

# Nordea

## Interim Report 2<sup>nd</sup> quarter 2021

Nordea Direct Bank



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Nordea Direct Bank ASA is part of the Nordea Group. Nordea build strong and close relationships through our engagement with customers and society. Whenever people strive to reach their goals and realise their dreams, we are there to provide relevant financial solutions. We are one of the largest banks in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation with around 10 million customers. The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges.

Read more about us on [Nordea.com](https://www.nordea.com).

# Key financial figures

## Summary of income statement

NOKt	Jan-Jun 2021	Jan-Jun 2020	Year 2020
Net interest income	357,905	333,161	724,630
Net commission income and other operating income	34,371	-39,043	-43,938
<b>Total income</b>	<b>392,276</b>	<b>294,118</b>	<b>680,693</b>
Staff costs	48,245	52,524	101,396
Other expenses	103,236	92,253	196,121
<b>Total operating expenses</b>	<b>151,481</b>	<b>144,777</b>	<b>297,517</b>
Loan losses (negative figures are reversals)	6,519	149,707	86,810
<b>Operating profit</b>	<b>234,276</b>	<b>-367</b>	<b>296,365</b>
Income tax expense	58,569	-91	75,328
<b>Net profit for the period</b>	<b>175,707</b>	<b>-276</b>	<b>221,037</b>

## Summary of balance sheet

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
Loans to the public (gross)	51,388,466	47,696,120	50,708,573
Allowance for loan losses	-170,548	-509,695	-169,591
Deposits and borrowings from the public	14,316,185	15,900,413	14,391,542
Total assets	57,022,426	54,377,041	56,003,342
Equity	4,351,851	4,113,545	4,179,280
Assets under management		319,416	

## Ratios and key figures

		Jan-Jun 2021	Jan-Jun 2020	Year 2020
Net interest margin, annualised	%	1.28	1.33	1.36
Loss rate	%	0.03	0.68	0.18
Non-performing loans in % of gross lending <sup>1</sup>	%	0.38	1.43	0.19
Return on equity, annualised	%	8.30	-0.44	5.53
Deposit-to-loan ratio at the end of the period	%	26.9	33.3	28.4
Capital adequacy ratio <sup>2</sup>	%	19.3	19.5	20.2
Tier 1 capital ratio <sup>2</sup>	%	18.9	18.6	19.2
Common equity Tier 1 capital ratio <sup>2</sup>	%	18.2	17.3	18.6
Cost/income ratio	%	38.6	49.2	43.7
Liquidity Coverage Ratio	%	537	459	409
Average total assets	NOKt	56,401,000	50,332,232	53,235,728
Number of employees	Number	98	118	108
Total deposit above NOK 2 million	NOK billion	1.91	2.66	2.04

<sup>1</sup> Gross default over 90 days

<sup>2</sup> The profit for the period is not included in the calculation for the quarters, with the exception of fourth quarter

For more detailed information regarding ratios and key figures defined as Alternative performance measures, see [www.nordea.com/en/investor-relations/](http://www.nordea.com/en/investor-relations/).

# Nordea Direct Bank ASA

## Introduction

(Previous year comparable figures for the company are shown in brackets)

Nordea Direct Bank ASA is a wholly owned subsidiary of Nordea Bank Abp. The bank was established in 2007 and has administrative offices in Oslo and Førde.

The merger between Nordea Direct Bank ASA and Nordea Bank Abp is ongoing and the target completion date is to be determined. Completion is subject to regulatory approval.

## Income statement

Operating profit was NOK 234.3m (negative NOK 0.4m). The increase was a result of improved gains from financial instruments, one time bookings on the total Income, as well as improved write-down and losses.

Total income amounted to NOK 392.3m (NOK 294.1m).

Net interest income amounted to NOK 357.9m (NOK 333.2m). The improvement was driven by portfolio growth.

Net commission income and other income amounted to NOK 34.4m (negative NOK 39.0m). The increase was primarily driven by gains on financial instruments and a one-time booking related to a portfolio of pre-paid cards. The one-time booking relates to the closing of pre-paid cards issued by Gjensidige Bank ASA (now Nordea Direct Bank ASA) for a third party. The pre-paid cards have expired already before the acquisition of Gjensidige Bank ASA by Nordea Bank Abp and the board decided to write-off the balance of these cards, in close dialogue with the third party and after taking all necessary steps to pay out customer dues.

Net interest margin<sup>1</sup> was 1.28% (1.33%). The change in the portfolio composition led to a decrease in the rate.

Operating expenses were NOK 151.5m (NOK 144.8m).

The cost/income ratio was 38.6% (49.2%), a result of improved total Income.

Total write-downs and losses amounted to NOK 6.5m (NOK 149.7m). Three main factors contributed to the decrease: the sale of an unsecured lending portfolio at the end of 2020, tightening of credit rules during 2020 as well as improved economic outlook.

The development of the collective loan loss allowance is correlated with the development of the economic outlook. During the second quarter of 2021, the economic outlook improved, indicating a release of the allowance. Covid-19 still creates an uncertain environment and can have unexpected effects. In addition, a set of new models for calculating the collective loan loss allowance is under development. Considering the early stage, the effect they will have on the collective loan loss allowance was still unknown. With these two arguments in mind, the bank passed on a management judgement that mitigated the positive impact of the release. The bank also partially released the management judgement build in the second quarter of 2020. The release was related to forbearance, which was not included in the model for collective loan loss allowance at that time. During 2021, the model was updated to take forbearance into consideration and therefore the management judgement was released.

Write-downs and losses were 0.03% (0.68%) of average gross lending. The decrease was driven by lower write-downs and losses following the delinquent portfolio sale, tightened credit rules and the economic outlook, as well as the change in the portfolio composition.

Gross lending in default over 90 days decreased to NOK 190.8m (NOK 681.5m). As a result, gross loans in default over 90 days were 0.38% (1.43%) of total gross lending.

The weighted average loan-to-value ratio<sup>2</sup> was estimated to be 61.5% (61.1%) for the mortgage portfolio.

## Lending and deposits growth

Gross lending increased by 7.7% and amounted to NOK 51,388.5m (NOK 47,696.1m) as of 30 June 2021. The growth was due to the bank entering an agreement with The Confederation of Unions for Professionals (UNIO), the second biggest labour

union in Norway, during 2020. The favourable situation on the property market also contributed to the development. During the second quarter, the bank sold all the lending contracts with its agriculture customers and also transferred most of the outstanding relationships with these customers. Deposits decreased by 10.0%, reaching NOK 14,316.2m (NOK 15,900.4m).

### Capital position

As of 30 June 2021, the Nordea Direct Bank Group had a capital adequacy ratio of 19.3% (19.5%). The total capital held by the bank was NOK 4,269.6m (NOK 4,295.8m), of which NOK 4,024.7m (NOK 3,800.9m) was common equity Tier 1 capital. The common equity Tier 1 capital ratio was 18.2% (17.3%).

### Rating

Nordea Direct Bank ASA and its subsidiary Nordea Direct Boligkreditt AS had a long-term and short-term counterparty credit rating of AA-/A-1+. The covered bonds portfolio issued by Nordea Direct Boligkreditt AS had a long-term rating of AAA.

Nordea Direct Boligkreditt AS will hold the amount of over-collateralisation required to maintain the current rating for Nordea Direct Boligkreditt AS's covered bond program.

### Debt securities issued

Net issues of debt securities, including subordinated loan capital, amounted to NOK 17,362.1m (NOK 22,948.1m) as of 30 June 2021. The total face value of the securities issued by the bank was NOK 17,246.5m.

Repayments through ordinary maturity and buy back of bonds from investors were NOK 3,711.0m in the period.

### Liquidity

As of 30 June 2021, Nordea Direct Bank Group had net liquid assets of NOK 5,521.0m, divided between NOK 1,023.7m in bank deposits and NOK 4,497.3m in

debt securities. Nordea Direct Bank Group had no longer any investments in the covered bonds issued by Nordea Direct Boligkreditt AS. The net liquid assets were at an adequate level that covers the bond debt that is due in the next 10 months.

### Key risk and uncertainty factors

The bank's financial risk mainly comprises credit, liquidity and interest rate risk. The risk is reported on a monthly basis and assessed in accordance with the principles, strategies and risk thresholds defined by the Board.

Credit risk represents the risk of losses arising as a result of customers and other counterparties failing to repay their debts when they fall due. The bank uses risk classification models to calculate the risk associated with its exposure to customers. The lending performance is monitored closely and is considered to be satisfactory.

Liquidity risk is the risk that the bank will be unable to meet all its financial obligations when they fall due or be unable to fund its lending activities. The bank established a legal framework that allows it to attract liquidity from the external market. Moreover, in order to reduce the risk, liquidity forecasts are continuously updated and reviewed. The bank's current liquidity reserve gives it time to implement necessary measures in a situation of an acute liquidity freeze.

Interest rate risk refers to the risk of losses as a result of changes in the interest rate level. Risk limits, given certain changes in interest rate level, are set to control and manage the interest rate risk. In the management of this risk both assets and liabilities (borrowing) are incorporated. Derivatives are used for hedging purposes.

<sup>1</sup> The net interest margin is calculated as net interest income as a percentage of average total assets, annualised.

