



**Third Quarter
Financial Report
2023**

Nordea Finance Equipment AS

Report of the Board of Directors as of September 30th 2023

Summary

In the first nine months of 2023, Nordea Finance Equipment AS has:

- Established new asset financing to clients for MNOK 19 769 (MNOK 14 936)
- Net banking income of MNOK 1 460 (MNOK 1 239)
- Net loan losses MNOK 68 (gain MNOK 11)
- Total profit for the period MNOK 754 (MNOK 656)
- Total assets of MNOK 50 533 (MNOK 44 328)
- Capital adequacy ratio of 21.08% (21.31%) for Tier 1 capital and 21.08% (23.99%) for total capital.

Business activities

In the first nine months of 2023, Nordea Finance Equipment AS has established new asset financing in Scandinavia of MNOK 19 769 compared to MNOK 14 936 for the same period in 2022. This is an increase of 32.3%.

In Norway new asset financing after nine months in 2023 ends at MNOK 11 243 (MNOK 9353) which is 20.2% higher than end of third quarter 2022. In Sweden new financing volumes increased with 55.1% compared to last year to MNOK 4 314 (MNOK 2 869). In Denmark new financing volumes increased with 50.4% compared to last year to MNOK 4 212 (MNOK 2 714).

During Q2 all customers in Receivable Finance have been rewritten to Nordea Finans Norge AS, sold or been terminated.

Total assets at end of third quarter 2023 are MNOK 50 532 (MNOK 44 328) which is 14% higher than at end of September 2022. From 2023 the majority of new sales within Equipment Finance are booked in Nordea Finance Equipment, and no longer in the sister companies in Nordea Finance.

Financial Results

Nordea Finance Equipment AS has Net Banking Income of MNOK 1 460 (MNOK 1 239) in the first nine months of 2023. Net Interest Income after nine months ends at MNOK 1 195 (MNOK 1 000). Net fees, income on other activity and net gains on

financial instruments at fair value have increased with 10.5% to MNOK 264 (MNOK 239). The main driver for this increase is higher gains from repossessed assets.

Operating expenses amount to MNOK 422 (MNOK 409) in the period ending September 30th 2023. This represents an increase of 3.3%.

Total Cost of Risk year to date amounts to MNOK 68 (gain MNOK 11). Total write-down for impairment represents 1.0% of outstanding loans at end of the third quarter compared to 1.1% at end of third quarter last year.

The operating income is MNOK 969 (MNOK 842) in the first nine months of 2023. The main drivers for the increase in operating income is related to increase net interest income.

Nordea Finance Equipment AS had a net result after tax of MNOK 754 (MNOK 656) for the period from January 1st to September 30th 2023.

Risk management and Capital adequacy

The regulatory capital, Tier 1 and Tier 2 included year to date profit at end of Q3 was MNOK 8 050. Tier 1 and Tier 2 excluding profit at end of Q3 was MNOK 7 281. An application will be sent to Finanstilsynet (FSA) to get required approval to include profit in Tier 1 capital.

The basis for the calculation of capital requirements and capital adequacy at the end of third quarter was MNOK 38 181 (MNOK 32 791), with credit risk weighted assets of MNOK 35 113 (MNOK 29 879).

The capital adequacy and Tier 1 capital ratio at end of September 2023 was 21.08 % including profit. Excluding profit Tier 1 capital ratio was 19.07%.

Subordinary loan was repaid in second quarter.

In first nine months of 2023, the countercyclical buffer requirements in Denmark increased to 2.5% from 2.0%, Sweden increased from 1.5% to 2.0% and Norway increased from 2.0% to 2.5%. The other capital buffer requirements are constant in the period.

Included profit total capital buffer requirement is above the prudential minimum capital levels with 5.46% compared to 9.4% at end of third quarter 2022. The additional prudential pillar 2 requirement is 2.1%. The capital coverage is, after adding profit to capital, satisfactory compared to

regulatory minimum requirements and compared to 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.

Organisation

The extraordinary general meeting has on 12th of October elected following members to the Nordea Finance Equipment AS Board of Directors:

Christian Fink Karas, Jon Brenden, Ari Kaperi, Frank Bøgholm Klausen, Rasmus Lykke Kristensen, Ellen Pløger and employee representative Hans Christian Hustad.

