepted accounting principles requires that occasionally management must make estimates and assumptions. Estimates and discretionary evaluations are regularly assessed and are based on historic experience and other factors, including the expectations of future events that are considered to be probable under the current circumstances.

The company prepares estimates and makes presumptions and assumptions connected to the future. The accounting estimates that are based on this will seldom be entirely in accordance with the final outcome. Some accounting principles are considered to be especially important to enlighten the company's financial position because they require the management to make difficult or subjective assessments and determine estimates that are, for the most part, uncertain at the time the estimates are made. The key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

No changes in significant accounting policies in 2022.

4. NET INTEREST INCOME

<i>(in NOK thousand)</i>	2022	2021
Interest income from financial institutions, valued at amortised cost	3 357	2 759
Interest income from customers financial leases and loans, valued at amortised cost	380 527	343 371
Interest income financial instruments	1 839	1 222
Total interest income	385 724	347 351
Interest expenses to financial institutions, valued at amortised cost	-66 177	-39 020
Interest expenses on deposits and debt to customers, valued at amortised cost	-229	-467
Interest expenses financial instruments	-169	-1 898
Interest expenses on subordinated liabilities	-4 468	-3 790
Other interest expenses	-1 194	-1 224
Total interest expenses	-72 237	-46 398
Net interest income	313 487	300 953

5. NET FEES AND INCOME ON OTHER ACTIVITY

<i>(in NOK thousand)</i>	2022	2021
Fee and commission income from loans and similar to customers	86 117	82 173
Fee and Commission income	86 117	82 173
Fee and commission expenses from loans and similar to customers	-52 717	-51 215
Other fee and commission expense	-3 343	-3 688
Fee and Commission expense	-56 061	-54 903
Net commission and fee income	30 056	27 270
Gains and losses repossessed assets	16 642	2 938
Termination gain and loss	31 820	33 468
Income from extension of leasing contracts	9 472	9 357
Other income	20	337
Total income other activity	57 954	46 101

6. NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>(in NOK thousand)</i>	2022	2021
Net gains on financial derivatives, trading	1 493	628
Change in fair value on financial derivatives, hedging	24 577	17 538
Change in fair value on hedged fixed interest loans	-27 409	-17 847
Net change in value and gains on foreign currency	-113	537
Net gains and losses on financial instruments	-1 453	856

7. OPERATING EXPENSES

<i>(in NOK thousand)</i>	2022	2021
Payroll	-69 540	-73 652
Pensions	-8 497	-10 059
Social security costs	-10 966	-14 240
Other staff cost	-6 949	-16 222
Staff costs	-95 951	-114 173
Rent and other office costs	-2 913	-2 445
Fees and temporary staff	-23 412	-22 934
Travel and marketing	-2 051	-1 265
Other operating costs	-2 936	-4 103
Intragroup services	-9 378	0
Depreciation and gain/loss	-7 905	-9 703
Other expenses	-48 595	-40 451
Total operating expenses	-144 546	-154 624

8. LOANS TO CREDIT INSTITUTIONS

(in NOK thousand)

	2022	2021
Deposits with credit institutions	598 269	640 677
Loans to credit institutions	550	759
Due from banks before impairment	598 819	641 436
Impairment of individually impaired loans	0	0
Revaluation of hedged item	0	0
Loans to credit institutions	598 819	641 436

9. LOANS TO THE PUBLIC

(in NOK thousand)

	2022	2021
Equipment loans	5 118 476	4 776 452
Factoring receivables	238 398	303 184
Factoring loans	1 705 354	1 510 356
Financial lease agreements	32 860 865	32 280 816
Loans to the public before impairment	39 923 094	38 870 808
Impairment of individually impaired loans	-433 804	-544 095
Loans to the public	39 489 290	38 326 713

10. ALLOWANCES RECOGNISED AND CUSTOMER LOANS

(in NOK thousand)

				2022
	Stage 1	Stage 2	Stage 3	Total
Allowances on loans as of 01.01	-134 269	-67 273	-291 080	-492 622
Allowances on new loans	-21 154	-2 904	-493	-24 551
Movement from S1 to S2	6 924	-17 807	0	-10 884
Movement from S1 to S3	269	0	-6 770	-6 501
Movement from S2 to S3	0	3 752	-22 136	-18 383
Movement from S3 to S2	0	-1 601	20 487	18 886
Movement from S3 to S1	-177	0	2 801	2 625
Movement from S2 to S1	-3 094	12 816	0	9 723
Loans terminated	1 204	1 026	5 216	7 447
Change within stage	37 711	12 326	30 420	80 457
Allowances on loans at end of period	-112 586	-59 665	-261 553	-433 804
Customer loans before impairment	36 349 808	2 979 760	593 526	39 923 094