<sup>2</sup> The loan-to-value ratio estimate is calculated on the basis of the exposure on the reporting date and the property valuation, including any higher priority pledge(s), at the time the loan was approved.

### Covid-19 Measures

After the outbreak of Covid-19 during the first quarter of 2020, the bank has taken steps to ensure continuity of its operations. There were no major disruptions in the services towards customers. The staff was able to work remotely to a great extent and the vendors were able to provide services according to agreements in place. In order to meet the needs of the customers in these unusual times, the bank granted up to 6-month interest only payments to a limited number of customers and decreased lending rates on its portfolio. It also tightened criteria for granting loans to customer groups assumed to be particularly exposed in case of an economic downturn. These measures were in line with the Norwegian banking market.

Norges Bank offered extraordinary F-loans in order to provide liquidity to the banking system in the context of the Covid-19 situation. On April 16th 2020, Nordea Direct Bank ASA was granted a F-loan amounting to NOK 500.0m and a maturity of 12 months. The loan was repaid in full during the second quarter of 2021.

While there are reasons for optimism going forward, the bank will continue to monitor the overall economic situation for any unexpected developments that could have negative impact on its operations.

### Events after the balance sheet date

No significant events have occurred after the end of the quarter.

### Nordea Direct Bank ASA

Oslo, 22 July 2021



Randi Marjamaa

Chairman



Sjur Loen

Board member



Marte Kopperstad

Board member



Mona Eek-Jensen

Board member



Per Kumle

Board member



Hans-Jacob Starheim

Employee representative



Krister G. Aanesen

Chief Executive Officer

# Income statement

## Nordea Direct Bank Group

NOKt	Note	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Year 2020
Interest income etc, amortised cost		264,711	301,909	546,789	684,394	1,256,686
Interest income etc, fair value		4,523	16,741	10,202	38,891	53,016
Interest costs etc.		97,116	168,853	199,086	390,124	585,072
<b>Net interest income</b>		<b>172,118</b>	<b>149,797</b>	<b>357,905</b>	<b>333,161</b>	<b>724,630</b>
Dividends from investments in shares and funds		101		133		5,379
Fee and commission income		7,979	8,272	15,104	17,806	34,027
Fee and commission expense		11,177	11,535	22,644	23,219	60,198
Net gains on financial instruments at fair value		2,777	21,268	10,232	-33,942	-24,211
Other operating income		2,931	322	31,546	311	1,065
<b>Net commission income and other operating income</b>		<b>2,611</b>	<b>18,327</b>	<b>34,371</b>	<b>-39,043</b>	<b>-43,938</b>
<b>Total income</b>		<b>174,729</b>	<b>168,124</b>	<b>392,276</b>	<b>294,118</b>	<b>680,693</b>
Staff costs		21,992	19,384	48,245	52,524	101,396
Depreciation		2,670	3,992	5,808	8,197	15,690
Other operating expenses		47,090	43,057	97,428	84,056	180,431
<b>Total operating expenses</b>		<b>71,752</b>	<b>66,432</b>	<b>151,481</b>	<b>144,777</b>	<b>297,517</b>
<b>Profit / (loss) before loan losses</b>		<b>102,977</b>	<b>101,692</b>	<b>240,795</b>	<b>149,340</b>	<b>383,175</b>
Loan losses	4	(6,557)	107,243	6,519	149,707	86,810
<b>Operating profit</b>		<b>109,533</b>	<b>-5,552</b>	<b>234,276</b>	<b>-367</b>	<b>296,365</b>
Income tax expense		27,383	-6,393	58,569	-91	75,328
<b>Net profit for the period</b>		<b>82,150</b>	<b>841</b>	<b>175,707</b>	<b>-276</b>	<b>221,037</b>
Basic/diluted earnings per share, NOK		93.8	1.0	200.6	-0.3	252.3

# Statement of comprehensive income

## Nordea Direct Bank Group

NOKt	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Year 2020
<b>Net profit for the period</b>	<b>82,150</b>	<b>841</b>	<b>175,707</b>	<b>-276</b>	<b>221,037</b>
<b>Components of other comprehensive income</b>					
<b>Items that are not reclassified subsequently to profit or loss</b>					
Actuarial gains/ (loss) on pensions					-3,253
Tax on items that are not reclassified to profit or loss					813
<b>Items that may be reclassified subsequently to profit or loss</b>					
Tax on items that may be reclassified to profit or loss					
<b>Total components of other comprehensive income</b>					<b>-2,440</b>
<b>Total comprehensive income for the period</b>	<b>82,150</b>	<b>841</b>	<b>175,707</b>	<b>-276</b>	<b>218,598</b>

# Balance sheet

## Nordea Direct Bank Group

NOKt	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Assets</b>				
Cash and balances with central banks		64,356	67,600	58,553
Loans to credit institutions	6	959,358	1,528,334	350,899
Loans to the public	2,4	51,217,918	47,186,425	50,538,982
Interest-bearing securities	8	4,497,325	5,059,737	4,679,830
Derivatives	8	108,594	273,319	199,324
Shares (and other securities with variable yield)		9,745	16,949	10,620
Intangible assets		7,081	19,589	12,629
Deferred tax assets		20,789	26,192	20,090
Fixed assets		1,133	1,814	1,393
Other assets		-3,893	-417	1,586
Advance payments and accrued income		140,020	197,500	129,436
<b>Total assets</b>		<b>57,022,426</b>	<b>54,377,041</b>	<b>56,003,342</b>
<b>Liabilities and equity</b>				
Liabilities to credit institutions	6	20,537,000	10,806,000	15,831,000
Deposits and borrowings from the public	2	14,316,185	15,900,413	14,391,542
Debt securities in issue	3,6,8	17,262,142	22,748,134	20,959,345
Derivatives	8	18,934	44,235	32,029
Current tax liabilities		58,569	11,587	79,050
Other liabilities		170,736	270,960	156,149
Accrued expenses and prepaid income		176,106	254,423	144,066
Retirement benefit obligations		30,925	27,815	30,925
Subordinated loan capital	3	99,977	199,929	199,956
<b>Total liabilities</b>		<b>52,670,575</b>	<b>50,263,496</b>	<b>51,824,063</b>
<b>Equity</b>				
Share capital		667,512	667,512	667,512
Share premium reserve		1,814,374	1,814,374	1,814,374
Perpetual Tier 1 capital	9	144,906	294,919	144,884
Other paid-in equity		2,647	2,647	2,647
Retained earnings		1,546,706	1,334,368	1,549,862
Net profit for the period		175,707	-276	
<b>Total equity</b>		<b>4,351,851</b>	<b>4,113,545</b>	<b>4,179,280</b>
<b>Total liabilities and equity</b>		<b>57,022,426</b>	<b>54,377,041</b>	<b>56,003,342</b>

# Statement of changes in equity

## Nordea Direct Bank Group

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2021</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,884</b>	<b>2,647</b>	<b>1,549,862</b>	<b>4,179,280</b>
Net profit for the period			2,117		173,590	175,707
Other comprehensive income, net of tax						
<b>Total comprehensive income</b>			<b>2,117</b>		<b>173,590</b>	<b>175,707</b>
Capital expansion						
Share-based payment transactions settled in equity					-1,040	-1,040
AT1 capital						
Paid interest on AT 1 capital			-2,096			-2,096
<b>Balance at 30 Jun 2021</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,906</b>	<b>2,647</b>	<b>1,722,413</b>	<b>4,351,851</b>

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2020</b>	<b>666,020</b>	<b>1,115,866</b>	<b>445,441</b>	<b>2,647</b>	<b>1,342,153</b>	<b>3,572,127</b>
Net profit for the period			9,372		211,666	221,037
Other comprehensive income, net of tax					-2,440	-2,440
<b>Total comprehensive income</b>			<b>9,372</b>		<b>209,226</b>	<b>218,598</b>
Capital expansion	1,492	698,508				700,000
Share-based payment transactions settled in equity					-1,517	-1,517
AT1 capital			-298,200			
Paid interest on AT 1 capital			-11,728			-11,728
<b>Balance at 31 Dec 2020</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,884</b>	<b>2,647</b>	<b>1,549,862</b>	<b>4,179,280</b>

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2020</b>	<b>666,020</b>	<b>1,115,866</b>	<b>445,441</b>	<b>2,647</b>	<b>1,342,153</b>	<b>3,572,127</b>
<b>Net profit for the period</b>			7,785		-8,061	-276
Other comprehensive income, net of tax						
<b>Total comprehensive income</b>			<b>7,785</b>		<b>-8,061</b>	<b>-276</b>
Capital expansion	1,492	698,508				700,000
Share-based payment transactions settled in equity						
AT1 capital			-149,700			-149,700
Paid interest on AT 1 capital			-8,607			-8,607
<b>Balance at 30 Jun 2020</b>	<b>667,512</b>	<b>1,814,374</b>	<b>294,919</b>	<b>2,647</b>	<b>1,334,092</b>	<b>4,113,545</b>