Oslo, November 6th 2023

Christian F. Karas
Chairman

Ellen Pløger

Frank Klausen

Ari Kaperi

Jon Brenden

Rasmus Lykke Kristiansen

Hans Christian Hustad
Employee representative

Sjur Loen
CEO

Income statement

NOK thousand	Notes	Q3, 2023	Q3, 2022	YTD Q3, 2023	YTD Q3, 2022	FY 2022
Total interest income	4	868 699	505 433	2 334 403	1 309 249	1 972 964
Total interest expenses	4	-448 439	-142 566	-1 139 008	-309 344	-580 299
Fee and commission income	5	75 773	79 194	220 845	235 174	306 077
Fee and commission expense	5	-49 872	-51 957	-141 553	-148 751	-189 831
Net gains and losses on financial instruments	6	-1 722	2 520	-1 469	1 799	3 614
Other operating income	5	52 060	42 258	186 811	151 139	313 124
Net banking income		496 499	434 882	1 460 028	1 239 265	1 825 649
Staff costs	7	-88 768	-91 941	-266 181	-267 802	-359 977
Other expenses	7	-44 991	-43 467	-156 176	-140 918	-205 527
Gross operating income		362 739	299 475	1 037 671	830 545	1 260 145
Net loan losses	11	-35 539	-16 537	-68 383	11 188	-27 645
Operating income		327 199	282 938	969 288	841 733	1 232 500
Income tax expense	15	-59 770	-62 439	-214 992	-185 759	-233 286
Profit for the period		267 429	220 499	754 296	655 974	999 214

Other comprehensive income

Items that could be reclassified:

Exchange differences on translation of foreign operations		-1 324	1 511	2 570	-517	517
Taxes		291	-332	-565	114	-114

Items that cannot be reclassified:

Actuarial gains and losses		5 023	1 499	19 185	22 671	-23 189
Taxes		-1 105	-330	-4 221	-4 988	5 102

Total comprehensive income of the period		2 885	2 348	16 969	17 280	-17 684
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Attributable to:

Equity holder of the parent		270 314	222 847	771 265	673 254	981 530
Total		270 314	222 847	771 265	673 254	981 530

Balance sheet

NOK thousand	Notes	Q3, 2023	Q3, 2022	FY 2022
Cash and balances with central banks		10	9	9
Hedging derivative assets	6,20,21	130 663	481 535	258 061
Loans to credit institutions	8	409 031	430 870	127 459
Loans to the public	9,10,11,12,13	49 637 464	43 207 166	44 779 932
Repossessed assets		14 899	18 202	18 603
Deferred tax assets	15	152 818	11 985	98 430
Tangible and intangible fixed assets		45 630	47 574	39 497
Other assets		142 379	131 045	121 554
Total		50 532 894	44 328 387	45 443 545
Hedging derivative liabilities	6,20	0	11	0
Deposits by credit institutions	16,18	41 034 406	34 131 799	35 006 634
Deposits and borrowings from the public		7 515	176 691	141 506
Other liabilities		1 025 548	1 317 558	1 136 948
Retirement benefit liabilities		90 696	56 964	103 835
Deferred tax liabilities	15	0	0	0
Current tax liabilities	15	279 658	84 704	181 054
Subordinated liabilities	17	0	550 235	550 337
Total liabilities		42 437 823	36 317 963	37 120 314
Share capital		945 436	945 436	945 436
Share premium account		240 639	240 639	240 639
Retained earnings		6 908 997	6 824 349	7 137 155
Total equity		8 095 072	8 010 424	8 323 230
Total		50 532 894	44 328 387	45 443 545

Statement of changes in equity

NOK thousand	Share capital	Share premium	Retained earnings	Translation differences	Other reserves	Total
Equity 01.01.23	945 436	240 639	7 161 334	-3 699	-20 479	8 323 231
Profit for the period			754 296			754 296
Other comprehensive income				2 005	14 965	16 969
Dividends			-999 214			-999 214
Share based payment					-209	-209
Total equity 30.09.23	945 436	240 639	6 916 416	-1 694	-5 723	8 095 072
Equity 01.01.22	945 436	240 639	6 162 120	-4 101	-6 924	7 337 170
Profit for the period			655 974			655 974
Other comprehensive income				-403	17 683	17 280
Total equity 30.09.22	945 436	240 639	6 818 094	-4 504	10 759	8 010 424