(in NOK thousand)

				2021
	Stage 1	Stage 2	Stage 3	Total
Allowances on loans as of 01.01	-95 778	-72 873	-366 305	-534 956
Allowances on new loans	-16 242	-992	-1 806	-19 039
Movement from S1 to S2	5 945	-16 569	0	-10 624
Movement from S1 to S3	643	0	-23 562	-22 919
Movement from S2 to S3	0	3 313	-30 715	-27 402
Movement from S3 to S2	0	-1 180	22 869	21 690
Movement from S3 to S1	-91	0	1 315	1 223
Movement from S2 to S1	-2 982	9 898	0	6 917
Loans terminated	1 257	496	3 006	4 759
Change within stage	-7 588	-1 231	45 075	36 256
Allowances on loans at end of period	-114 835	-79 137	-350 122	-544 095
Customer loans before impairment	34 111 811	3 900 524	858 473	38 870 808

11. LOSSES AND ALLOWANCES RECOGNISED IN PROFIT AND LOSS

(in NOK thousand)

	2022	2021
Losses on loans		
Write-downs for loan losses at end of period	-433 804	-544 095
Exchange rate adjustments (opening balance)	-31 058	-18 389
Write-downs for loan losses as at 01.01	492 622	534 956
Total actual losses	13 167	-9 381
Income on actual losses	5 424	7 006
Net loan losses	46 351	-29 903

12. LEASING (FINANCIAL LEASING ASSETS)

(in NOK thousand)

	2022	2021
Purchase cost 01.01	62 031 965	61 443 990
Exchange rate difference	-717 650	-998 059
Inflow during the year	4 030 427	2 963 026
Outflow during the year	-3 114 317	-2 965 959
Purchase cost at end of period	62 230 425	60 442 999
Accumulated ordinary depreciation 01.01	26 652 700	25 403 661
Exchange rate difference	-287 369	-384 600
Ordinary depreciation during the year	2 688 190	2 642 830
Reversed depreciation sold assets	-2 392 572	-2 221 015
Accumulated depreciation at end of period	26 660 949	25 440 877
Book value leasing assets at end of period	35 569 475	35 002 122
Customer receivable	-2 690 876	-2 686 536
Other accruals	-17 734	-34 770
Book value in the balance sheet at end of period	32 860 865	32 280 816

Customer receivables are ordinary leasing receivables and advancement on leasing rent. Up front fees constitute other accruals.

Overview of future minimum finance lease rental:

Within 1 year	8 428 692	8 233 134
1 to 5 years	26 690 857	26 071 589
Future minimum finance lease rental	35 119 549	34 304 723
Average interest	3,30 %	3,01 %
Present value of minimum lease payments	32 482 938	31 606 712
Unearned finance income	2 258 683	2 023 907

13. RISK CLASSIFICATION

(in NOK thousand)

Days outstanding status	2022	
	Net loans to customers	Whereof past due, non-doubtful
Not past due	38 073 290	
1-29	1 138 289	1 086 347
30-59	69 502	59 547
60-89	140 108	125 747
90-179	39 508	8 873
> 180	12 643	6 159
> 1 year	15 950	3 770
Total	39 489 290	1 290 445

(in NOK thousand)

Days outstanding status	2021	
	Net loans to customers	Whereof past due, non-doubtful
Not past due	37 147 291	
1-29	886 994	821 949
30-59	206 023	175 236
60-89	31 409	16 434
90-179	32 188	14 002
> 180	12 565	6 620
> 1 year	10 241	477
Total	38 326 713	1 034 719

Credit exposure:

(in NOK thousand)

	2022	2021
Net loans to customers	39 489 290	38 326 713
Positive market value derivatives	40 077	811
Guarantee liabilities and loan commitments	2 995 223	1 783 395
Total credit exposure	42 524 590	40 110 919

14. DOUBTFUL LOANS

<i>(in NOK thousand)</i>	2022	2021
Gross doubtful loans	593 526	858 473
- Write-downs on impaired assets	-261 553	-350 103
Net doubtful loans	331 974	508 370

15. INCOME TAX

The company calculates the tax payable based on an estimated effective tax rate. For 2021 the effective tax rate was 34,48 % at year end and the expected effective tax rate for 2021 was 22,0 %. For 2022 this is expected to be 22,0 %. Deferred tax assets are for interim based on an estimate for the year. The estimate is prepared based on previous years' development in the leasing portfolio, adjusted for year acquisitions and disposals. Expected changes in the deferred tax is recognised with 22,0 % for the period ending 31 March 2022. The main contributor to the fluctuation in effective tax rate is exchange rate effects from the portfolio.