Number of shares at end of period 876,000



# Cash flow statement

## Nordea Direct Bank Group

NOKt	Jan-Jun 2021	Jan-Jun 2020	Year 2020
<b>Operating activities</b>			
Net payment of loans to customers	-811,971	-4,509,278	-7,696,541
Net payment of deposits by customers	-75,357	-1,406,110	-2,914,981
Payment of interest from customers	684,482	674,811	1,257,788
Payment of interest to customers	-9,264	-24,593	-146,116
Net payment of interest from credit institutions etc.	-91,273	-94,883	-101,585
Taxes paid	-79,050	-71,030	-71,030
Net other commission income	24,025	-5,031	-24,869
Payment to operations	-147,296	-264,384	-398,897
Net received/paid (-) upon purchase and sale of financial instruments and interest-bearing securities	219,603	59,136	542,297
<b>Net cash flow from operating activities</b>	<b>-286,101</b>	<b>-5,641,362</b>	<b>-9,553,933</b>
<b>Investment activities</b>			
Net purchase of intangible assets and fixed assets		-1,597	-1,709
Net receipts/payments from sale/acquisition of loans to the public	2,608		359,472
<b>Net cash flow from investment activities</b>	<b>2,608</b>	<b>-1,597</b>	<b>357,762</b>
<b>Financing activities</b>			
Net receipts/payments on deposits from credit institutions	4,706,000	7,850,000	12,875,000
Receipts of interest-bearing securities			
Payment of interest-bearing securities	-3,711,000	-2,187,000	-3,903,000
Interest payments on interest-bearing securities	6,875	378,922	-260,805
Receipts of subordinated debt	-99,979	-99,957	-99,931
Interest payments on subordinated debt	-2,046	-4,998	-7,256
Repayment additional Tier 1 capital			-298,200
Paid interest on Additional Tier 1 capital	-2,096	-8,607	-10,717
Capital increases		700,000	700,000
<b>Cash flow from financing activities</b>	<b>897,755</b>	<b>6,628,360</b>	<b>8,995,090</b>
<b>Cash flow for the period</b>	<b>614,261</b>	<b>985,401</b>	<b>-201,080</b>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents at 1 January	409,452	610,533	610,533
Cash and cash equivalents at end of the period	1,023,714	1,595,934	409,452
<b>Change</b>	<b>614,261</b>	<b>985,401</b>	<b>-201,080</b>
<b>The following items are included in cash and cash equivalents:</b>			
Cash and balances with central banks	64,356	67,600	58,553
Loans to credit institutions	959,358	1,528,334	350,899
<b>Total cash and cash equivalents</b>	<b>1,023,714</b>	<b>1,595,934</b>	<b>409,452</b>

The cash flow statement shows payments of cash and cash equivalents made and received throughout the year. The statement has been adjusted for items that do not initiate cash flows, such as provisions, depreciation and write-downs of loans and guarantees. Cash flows are classified as operating activities, investment activities or financing activities. The liquid assets are defined as cash and claims on central banks and loans to and claims on credit institutions.

# Notes to the financial statements

## Nordea Direct Bank Group

### Note 1 Accounting policies

The consolidated financial statements as of the second quarter of 2021, concluded on 30 June 2021, comprise Nordea Direct Bank ASA and its subsidiary Nordea Direct Boligkreditt AS. With the exception of the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2020.

The consolidated financial statements as of the second quarter of 2021 have been prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. The interim report does not include all the information required in a complete annual report and should be read in conjunction with the annual report for 2020.

#### Changes in accounting policies

As a main rule, all income and expenses shall be shown in the income statement. The exception to this rule is the effect of changes to accounting principles. In the event of fundamental accounting reforms/ changes in accounting policies, figures for previous years must be recalculated to enable comparison. If items in the financial statement are reclassified, comparative figures must be calculated for the previous periods and reported in the financial statements.

#### Changes in significant accounting policies in the current period

A number of new standards, changes to standards and interpretations have been issued for financial years beginning after 1 January 2021. They have not been applied when preparing these consolidated financial statements. Nordea Direct Bank ASA does not plan early implementation of these standards.

Based on our preliminary assessments and on the basis of current operations amendments to standards and interpretation statements will not have a material effect

#### Other amendments to IFRS

Other amendments to IFRS are not assessed to have any significant impact on Nordea Direct Bank ASAs financial statements, capital adequacy or large exposures in the period of initial application.

Preparation of the interim accounts involves using assessments, estimates and assumptions that affect the use of accounting policies and recognised amounts for assets and liabilities, revenues and expenses. The actual results may deviate from these estimates. The most material assessments relating to the use of the company's accounting policies and the key sources of uncertainty in the estimates are the same when preparing the interim accounts as in the annual accounts for 2020.

All amounts are shown in NOK thousands (NOKt) unless otherwise indicated. Due to rounding off differences, figures and percentages may not add up exactly to the totals indicated.

A complete audit of the interim report has not been carried out.

## Note 1 Accounting policies (cont.)

### Covid 19 Macro scenarios

Nordea Direct uses Macro scenarios covering unemployment and house prices in the collective loan loss allowance models. The macro variables are assumed to correlate to loan losses and changes to the macro forecast will impact Probability of Default (PD) and Loss Given Default (LGD) in the model through correlation factors. These correlation factors are based on studies by published by Norges Bank: <http://www.norges-bank.no/Publisert/Signerte-publikasjoner/Penger-og-Kreditt/Penger-og-Kreditt-12007/Faktorere-bak-bankenes-problemlan/>.

The macro variables are also used by Nordea for their loan loss allowance model and Nordea Direct aligned the values in its model with Nordea's. The updated scenarios reflect the economic impact from

Covid 19. Scenarios are developed by Nordea Enterprise Wide Risk Management, but leverages government and other sources including a reference point to the ECB scenarios.

The table below summarises the Macro scenarios used in Nordea Direct loan loss allowance model for Q2 2021. The change applies to all Nordea Direct loan loss allowance models (Unsecured Loans, Mortgage Loans and Credit Cards).

Until end of 2020, the household lending rate was used as a third variable in the model. After the annual validation process that was implemented during the first quarter of 2021, this variable was removed from the model.

	2021	2022	2023
<b>Unemployment rate</b>			
Alternative A (best case)	4.1%	2.8%	2.6%
Base case	4.2%	3.2%	3.2%
Alternative B (worst case)	5.4%	4.8%	4.6%
<b>Housing prices</b>			
Alternative A (best case)	11.8%	7.4%	2.3%
Base case	10.1%	3.0%	1.2%
Alternative B (worst case)	3.0%	-6.3%	-0.9%
<b>Scenario weighting Q1 2021</b>			
Alternative A (best case)	20%		
Base case	60%		
Alternative B (worst case)	20%		

## Note 2 Segment information

NOKt	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019
Deposit by sector and industry								
Retail market	12,816,104	12,267,106	12,665,871	12,954,894	13,508,089	12,809,973	13,306,516	14,011,422
Other	1,500,081	1,606,930	1,725,671	2,225,113	2,392,324	3,013,411	4,000,008	5,208,129
<b>Total deposits</b>	<b>14,316,185</b>	<b>13,874,036</b>	<b>14,391,542</b>	<b>15,180,007</b>	<b>15,900,413</b>	<b>15,823,384</b>	<b>17,306,523</b>	<b>19,219,551</b>
Loans to customers divided by sector and industry								
Private individuals	51,388,466	50,141,716	50,708,573	50,447,984	47,696,120	43,168,208	43,203,811	51,300,415
Commercial business								2,233,483
<b>Gross loans</b>	<b>51,388,466</b>	<b>50,141,716</b>	<b>50,708,573</b>	<b>50,447,984</b>	<b>47,696,120</b>	<b>43,168,208</b>	<b>43,203,811</b>	<b>53,533,898</b>

## Note 3 Liabilities on the issue of securities

NOKt	Nominal value			Carrying amount		
	30 Jun 2021	30 Jun 2020	31 Dec 2020	30 Jun 2021	30 Jun 2020	31 Dec 2020
Liabilities opened for the issue of securities						
Bond debt <sup>1</sup>	11,846,500	16,257,500	15,457,500	11,867,311	16,286,352	15,484,240
Subordinated loan capital	100,000	200,000	200,000	99,977	199,929	199,956
- Own non-amortised certificates/bonds		-303,000			-303,117	
<b>Total liabilities at amortised cost</b>	<b>11,946,500</b>	<b>16,154,500</b>	<b>15,657,500</b>	<b>11,967,289</b>	<b>16,183,164</b>	<b>15,684,196</b>
Liabilities opened for the issue of securities						
Bond debt	5,300,000	6,519,000	5,300,000	5,394,831	6,764,899	5,475,105
<b>Total liabilities included in fair value hedge</b>	<b>5,300,000</b>	<b>6,519,000</b>	<b>5,300,000</b>	<b>5,394,831</b>	<b>6,764,899</b>	<b>5,475,105</b>
<b>Total liabilities</b>	<b>17,246,500</b>	<b>22,673,500</b>	<b>20,957,500</b>	<b>17,362,119</b>	<b>22,948,063</b>	<b>21,159,301</b>

<sup>1</sup> Minus covered bonds held by Nordea Direct Bank ASA issued by Nordea Direct Bank Boligkreditt AS with a nominal at NOK 0m (1,670.0m) as of 30 June 2021. The cover pool market value was NOK 0m (2,146.0m).