<i>(in NOK thousand)</i>	2022	2021
Current income tax expense	0	-52 374
Gross deferred tax expense	-65 335	10 238
Income tax expense for the period	-65 335	-42 136

16. DEPOSITS BY CREDIT INSTITUTIONS

<i>(in NOK thousand)</i>	2022	2021
Demand deposits and current accounts	0	89 593
Term deposits borrowings	30 539 931	30 230 583
Related payables	35 996	19 863
Revaluation of hedged item due to banks	0	0
Total	30 575 927	30 340 039

17. SUBORDINATED LIABILITIES

<i>(in NOK thousand)</i>	2022	2021
Subordinated liabilities	550 000	550 000
Subordinated liabilities related payables	224	121
Total	550 224	550 121

18. INFORMATION ON RELATED PARTIES

<i>(in NOK thousand)</i>	2022	2021
<i>Assets/interest income</i>		
Loans to Group companies	550	759
Revaluation of hedged item	0	0
Interest income from group companies	0	0
Other assets	4 579	6 308
<i>Liability/interest expense</i>		
Loans from Group companies	25 273 378	23 528 527
Related payables Group companies	30 095	14 572
Revaluation of hedged item due to banks	0	0
Other liabilities	0	0
Interest expenses to group companies	-54 171	-28 494
Subordinated liabilities	550 000	550 000
Interest expenses on subordinated liabilities	-4 468	-3 790

Funding is primarily provided by the parent company Nordea Bank Abp, on the basis of a framework agreement and limits. All transactions are made on market terms.

19. EMPLOYEE BENEFITS

For the period ending 31 March 2022, it is not obtained a new actuary estimate. It is therefore not presented any effect of actuarial gains and losses in other comprehensive income. The company considers the possible effect of actuarial gains and losses as immaterial for the assessment of the financial position for the 3-month period ending 31 March 2022.

20. CAPITAL ADEQUACY

(in NOK thousand)

	2022	2021
Common Equity Tier 1 capital		
Share capital	945 436	945 436
Share premium account	240 639	240 639
Other equity	6 162 784	5 543 208
Independently reviewed interim profits net of any foreseeable charge and dividend	0	0
Common Equity Tier 1 capital before regulatory adjustment	7 348 859	6 729 283
<i>Common equity Tier 1 capital: Regulatory adjustment</i>		
Deferred tax assets		
Intangible assets (net of related tax liability)	-12 893	-12 875
Value adjustments due to the requirements for prudent valuation	-23	-53
Negative amounts resulting from the calculation of expected loss	-27 295	-7 930
Total regulatory adjustments to Common Equity Tier 1	-40 210	-20 858
Common Equity Tier 1 capital	7 308 649	6 708 425
Additional Tier 1 capital	0	0
Tier 1 capital	7 308 649	6 708 425
<i>Tier 2 capital: instrument and provision</i>		
Subordinated debt	550 000	550 000
Tier 2 capital before regulatory adjustment	550 000	550 000
Tier 2 capital: regulatory adjustment	0	0
Total regulatory adjustment to Tier 2 capital	0	0
Tier 2 capital	550 000	550 000
Total capital	7 858 649	7 258 425
<i>Calculation basis</i>		
<i>Standardised method</i>		
Local and regional authorities (including municipalities)	344 955	170 786
Institutions	130 885	133 436
Corporate	9 513 353	8 009 333
Other	123 959	227 766
Engagements in default	145 242	178 914
Total Credit risk, standardised method	10 258 395	8 720 235
<i>IRB method</i>		
Corporate - small and medium sized businesses	12 555 923	11 980 472
Corporate - other	4 165 674	5 337 904
Total Credit risk, IRB method	16 721 597	17 318 376
Credit risk weighted assets	26 979 992	26 038 611
Operational risk, basic indicator approach	2 911 940	2 822 333
Additional requirement according to Basel II floor	0	0
Total calculation basis	29 891 932	28 860 944
<i>Capital ratios and buffers</i>		
Common Equity Tier 1	24,45 %	23,24 %
Tier 1	24,45 %	23,24 %
Total capital	26,29 %	25,15 %
Capital requirement including institution specific buffers	10,52 %	10,41 %
...of which: capital conservation buffer	2,50 %	2,50 %
...of which: countercyclical buffer	0,64 %	0,62 %
...of which: systemic risk buffer	2,88 %	2,79 %
...of which: systemically important institution buffer	0,00 %	0,00 %
Common Equity Tier 1 above minimum capital requirements and capital buffers	13,93 %	12,84 %
Tier 1 capital above minimum capital requirements and capital buffers	12,43 %	11,34 %
Total capital above minimum capital requirements and capital buffers	12,27 %	11,24 %
<i>Capital ratios and buffers, nominal amounts</i>		
Institution specific buffer requirement	3 144 631	3 003 501
...of which: capital conservation buffer	747 298	747 298
...of which: countercyclical buffer	191 308	184 373