### Maturity

Remaining maturity (nominal value)	30 Jun 2021	30 Jun 2020	31 Dec 2020
2020		1,716,000	
2021	2,000,000	5,711,000	5,711,000
2022	7,446,500	7,446,500	7,446,500
2023	5,950,000	5,950,000	5,950,000
2025	1,350,000	1,350,000	1,350,000
2027	500,000	500,000	500,000
<b>Total</b>	<b>17,246,500</b>	<b>22,673,500</b>	<b>20,957,500</b>

The maturity of subordinated loan capital is presented at first call date in the above table.

New issues in 2021

Repayments in 2021

## Note 4 Write-downs and losses on loans

### Write-downs and losses on loans

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Write-downs and losses for the period</b>			
+/- Change in group write-downs for the period (ECL)	957	123,888	-216,217
+ Write-off during the period	5,521	25,094	301,719
- Payments on previously written-off accounts	41	726	1,308
<b>Write-downs and losses for the period</b>	<b>6,519</b>	<b>149,707</b>	<b>86,810</b>
<b>Loss allowance</b>			
Loss allowance at the start of the period	169,591	385,807	385,807
+/- Change in loss allowance for the period	957	123,888	-216,217
<b>Loss allowance at the end of the period</b>	<b>170,548</b>	<b>509,695</b>	<b>169,591</b>
Defaulted loans			
Gross default over 90 days	190,846	681,476	94,866

### Credit quality by risk group

30 Jun 2021 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	47,809,443	85,243	25,521	47,920,206
Medium	1,014,202	610,683	20,340	1,645,226
High	292,724	747,276	59,217	1,099,216
Not classified	3,222	52	351	3,625
Impaired and written down			197,544	197,544
Adjustment <sup>1</sup>	522,649			522,649
<b>Total</b>	<b>49,642,240</b>	<b>1,443,254</b>	<b>302,972</b>	<b>51,388,466</b>
Loss allowance	48,670	45,569	76,309	170,548
<b>Total net</b>	<b>49,593,571</b>	<b>1,397,684</b>	<b>226,663</b>	<b>51,217,918</b>

## Note 4 Write-downs and losses on loans (cont.)

30 Jun 2020 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	42,567,581	1,676	14,675	42,583,932
Medium	1,288,615	447,844	7,027	1,743,486
High	411,204	814,293	67,930	1,293,427
Not classified	1,394	106	9	1,510
Impaired and written down			690,283	690,283
Adjustment <sup>1</sup>	1,383,484			1,383,484
<b>Total</b>	<b>45,652,279</b>	<b>1,263,918</b>	<b>779,923</b>	<b>47,696,120</b>
Loss allowance	81,971	69,659	358,065	509,695
<b>Total net</b>	<b>45,570,309</b>	<b>1,194,259</b>	<b>421,858</b>	<b>47,186,425</b>

31 Dec 2020 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	47,809,339	2,791	15,486	47,827,617
Medium	1,249,473	373,506	9,578	1,632,557
High	414,461	698,657	57,493	1,170,611
Not classified	2,299	347	1	2,646
Impaired and written down			97,866	97,866
Adjustment <sup>1</sup>	-22,724			-22,724
<b>Total</b>	<b>49,452,848</b>	<b>1,075,302</b>	<b>180,423</b>	<b>50,708,573</b>
Loss allowance	68,382	51,175	50,034	169,591
<b>Total net</b>	<b>49,384,466</b>	<b>1,024,127</b>	<b>130,389</b>	<b>50,538,982</b>

<sup>1</sup>Market value adjustment for fixed interest loans and overaft facilities balance with credit balance.

### Loans to and claims on customers by past due status

NOKt	30 Jun 2021		30 Jun 2020		31 Dec 2020	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
0-29 days	51,123,165	98,605	46,843,952	126,697	50,447,842	100,323
30-59 days	50,725	11,176	120,182	30,645	122,768	28,125
60-89 days	23,730	5,619	50,510	16,560	43,098	10,408
90+ days	190,846	55,149	681,476	335,793	94,866	30,736
<b>Total</b>	<b>51,388,466</b>	<b>170,548</b>	<b>47,696,120</b>	<b>509,695</b>	<b>50,708,573</b>	<b>169,591</b>

## Note 4 Write-downs and losses on loans (cont.)

The following tables reconcile the opening and closing balances for accumulated loan loss allowance on financial Instruments.

Reconciling items includes the following:

- Changes in allowance due to the origination of new financial instruments during the period.
- Changes in allowance due to the derecognition of financial instruments during the period.
- Transfers between stages due to changes in credit risk. This includes the difference in loan loss allowance balance from one period to another.
- Changes in balance with no transfer between stages are related to financial instruments that did not move between stages but had changes in balances and hence resulting in changes in loan loss allowance.

Balances shown are loan loss allowance balances as of end of period except for "financial assets that have been derecognised" which are as of the beginning of period.

### Loss allowance

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2021</b>	<b>68,382</b>	<b>51,175</b>	<b>50,034</b>	<b>169,591</b>
Transfer to stage 1	2,261	-6,325	-1,819	-5,883
Transfer to stage 2	-17,214	27,328	-1,013	9,102
Transfer to stage 3	-2,133	-16,415	32,206	13,657
New Financial assets originated during the period	18,515	3,276	1,997	23,787
Financial assets that have been derecognised	-10,071	-9,196	-4,663	-23,930
Changes in balance with no transfer between stages	-11,070	-4,273	-433	-15,776
<b>Loss allowance as at 30 Jun 2021</b>	<b>48,670</b>	<b>45,569</b>	<b>76,309</b>	<b>170,548</b>

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2020</b>	<b>31,998</b>	<b>47,456</b>	<b>306,354</b>	<b>385,808</b>
Transfer to stage 1	5,057	-8,985	-1,241	-5,169
Transfer to stage 2	-2,589	31,898	-167	29,142
Transfer to stage 3	-1,705	-19,459	52,908	31,744
New Financial assets originated during the period	15,674	8,876	1,079	25,629
Financial assets that have been derecognised	-2,335	-3,750	-19,287	-25,372
Changes in balance with no transfer between stages	35,871	13,623	18,419	67,913
<b>Loss allowance as at 30 Jun 2020</b>	<b>81,971</b>	<b>69,659</b>	<b>358,065</b>	<b>509,695</b>

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2020</b>	<b>31,998</b>	<b>47,456</b>	<b>306,354</b>	<b>385,807</b>
Transfer to stage 1	2,945	-8,311	-1,630	-6,996
Transfer to stage 2	-2,440	24,238	-831	20,967
Transfer to stage 3	-1,421	-1,953	22,078	18,705
New Financial assets originated during the period	26,861	11,730	7,170	45,761
Financial assets that have been derecognised	-5,482	-7,755	-21,785	-35,022
Management judgement due to Covid-19, payment reliefs		13,103		13,103
Additional Management judgement due to Covid-19	17,025			17,025
Portfolio sale	-1,685	-18,997	-257,485	-278,168
Changes in balance with no transfer between stages	582	-8,335	-3,837	-11,591
<b>Loss allowance as at 31 Dec 2020</b>	<b>68,382</b>	<b>51,175</b>	<b>50,034</b>	<b>169,591</b>

## Note 4 Write-downs and losses on loans (cont.)

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
Stage 1	48,670	81,971	68,382
Stage 2	45,569	69,659	51,175
Stage 3	76,309	358,065	50,034
<b>Total</b>	<b>170,548</b>	<b>509,695</b>	<b>169,591</b>
Stage 1	28.5%	16.1%	40.3%
Stage 2	26.7%	13.7%	30.2%
Stage 3	44.7%	70.3%	29.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The following tables reconcile the opening and closing balances on gross carrying amount.

Reconciling items includes the following:

- Transfers between stages due to changes in credit risk.
- Changes due to the origination of new financial instruments during the period.
- Changes due to the derecognition of loans during the period, including down-payment of loans, write-offs and sale of assets.

Balances shown are as of end of period except for "financial assets that have been derecognised" which are as of beginning of period and "down-payments" which are computed as the difference of the beginning of period and closing period balances.

### Loans to and claims on customers

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2021</b>	<b>49,452,848</b>	<b>1,075,302</b>	<b>180,423</b>	<b>50,708,573</b>
Transfer to stage 1	306,271	-292,027	-14,243	
Transfer to stage 2	-848,946	858,601	-9,655	
Transfer to stage 3	-63,796	-94,575	158,371	
New financial assets originated	10,367,314	159,082	5,475	10,531,871
Financial assets that have been derecognised	-8,803,826	-226,943	-707,766	-9,738,535
Change in balances due to payments	-1,313,496	-36,187	-8,623	-1,358,305
Other Changes <sup>1</sup>	545,872	1	698,991	1,244,863
<b>Gross carrying amount as at 30 Jun 2021</b>	<b>49,642,240</b>	<b>1,443,254</b>	<b>302,972</b>	<b>51,388,466</b>
Loss allowance as at 30 Jun 2021	48,670	45,569	76,309	170,548

<sup>1</sup>Market value adjustment for fixed interest loans and overaft facilities balance with credit balance.



## Note 4 Write-downs and losses on loans (cont.)

### Loans to and claims on customers

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2020</b>	<b>41,121,650</b>	<b>1,407,959</b>	<b>674,202</b>	<b>43,203,811</b>
Transfer to stage 1	508,925	-501,719	-7,205	
Transfer to stage 2	-471,518	473,377	-1,859	
Transfer to stage 3	-55,997	-105,067	161,064	
New financial assets originated	9,361,739	228,305	3,748	9,593,792
Financial assets that have been derecognised	-5,326,938	-194,474	-45,361	-5,566,774
Change in balances due to payments	-848,049	-44,461	-37,814	-930,325
Other Changes <sup>1</sup>	1,362,468	0	33,148	1,395,617
<b>Gross carrying amount as at 30 Jun 2020</b>	<b>45,652,279</b>	<b>1,263,918</b>	<b>779,923</b>	<b>47,696,120</b>
Loss allowance as at 30 Jun 2020	81,971	69,659	358,065	509,695

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2020</b>	<b>41,121,650</b>	<b>1,407,959</b>	<b>674,202</b>	<b>43,203,811</b>
Transfer to stage 1	495,937	-484,115	-11,822	
Transfer to stage 2	-370,191	378,874	-8,683	
Transfer to stage 3	-60,643	-29,170	89,813	
New financial assets originated	21,632,175	338,142	19,300	21,989,617
Financial assets that have been derecognised	-11,688,632	-375,755	-58,342	-12,122,729
Change in balances due to payments	-1,564,932	-69,610	-8,202	-1,642,744
Portfolio sale	-67,784	-85,763	-496,781	-650,328
Other Changes <sup>1</sup>	-44,731	-5,261	-19,061	-69,053
<b>Gross carrying amount as at 31 Dec 2020</b>	<b>49,452,848</b>	<b>1,075,302</b>	<b>180,423</b>	<b>50,708,573</b>
Loss allowance as at 31 Dec 2020	68,382	51,175	50,034	169,591

<sup>1</sup>Market value adjustment for fixed interest loans and overaft facilities balance with credit balance.

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
Stage 1	49,642,240	45,652,279	49,452,848
Stage 2	1,443,254	1,263,918	1,075,302
Stage 3	302,972	779,923	180,423
<b>Total</b>	<b>51,388,466</b>	<b>47,696,120</b>	<b>50,708,573</b>
Stage 1	96.6%	95.7%	97.5%
Stage 2	2.8%	2.6%	2.1%
Stage 3	0.6%	1.6%	0.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Note 5 Capital adequacy

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Primary capital</b>			
Share capital and share premium	2,481,886	2,481,886	2,481,886
Other equity	1,725,060	1,336,739	1,552,509
<b>Total equity (exclusive perpetual Tier 1 capital)</b>	<b>4,206,946</b>	<b>3,818,625</b>	<b>4,034,395</b>
<b>Deduction</b>			
Profit not included in the calculation of net primary capital	-175,707		
Goodwill and other intangible assets	-7,081	-19,589	-12,629
Value adjustments due to the requirement for prudent valuation	-4,635	-5,394	-4,922
<b>Increase</b>			
IFRS 9 transitional arrangements for credit loss provisioning	5,195	7,273	7,273
<b>Common equity Tier 1 capital</b>	<b>4,024,718</b>	<b>3,800,915</b>	<b>4,024,117</b>
Perpetual Tier 1 capital	144,906	294,919	144,884
<b>Tier 1 capital</b>	<b>4,169,624</b>	<b>4,095,834</b>	<b>4,169,002</b>
<b>Supplementary capital</b>			
Subordinated loan capital	99,977	199,929	199,956
<b>Net primary capital</b>	<b>4,269,601</b>	<b>4,295,764</b>	<b>4,368,958</b>
<b>Credit risk:</b>			
<b>Of which:</b>			
Central governments or central banks	4,158	5,238	4,018
Institutions	19,444	37,495	13,816
Enterprises			
Mass market positions	184,515	203,048	195,144
Positions secured by mortgage	1,394,619	1,296,420	1,346,268
Overdue positions	23,809	52,602	25,378
Covered bonds	23,444	27,926	24,907
Shares in securities fund			
Equity positions	780	1,356	850
Other positions	4,612	6,508	4,895
<b>Total minimum requirement credit risk</b>	<b>1,655,380</b>	<b>1,630,594</b>	<b>1,615,276</b>
<b>Operational risk</b>	108,871	118,677	108,871
CVA-risk	4,843	10,838	9,372
<b>Minimum requirement for net primary capital</b>	<b>1,769,094</b>	<b>1,760,109</b>	<b>1,733,518</b>
<b>Basis of calculation of balance sheet items not included in trading portfolio</b>	<b>19,992,276</b>	<b>19,198,749</b>	<b>19,735,335</b>
<b>Basis of calculation of off-balance sheet items not included in trading portfolio</b>	<b>700,744</b>	<b>1,183,679</b>	<b>455,615</b>
<b>Risk-weighted assets (calculation basis for capital adequacy ratio)</b>	<b>22,113,674</b>	<b>22,001,368</b>	<b>21,668,977</b>

## Note 5 Capital adequacy (cont.)

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Buffer requirements</b>			
Systemic risk buffer	663,410	660,041	650,069
Conservation buffer	552,842	550,034	541,724
Countercyclical buffer	221,137	220,014	216,690
Total buffer requirement for common equity Tier 1 capital	1,437,389	1,430,089	1,408,484
<b>Pillar 2 requirement 1.7% for common equity Tier 1 capital set by the Financial Supervisory Authority of Norway</b>	<b>375,932</b>	<b>374,023</b>	<b>368,373</b>
<b>Available common equity Tier 1 capital net min.requirement</b>	<b>1,216,282</b>	<b>1,006,741</b>	<b>1,272,157</b>
<b>Capital adequacy</b>			
Capital adequacy ratio	19.3%	19.5%	20.2%
Tier 1 capital ratio	18.9%	18.6%	19.2%
Common equity Tier 1 capital ratio	18.2%	17.3%	18.6%
Leverage ratio	7.0%	7.1%	7.3%

For credit risk the standard method is used, while basis method is used for operational risk. The Financial Supervisory Authority of Norway has set a Pillar 2 requirement on additional 1.7% of risk-weighted assets for Nordea Direct Bank Group, covered by Common equity Tier 1 capital. Total regulatory requirement for common equity Tier 1 capital was 12.7% end of Q2 2021.

New standard IFRS 9 guidelines for credit loss provisioning were implemented 1.1.2018. The bank used transitional arrangements for IFRS 9. The new rules for loss provisions increased the bank's loss and provision with NOK 13.9m. Equity was reduced by NOK 10.4m adjusted for tax. In accordance with transitional arrangements, the effect of increased of loss and provision will be phased in over five years.

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Numbers without use of transitional arrangements:</b>			
Common equity Tier 1 capital	4,019,523	3,793,642	4,016,845
Tier 1 capital	4,164,429	4,088,562	4,161,729
Net primary capital	4,264,406	4,288,491	4,361,685
Common equity Tier 1 capital ratio	18.2%	17.2%	18.5%
Tier 1 capital ratio	18.8%	18.6%	19.2%
Capital adequacy ratio	19.3%	19.5%	20.1%

## Note 6 Transactions with related parties

Nordea Direct Bank ASA is a directly owned subsidiary of Nordea Bank Abp. Nordea Direct Boligkreditt AS is a wholly owned subsidiary of Nordea Direct Bank ASA. All transactions and agreements with related parties are carried out in accordance with the arm's length principle.

Nordea Direct Boligkreditt AS purchases services such as customer support and loan management, as well as day-to-day management and administrative services, from Nordea Direct Bank ASA.

Nordea Direct Boligkreditt AS has access to strong credit facilities with Nordea Direct Bank ASA. This ensures that the Company can pay interest and principal to the covered bonds owners, and finance the transferring of loans and the cover pool.

Further information about the credit agreements:

- a) long-term credit facility of up to NOK 1,000.0m. Expiry date 31 December 2022.
- b) short-term credit facility of up to NOK 20,000.0m. Expiry date 30 November 2021.
- c) Credit facility agreement that enables Nordea Direct Boligkreditt AS to borrow money in order to repay its outstanding bond debt. The credit facility shall be sufficient to cover the total repayment of the outstanding bonds over the next 12 months. As of 30 June 2021, the credit limit of the agreement was NOK 5,000.0m.

All transactions between the parent company Nordea Direct Bank ASA and the subsidiary Nordea Direct Boligkreditt AS have been eliminated in the consolidated financial statements.