...of which: systemic risk buffer	860 888	833 985
...of which: systemically important institution buffer	0	0
Common Equity Tier 1 above minimum capital requirements and capital buffers	4 164 018	3 837 274
Tier 1 capital above minimum capital requirements and capital buffers	3 715 639	3 388 895
Total capital above minimum capital requirements and capital buffers	3 667 800	3 244 792
Amount below the thresholds for deductions		
Deferred tax assets arising from temporary differences	71 941	0
Pillar 2 requirement		
Additional core capital buffer requirement ratio	1,70 %	1,5 %
Additional core capital buffer requirement	508 163	432 914
Leverage ratio		
Total Leverage Ratio exposure	41 129 428	41 129 428
Leverage Ratio	17,77 %	16,3 %

Nordea Finance Equipment AS has been validated to calculate capital requirements and capital adequacy according to Advanced Internal Rating Based Approach for the major portfolios. The capital adequacy calculations are consequently based on Nordea Finance Equipment AS internal parameters a.o. for PD ("Probability of Default"), LGD ("Loss given Default"), M ("Maturity") for these portfolios. In the framework of the change of ownership, Nordea Group and Nordea Finance Equipment AS have sent an application package to ECB for continued use of the IRB models for capital purposes. ECB has approved continue use.

The capital requirement for Operational Risk is calculated according to the Basic Indicator / Standard Approach for operational risk. The entity does not take Market Risk positions, and the capital requirement for market risk is nil.

21. METHOD FOR CALCULATION OF FAIR VALUE OF FINANCIAL INSTRUMENTS

Regarding financial instruments recorded at fair value, see description in note 1 Accounting Principles, in the financial statements for 2021.

Lending (loans and financial leasing) to and receivables on customers:

The pricing of lending (loans and financial leasing) is based on market prices. Stipulated prices include additions to cover credit risk. The value of impaired engagements is determined by discounting expected future cash flows. We therefore assess that the recorded value is a fair estimate of fair value for loans and receivables valued at amortised cost.

Loans from financial institutions and deposits from customers:

Fair value is determined to be equal recorded value for loans from financial institutions and deposits from customers valued at amortised cost.

Nordea Finance Equipment AS uses the following hierarchy related to determining and disclosing the fair value of financial instruments:

- 1) Quoted (unadjusted) prices in active markets for identical assets or liabilities (level 1)
- 2) Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (level 2)
- 3) Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (level 3)

<i>(in NOK thousand)</i>	2022	2021
Financial assets - Level 2		
Hedging derivative assets	40 077	811
Revaluation differences	-12 808	26 340
Total assets	27 269	27 151
<i>(in NOK thousand)</i>		
Financial liabilities - Level 2		
Financial liabilities at fair value through profit and loss	0	0
Hedging derivative liabilities	34 193	167 465
Total liabilities	34 193	167 465

Nordea Finance Equipment AS does not have any financial instruments classified in level 1 or 3.

22. OFFSETTING

The company has established CSA agreements (collateral security agreement) with its main counterparts. The agreements involve a mutual commitment to provide collateral for derivatives trading between the parties.

<i>(in NOK thousand)</i>	2022	2021
Financial derivatives -assets		
Gross amount	40 077	811
Amounts that are offset	0	0
Net amount in financial position	40 077	811
Financial instruments on balance sheet	-34 193	-167 465
Cash collateral in the balance sheet	0	0
Net position	5 884	-166 654

<i>(in NOK thousand)</i>	2022	2021
Financial derivatives -liabilities		
Gross amount	34 193	167 465
Amounts that are offset	0	0
Net amount in financial position	34 193	167 465
Financial instruments on balance sheet	-34 193	-167 465
Cash collateral in the balance sheet	0	0
Net position	0	0

Nordea Finance Equipment AS has set-off rights for leasing agreements where customers also have entered into factoring arrangements with the company.

23. CONTINGENCIES

Nordea Finance Equipment AS had no major legal disputes pending at the end of the reporting period.

24. ASSETS PLEDGED AND RECEIVED AS SECURITY

Nordea Finance Equipment AS has no assets pledged as security.

25. EVENTS AFTER THE REPORTING PERIOD

The company is at the date of issue, 9 May 2022, not familiar with matters that are likely to change the assessment of the financial position as at 31 March 2022.

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