The list below shows the transactions with related parties that are recognised in the income statement

### Jan-Jun 2021

NOKt	Nordea Direct Boligkreditt AS	Nordea Bank Abp	Other Nordea companies
Net interest income	31,472	95,910	
Other operating income	6,300		2,613
Other operating expenses	-481	10,342	

### Jan-Jun 2020

NOKt	Nordea Direct Boligkreditt AS	Nordea Bank Abp	Other Nordea companies
Net interest income	31,652	7,965	
Other operating income	5,309		4,749
Other operating expenses	-470	-3,812	

### Jan-Dec 2020

NOKt	Nordea Direct Boligkreditt AS	Nordea Bank Abp	Other Nordea companies
Net interest income	47,274	74,197	
Other operating income	10,648		6,773
Other operating expenses	-950	-10,971	

## Note 6 Transactions with related parties (cont.)

The list below shows assets / liabilities with / to related parties

**30 Jun 2021**

<b>NOKt</b>	<b>Nordea Direct Boligkreditt AS</b>	<b>Nordea Bank Abp</b>	<b>Other Nordea companies</b>
Deposit	536,373	938,963	
Loans to credit institutions	12,648,878	921	
Interest-bearing securities		76,683	
Deposits by credit institutions		20,555,570	
Other liabilities		17,500	

**30 Jun 2020**

<b>NOKt</b>	<b>Nordea Direct Boligkreditt AS</b>	<b>Nordea Bank Abp</b>	<b>Other Nordea companies</b>
Deposit	658,948	1,486,433	
Loans to credit institutions	1,789,285	1,352	
Interest-bearing securities	1,677,901	903,277	
Deposits by credit institutions		10,316,122	
Other liabilities			

**31 Dec 2020**

<b>NOKt</b>	<b>Nordea Direct Boligkreditt AS</b>	<b>Nordea Bank Abp</b>	<b>Other Nordea companies</b>
Deposit	449,027	282,683	
Loans to credit institutions	5,280,351	2,904	
Interest-bearing securities	1,393,903	664,882	
Deposits by credit institutions		15,345,487	
Other liabilities		5,900	

## Note 7 Contingent liabilities and security

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
Guarantees			
Loan commitment	7,425,779	7,775,616	4,100,304
Unutilised credit facility	13,724	3,703,482	3,547,703
<b>Total contingent liabilities</b>	<b>7,439,504</b>	<b>11,479,098</b>	<b>7,648,007</b>
Securities provided as collateral for loans from/credit facility with Norges Bank	849,070	2,524,660	2,090,485
<b>Total securities provided</b>	<b>849,070</b>	<b>2,524,660</b>	<b>2,090,485</b>

## Note 8 Fair value of financial instruments

### Fair value

Financial assets and liabilities measured at fair value are carried at the amount each asset/liability can be settled for in an orderly transaction between market participants on the measurement date.

Different valuation techniques and methods are used to estimate fair value, depending on the type of financial instruments and the extent to which they are traded in active markets. Instruments are classified in their entirety in one of three valuation levels in a hierarchy on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Prices quoted in active markets are considered to be the best estimate of an asset/liability's fair value. When quoted prices in active markets are not available, the fair value of financial assets/ liabilities will preferably be estimated on the basis of valuation techniques based on observable market data. When neither quoted prices in active markets nor observable market data are available, the fair value of financial assets/liabilities is estimated based on valuation techniques that are based on non-observable market data.

### Quoted prices in active markets

Quoted prices in active markets are considered the best estimate of an asset/liability's fair value. A financial asset/liability is considered valued based on quoted prices in active markets if fair value is estimated based on easily and regularly available prices and these prices represent actual and regularly occurring transactions at arm's length principle. Financial assets/liabilities valued based on quoted prices in active markets are classified as level one in the valuation hierarchy.

### Valuation based on observable market data

When quoted prices in active markets are not available, the fair value of financial assets/ liabilities is preferably estimated on the basis of valuation techniques based on observable market data. A financial asset/liability is considered valued based on observable market data if fair value is estimated with reference to prices that are not quoted, but are observable either directly (as prices) or indirectly (derived from prices). Financial assets/liabilities valued based on observable market data are classified as level two in the valuation hierarchy.

### Valuation based on non-observable market data

When neither quoted prices in active markets nor observable market data is available, the fair value of financial assets/liabilities is estimated based on valuation techniques which are based on non-observable market data. A financial asset/liability is considered valued based on non-observable market data if fair value is estimated without being based on quoted prices in active markets or observable market data. Financial assets/liabilities valued based on non-observable market data are classified as level three in the valuation hierarchy.

### Sensitivity financial assets level three

The sensitivity analysis for financial assets that are valued on the basis of non-observable market data shows the effect on profits of realistic and plausible market outcomes. General market downturns or a worsening of the outlook can affect expectations of future cash flows or the applied multiples, which in turn will lead to a reduction in value. A fall in value of 10% is deemed to be a realistic and plausible market outcome for shares and similar interests, as well as bonds and other securities with a fixed return that are included in level three of the valuation hierarchy.

## Note 8 Fair value of financial instruments (cont.)

NOKt	30 Jun 2021		30 Jun 2020		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>						
Cash to and receivables from central banks	64,356	64,356	67,600	67,600	58,553	58,553
<b>Cash to and receivables from central banks</b>	<b>64,356</b>	<b>64,356</b>	<b>67,600</b>	<b>67,600</b>	<b>58,553</b>	<b>58,553</b>
Loans to and receivables from credit institutions, amortised cost	959,358	959,358	1,528,334	1,528,334	350,899	350,899
<b>Loans to and receivables from credit institutions</b>	<b>959,358</b>	<b>959,358</b>	<b>1,528,334</b>	<b>1,528,334</b>	<b>350,899</b>	<b>350,899</b>
Loans to and receivables from customers, amortised cost	51,217,918	51,236,104	47,186,425	47,223,110	50,538,982	50,564,229
<b>Loans to and receivables from customers</b>	<b>51,217,918</b>	<b>51,236,104</b>	<b>47,186,425</b>	<b>47,223,110</b>	<b>50,538,982</b>	<b>50,564,229</b>
Interest-bearing securities, fair value	4,497,325	4,497,325	5,059,737	5,059,737	4,679,830	4,679,830
<b>Interest-bearing securities</b>	<b>4,497,325</b>	<b>4,497,325</b>	<b>5,059,737</b>	<b>5,059,737</b>	<b>4,679,830</b>	<b>4,679,830</b>
Derivatives, fair value	108,594	108,594	273,319	273,319	199,324	199,324
<b>Derivatives</b>	<b>108,594</b>	<b>108,594</b>	<b>273,319</b>	<b>273,319</b>	<b>199,324</b>	<b>199,324</b>
Shares available for sale	9,745	9,745	16,949	16,949	10,620	10,620
<b>Shares</b>	<b>9,745</b>	<b>9,745</b>	<b>16,949</b>	<b>16,949</b>	<b>10,620</b>	<b>10,620</b>
Other financial assets, amortised cost	84,187	84,187	119,703	119,703	71,900	71,900
<b>Total other financial assets</b>	<b>84,187</b>	<b>84,187</b>	<b>119,703</b>	<b>119,703</b>	<b>71,900</b>	<b>71,900</b>
<b>Total financial assets</b>	<b>56,941,483</b>	<b>56,959,669</b>	<b>54,252,067</b>	<b>54,288,751</b>	<b>55,910,109</b>	<b>55,935,355</b>
<b>Liabilities</b>						
Liability to credit institutions, amortised cost	20,537,000	20,537,000	10,806,000	10,806,000	15,831,000	15,831,000
<b>Liability to credit institutions</b>	<b>20,537,000</b>	<b>20,537,000</b>	<b>10,806,000</b>	<b>10,806,000</b>	<b>15,831,000</b>	<b>15,831,000</b>
Deposits and liabilities to customers, amortised cost	14,316,185	14,316,234	15,900,413	15,915,052	14,391,542	14,393,732
<b>Deposits and liabilities to customers</b>	<b>14,316,185</b>	<b>14,316,234</b>	<b>15,900,413</b>	<b>15,915,052</b>	<b>14,391,542</b>	<b>14,393,732</b>
Liability incurred through the issue of securities, amortised cost	11,867,311	11,948,699	15,983,235	16,074,473	15,484,240	15,571,313
Liability incurred through the issue of securities, fair value hedge	5,394,831	5,464,359	6,764,899	6,796,426	5,475,105	5,523,411
<b>Liability incurred through the issue of securities</b>	<b>17,262,142</b>	<b>17,413,059</b>	<b>22,748,134</b>	<b>22,870,899</b>	<b>20,959,345</b>	<b>21,094,724</b>
Derivatives, fair value	18,934	18,934	44,235	44,235	32,029	32,029
<b>Derivatives</b>	<b>18,934</b>	<b>18,934</b>	<b>44,235</b>	<b>44,235</b>	<b>32,029</b>	<b>32,029</b>
Subordinated loan capital, amortised cost	99,977	101,722	199,929	201,985	199,956	202,038
<b>Subordinated loan capital</b>	<b>99,977</b>	<b>101,722</b>	<b>199,929</b>	<b>201,985</b>	<b>199,956</b>	<b>202,038</b>
Other financial liabilities, amortised cost	172,375	172,375	206,144	206,144	90,111	90,111
<b>Other financial liabilities</b>	<b>172,375</b>	<b>172,375</b>	<b>206,144</b>	<b>206,144</b>	<b>90,111</b>	<b>90,111</b>
<b>Total financial liabilities</b>	<b>52,406,614</b>	<b>52,559,324</b>	<b>49,904,855</b>	<b>50,044,317</b>	<b>51,503,983</b>	<b>51,643,634</b>
Off-balance sheet obligations and guarantees						
Guarantees						
Mortgage assets <sup>1</sup>	849,070	849,070	2,524,660	2,524,660	2,090,485	2,090,485
<sup>1</sup> Securities provided as collateral for loans from/credit facility with Norges Bank.						

## Note 8 Fair value of financial instruments (cont.)

NOKt	30 Jun 2021			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, fair value	4,497,325			4,497,325
Shares			9,745	9,745
Derivatives, fair value		108,594		108,594
<b>Total financial assets, fair value</b>	<b>4,497,325</b>	<b>108,594</b>	<b>9,745</b>	<b>4,615,665</b>
Loans to and receivables from customers, amortised cost			51,236,104	51,236,104
<b>Total financial assets, amortised cost</b>			<b>51,236,104</b>	<b>51,236,104</b>
Derivatives, fair value		18,934		18,934
<b>Total financial liabilities, fair value</b>		<b>18,934</b>		<b>18,934</b>
Deposits and liabilities to customers, amortised cost			14,316,234	14,316,234
Liability incurred through the issue of securities, amortised cost		11,948,699		11,948,699
Subordinated loan capital, amortised cost		101,722		101,722
<b>Total financial liabilities, amortised cost</b>		<b>12,050,421</b>	<b>14,316,234</b>	<b>26,366,655</b>
Liability incurred through the issue of securities, fair value hedge		5,464,359		5,464,359
<b>Total financial liabilities, fair value hedge</b>		<b>5,464,359</b>		<b>5,464,359</b>

There were no major moves between levels 1 and 2 in 2021.

NOKt	30 Jun 2020			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, fair value	5,059,737			5,059,737
Shares			16,949	16,949
Derivatives, fair value		273,319		273,319
<b>Total financial assets, fair value</b>	<b>5,059,737</b>	<b>273,319</b>	<b>16,949</b>	<b>5,350,005</b>
Loans to and receivables from customers, amortised cost			47,223,110	47,223,110
<b>Total financial assets, amortised cost</b>			<b>47,223,110</b>	<b>47,223,110</b>
Derivatives, fair value		44,235		44,235
<b>Total financial liabilities, fair value</b>		<b>44,235</b>		<b>44,235</b>
Deposits and liabilities to customers, amortised cost			15,915,052	15,915,052
Liability incurred through the issue of securities, amortised cost		16,074,473		16,074,473
Subordinated loan capital, amortised cost		201,985		201,985
<b>Total financial liabilities, amortised cost</b>		<b>16,276,458</b>	<b>15,915,052</b>	<b>32,191,511</b>
Liability incurred through the issue of securities, fair value hedge		6,796,426		6,796,426
<b>Total financial liabilities, fair value hedge</b>		<b>6,796,426</b>		<b>6,796,426</b>

There were no major moves between levels 1 and 2 in 2020.



## Note 8 Fair value of financial instruments (cont.)

NOKt	31 Dec 2020			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, fair value	4,679,830			4,679,830
Shares			10,620	10,620
Derivatives, fair value		199,324		199,324
<b>Total financial assets, fair value</b>	<b>4,679,830</b>	<b>199,324</b>	<b>10,620</b>	<b>4,889,775</b>
Loans to and receivables from customers, amortised cost			50,564,229	50,564,229
<b>Total financial assets, amortised cost</b>			<b>50,564,229</b>	<b>50,564,229</b>
Derivatives, fair value		32,029		32,029
<b>Total financial liabilities, fair value</b>		<b>32,029</b>		<b>32,029</b>
Deposits and liabilities to customers, amortised cost			14,393,732	14,393,732
Liability incurred through the issue of securities, amortised cost		15,571,313		15,571,313
Subordinated loan capital, amortised cost		202,038		202,038
<b>Total financial liabilities, amortised cost</b>		<b>15,773,350</b>	<b>14,393,732</b>	<b>30,167,083</b>
Liability incurred through the issue of securities, fair value hedge		5,523,411		5,523,411
<b>Total financial liabilities, fair value hedge</b>		<b>5,523,411</b>		<b>5,523,411</b>

There were no major moves between levels 1 and 2 in 2020.

NOKt	Reconciliation of financial assets valued based on non-observable market data (level 3)				
	As at 1 Jan 2021	Net realised/ unrealised gains recognised in profit or loss	Purchases	Transfer into/ out of level 3	As at 30 Jun 2021
Shares	10,620			-875	9,745
<b>Total financial assets measured at fair value</b>	<b>10,620</b>			<b>-875</b>	<b>9,745</b>

Level 3 shares represent a total of NOK 9.7m in unquoted shares in Visa Norge, Norsk Gjeldsinformasjon and Gjensidige Forsikring ASA. As these investments represent an immaterial value for the bank the purchase price is used as best estimate for fair value. A 10% change in valuations assumptions are assets to have limited effects on the banks' profits, and the sensitivity is presented as NOK 0.

## Note 8 Fair value of financial instruments (cont.)

NOKt	Reconciliation of financial assets valued based on non-observable market data (level 3)					As at 30 Jun 2020
	As at 1 Jan 2020	Net realised/unrealised gains recognised in profit or loss	Purchases	Sales	Transfer into/out of level 3	
Shares	11,934	5,015				16,949
<b>Total financial assets measured at fair value</b>	<b>11,934</b>	<b>5,015</b>				<b>16,949</b>

Level 3 shares represent a total of NOK 16.9m in unquoted shares in Visa Norge and Vipps AS. As these investments represent an immaterial value for the bank the purchase price is used as best estimate for fair value. A 10% change in valuations assumptions are assets to have limited effects on the banks' profits, and the sensitivity is presented as NOK 0.

NOKt	Reconciliation of financial assets valued based on non-observable market data (level 3) 31 Dec 2018					As at 31 Dec 2020
	As at 1 Jan 2020	Net realised/unrealised gains recognised in profit or loss	Purchases	Sales	Transfer into/out of level 3	
Shares	11,934	10,599	152	-12,066		10,620
<b>Total financial assets measured at fair value</b>	<b>11,934</b>	<b>10,599</b>	<b>152</b>	<b>-12,066</b>		<b>10,620</b>

Level 3 shares represent a total of NOK 10.6m in unquoted shares in Visa Norge, Norsk Gjeldsinformasjon and Gjensidige Forsikring ASA. As these investments represent an immaterial value for the bank the purchase price is used as best estimate for fair value. A 10% change in valuations assumptions are assets to have limited effects on the banks' profits, and the sensitivity is presented as NOK 0.

## Note 9 Perpetual Tier 1 capital

The bank has issued perpetual Tier 1 capital instruments with a total nominal value of NOK 145 million. The instruments are perpetual but the bank can repay the capital on specific dates, for the first time five years after it was issued. The interest rate to be paid is floating 3-month NIBOR plus a fixed credit spread.

The agreed terms for the instruments meet the requirements in the EU's CRR regulations and it is included in the bank's Tier 1 capital for capital ade-

quacy purposes. This means that the bank has a unilateral right not to pay interest or repay the principal to the investors. As a consequence of these terms, the instruments does not meet the requirement for a liability in IAS 32 and are therefore presented on the line perpetual Tier 1 capital under equity. Further, it implies that the interest is not presented under Total interest expenses but as a reduction in Other equity. The tax consequences are recognized in the income statement.

# Declaration

## Declaration from the Board and CEO

The Board and the CEO have today discussed and approved the interim report and financial statements for Nordea Direct Bank ASA for the period 1 January to 30 June 2021.

We declare that, to the best of our knowledge, the interim financial statements for the period 1 January to 30 June 2021 have been prepared in accordance with IFRS as adopted by the EU, and in accordance with additional requirements set out in the

Accounting Act, and taking into account the limitations of accounting regulations for banks. The accounting data provide a true and fair picture of the company's assets, liabilities, financial position and results as a whole, and the report gives a true picture of important events in the accounting period and their impact on the financial statements, related material transactions and the most important risks and uncertainties faced by the bank in the next accounting period.

### Nordea Direct Bank ASA

Oslo, 22 July 2021




**Randi Marjamaa**  
Chairman



**Sjur Loen**  
Board member



**Marte Kopperstad**  
Board member



**Mona Eek-Jensen**  
Board member



**Per Kumle**  
Board member



**Hans-Jacob Starheim**  
Employee representative



**Krister G. Aanesen**  
Chief Executive Officer

# Quarterly earnings performance

## Nordea Direct Bank Group

NOKt	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Interest income etc, amortised cost	264,711	282,078	285,058	287,234	301,909	382,484	428,967	501,409
Interest income etc, fair value	4,523	5,679	6,890	7,235	16,741	22,150	22,125	20,652
Interest costs etc.	97,116	101,970	99,581	95,366	168,853	221,271	231,060	238,215
<b>Net interest income</b>	<b>172,118</b>	<b>185,787</b>	<b>192,367</b>	<b>199,102</b>	<b>149,797</b>	<b>183,364</b>	<b>220,032</b>	<b>283,845</b>
Dividends from investments in shares and funds	101	33	5,379					
Fee and commission income	7,979	7,125	7,293	8,927	8,272	9,534	15,112	30,865
Fee and commission expense	11,177	11,466	25,207	11,772	11,535	11,683	27,372	50,623
Net gains on financial instruments at fair value	2,777	7,454	6,684	3,047	21,268	-55,210	-1,847	1,252
Other operating income	2,931	28,615	744	10	322	-11	74	528
<b>Total income</b>	<b>174,729</b>	<b>217,547</b>	<b>187,260</b>	<b>199,315</b>	<b>168,124</b>	<b>125,993</b>	<b>206,000</b>	<b>265,868</b>
Staff costs	21,992	26,253	24,212	24,660	19,384	33,141	38,616	40,808
Depreciation	2,670	3,138	3,627	3,866	3,992	4,205	5,170	6,917
Other operating costs	47,090	50,338	52,161	44,214	43,057	40,999	62,184	68,900
<b>Total operating expenses</b>	<b>71,752</b>	<b>79,729</b>	<b>80,000</b>	<b>72,740</b>	<b>66,432</b>	<b>78,345</b>	<b>105,971</b>	<b>116,625</b>
<b>Profit / (loss) before loan losses</b>	<b>102,977</b>	<b>137,818</b>	<b>107,260</b>	<b>126,574</b>	<b>101,692</b>	<b>47,649</b>	<b>100,030</b>	<b>149,242</b>
Loan losses	-6,557	13,075	-40,365	-22,532	107,243	42,464	60,698	54,148
<b>Operating profit</b>	<b>109,533</b>	<b>124,743</b>	<b>147,625</b>	<b>149,107</b>	<b>-5,552</b>	<b>5,185</b>	<b>39,332</b>	<b>95,095</b>

# Income statement

## Nordea Direct Bank ASA

NOKt	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Year 2020
Interest income etc, amortised cost	185,844	217,285	387,416	472,826	900,471
Interest income etc, fair value	6,897	23,153	16,112	57,650	77,409
Interest costs etc.	73,825	114,513	146,632	255,042	397,378
<b>Net interest income</b>	<b>118,916</b>	<b>125,925</b>	<b>256,897</b>	<b>275,433</b>	<b>580,503</b>
Dividends from investments in shares and funds	101		133		5,379
Fee and commission income	7,443	7,723	14,020	16,692	31,840
Fee and commission expense	11,177	11,535	22,644	23,219	60,198
Net gains on financial instruments at fair value	2,957	19,958	10,412	-32,686	-21,889
Other operating income	6,157	2,929	37,847	5,620	11,714
<b>Net commission income and other operating income</b>	<b>5,481</b>	<b>19,074</b>	<b>39,769</b>	<b>-33,592</b>	<b>-33,154</b>
<b>Total income</b>	<b>124,397</b>	<b>144,999</b>	<b>296,665</b>	<b>241,841</b>	<b>547,348</b>
Staff costs	21,490	19,382	47,159	51,926	99,682
Depreciation	2,670	3,992	5,808	8,197	15,690
Other operating expenses	47,151	42,391	93,742	79,588	175,197
<b>Total operating expenses</b>	<b>71,311</b>	<b>65,765</b>	<b>146,709</b>	<b>139,711</b>	<b>290,569</b>
<b>Profit / (loss) before loan losses</b>	<b>53,086</b>	<b>79,234</b>	<b>149,956</b>	<b>102,131</b>	<b>256,779</b>
Loan losses	-6,149	105,929	6,201	148,846	87,060
<b>Operating profit</b>	<b>59,235</b>	<b>-26,695</b>	<b>143,756</b>	<b>-46,715</b>	<b>169,719</b>
Income tax expense	14,809	-11,678	35,939	-11,678	43,666
<b>Net profit for the period</b>	<b>44,426</b>	<b>-15,016</b>	<b>107,817</b>	<b>-35,037</b>	<b>126,053</b>
Basic/diluted earnings per share, NOK	50.7	-17.1	123.1	-40.0	143.9

# Statement of comprehensive income

## Nordea Direct Bank ASA

NOKt	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Year 2020
<b>Profit/ (loss) for the period</b>	<b>44,426</b>	<b>-15,016</b>	<b>107,817</b>	<b>-35,037</b>	<b>126,053</b>
<b>Components of other comprehensive income</b>					
<b>Items that are not reclassified subsequently to profit or loss</b>					
Actuarial gains/ (loss) on pensions					-3,253
Tax on items that are not reclassified to profit or loss					813
Unrealised gain/(loss) on loans to customers, fair value over other comprehensive income					4,944
Items that may be reclassified subsequently to profit or loss					
Tax on items that may be reclassified to profit or loss					-1,236
<b>Total components of other comprehensive income</b>					<b>1,268</b>
<b>Total comprehensive income for the period</b>	<b>44,426</b>	<b>-15,016</b>	<b>107,817</b>	<b>-35,037</b>	<b>127,321</b>

# Balance sheet

## Nordea Direct Bank ASA

NOKt	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Assets</b>			
Cash and balances with central banks	64,356	67,600	58,553
Loans to credit institutions	13,600,251	3,305,815	5,625,219
Loans to the public	27,065,896	28,302,049	28,716,816
Interest-bearing securities	4,307,030	6,547,545	5,883,707
Derivatives	69,663	198,731	143,239
Shares (and other securities with variable yield)	9,745	16,949	10,620
Ownership interest in group companies	1,220,030	1,220,030	1,220,030
Intangible assets	7,081	19,589	12,629
Deferred tax assets	19,845	25,949	19,146
Fixed assets	1,133	1,814	1,393
Other assets	-3,893	-417	1,586
Advance payments and accrued income	131,246	171,620	110,762
<b>Total assets</b>	<b>46,492,385</b>	<b>39,877,272</b>	<b>41,803,701</b>
<b>Liabilities and equity</b>			
Liabilities to credit institutions	21,073,373	11,464,948	16,280,027
Deposits and borrowings from the public	14,316,185	15,900,413	14,391,542
Debt securities in issue	7,110,097	8,383,421	7,181,081
Derivatives	16,146	40,699	28,910
Current tax liabilities	35,939		46,688
Other liabilities	170,683	270,894	156,076
Accrued expenses and prepaid income	159,868	220,331	114,059
Retirement benefit obligations	30,925	27,815	30,925
Subordinated loan capital	99,977	199,929	199,956
<b>Total liabilities</b>	<b>43,013,193</b>	<b>36,508,449</b>	<b>38,429,265</b>
<b>Equity</b>			
Share capital	667,512	667,512	667,512
Share premium reserve	1,814,374	1,814,374	1,814,374
Perpetual Tier 1 capital	144,906	294,919	144,884
Other paid-in equity	2,657	2,657	2,657
Retained earnings	741,926	624,398	745,009
Net profit for the period	107,817	-35,037	
<b>Total equity</b>	<b>3,479,191</b>	<b>3,368,823</b>	<b>3,374,436</b>
<b>Total liabilities and equity</b>	<b>46,492,385</b>	<b>39,877,272</b>	<b>41,803,701</b>

# Statement of changes in equity

## Nordea Direct Bank ASA

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2021</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,884</b>	<b>2,657</b>	<b>745,009</b>	<b>3,374,436</b>
Net profit for the period			2,117		105,700	107,817
Other comprehensive income, net of tax						
<b>Total comprehensive income</b>			<b>2,117</b>		<b>105,700</b>	<b>107,817</b>
Capital expansion						
Share-based payment transactions settled in equity					-966	-966
AT1 capital						
Paid interest on AT 1 capital			-2,096			-2,096
<b>Balance at 30 Jun 2021</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,906</b>	<b>2,657</b>	<b>849,743</b>	<b>3,479,191</b>

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2020</b>	<b>666,020</b>	<b>1,115,866</b>	<b>445,441</b>	<b>2,657</b>	<b>632,183</b>	<b>2,862,167</b>
Net profit for the period			9,372		116,681	126,053
Other comprehensive income, net of tax					-2,440	-2,440
<b>Total comprehensive income</b>			<b>9,372</b>		<b>114,242</b>	<b>123,614</b>
Capital expansion	1,492	698,508				700,000
Share-based payment transactions settled in equity					-1,416	-1,416
AT1 capital			-298,200			-298,200
Paid interest on AT 1 capital			-11,728			-11,728
<b>Balance at 31 Dec 2020</b>	<b>667,512</b>	<b>1,814,374</b>	<b>144,884</b>	<b>2,657</b>	<b>745,009</b>	<b>3,374,436</b>

NOKt	Share capital	Share premium reserve	Perpetual Tier 1 capital	Other paid-in equity	Other equity	Total equity
<b>Balance at 1 Jan 2020</b>	<b>666,020</b>	<b>1,115,866</b>	<b>445,441</b>	<b>2,657</b>	<b>632,183</b>	<b>2,862,167</b>
Net profit for the period			7,785		-42,822	-35,037
Other comprehensive income, net of tax						
<b>Total comprehensive income</b>			<b>7,785</b>		<b>-42,822</b>	<b>-35,037</b>
Capital expansion	1,492	698,508				700,000
Share-based payment transactions settled in equity						
AT1 capital			-149,700			-149,700
Paid interest on AT 1 capital			-8,607			-8,607
<b>Balance at 30 Jun 2020</b>	<b>667,512</b>	<b>1,814,374</b>	<b>294,919</b>	<b>2,657</b>	<b>589,361</b>	<b>3,368,823</b>

Number of shares at end of period 876,000

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