Cash flow statement

NOK thousand	YTD Q3, 2023	YTD Q3, 2022	FY 2022
Operations			
Interest income	2 287 706	1 270 277	1 933 822
Interest expenses	-1 139 008	-309 344	-580 299
Other receipts	318 991	295 318	585 015
Operating expenses	-385 414	-377 899	-606 464
Receipts on previous losses	16 866	15 292	18 803
Paid taxes	-36 910	-35 494	-43 211
Net cash flow from operations	1 062 231	858 150	1 307 668
New investments leasing	-16 418 346	-13 290 493	-18 195
Proceeds from sale of leasing assets	2 632 045	2 270 974	3 389 554
Decrease in loans (net)	8 837 493	7 069 395	-9 038 330
Decrease (increase) in other receivables	78 601	-310 169	-172 589
Decrease (increase) in advance payments	-20 826	-30 778	-21 286
Net cash flow from current financial activity	-4 891 032	-4 291 071	-5 860 846
Decrease (increase) in tangible assets	6 985	23 010	37 255
Net cash flow from investment activity	6 985	23 010	37 255
Increase (decrease) in deposits from customers	-133 991	-54 825	-90 010
Payment of dividends	-999 413	0	0
Increase (decrease) in equity	0	0	4 533
Increase (decrease) subordinated debt	-550 000	0	0
Increase (decrease) in loans from credit institutions	5 621 351	3 347 986	4 222 821
Increase (decrease) in debt	231 073	-327 243	-496 446
Increase (decrease) accrued costs	-67 613	-51 870	74 948
Currency exchange without cash effect	2 005	-403	403
Net cash flow from long term financial activity	4 103 413	2 913 645	3 716 248
Net cash flow	281 597	-496 266	-799 676
Cash at the 1st of January	127 444	927 120	927 120
Cash at end of period	409 041	430 854	127 444
Change cash during the period	281 597	-496 266	-799 676
Reconciliation cash at end of period			
Cash and balances with central banks	10	9	9
Deposits with credit institutions	409 031	430 844	127 433
Cash at end of period	409 041	430 854	127 444

Notes

1. Accounting principles

Nordea Finance Equipment AS interim financial statement is prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting endorsed by the European Union (EU).

The report includes a condensed set of financial statements and is to be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022. The accounting policies and methods of computation are unchanged from the 2022 Annual Report.

2. Important accounting estimates and discretionary evaluation

In the interim report for the third quarter of 2023, Nordea Finance Equipment AS has used important critical assessments of when loans have undergone a significant increase in credit risk and of macro scenarios that are used to calculate changes in expected credit losses. More information about how critical assessments are used and there is uncertainty in the estimates can be found in the annual report for 2022 note 1.

3. Changes in significant accounting policies

No changes in significant accounting policies in 2023.

4. Net interest income

NOK thousand	Q3, 2023	Q3, 2022	YTD 2023	YTD 2022
Interest income from financial institutions, valued at amortised cost	15 051	4 368	28 001	12 468
Interest income from customers financial leases and loans, valued at amortised cost	846 568	498 249	2 286 052	1 289 678
Interest income financial instruments	5 972	2 816	19 242	7 103
Total interest income	868 699	505 433	2 334 403	1 309 249
Interest expenses to financial institutions, valued at amortised cost	-450 703	-144 397	-1 143 084	-302 170
Interest expenses on deposits and debt to customers, valued at amortised cost	-4 072	-1 659	-8 453	-2 327
Interest expenses financial instruments	9 555	10 501	38 119	14 495
Interest expenses on subordinated liabilities	0	-5 565	-15 574	-15 147
Other interest expenses	-3 218	-1 446	-10 017	-4 195
Total interest expenses	-448 439	-142 566	-1 139 008	-309 344
Net interest income	420 260	362 867	1 195 395	999 904

5. Net fees and income on other activity

NOK thousand	Q3, 2023	Q3, 2022	YTD 2023	YTD 2022
Fee and commission income from loans and similar to customers	75 773	79 194	220 845	235 174
Fee and Commission income	75 773	79 194	220 845	235 174
Fee and commission expenses from loans and similar to customers	-47 191	-49 156	-133 110	-139 706
Other fee and commission expense	-2 681	-2 801	-8 444	-9 045
Fee and Commission expense	-49 872	-51 957	-141 553	-148 751
Net commission and fee income	25 901	27 237	79 292	86 423
Gains and losses repossessed assets	2 444	5 051	28 162	33 066
Termination gain and loss	37 256	27 087	121 390	89 166
Income from extension of leasing contracts	11 853	9 920	33 776	28 767
Other income	507	200	3 483	140
Total income other activity	52 060	42 258	186 811	151 139

6. Net gains on financial instruments at fair value

NOK thousand	Q3, 2023	Q3, 2022	YTD 2023	YTD 2022
Net gains on financial derivatives, trading	-590	564	-1 120	3 010
Change in fair value on financial derivatives, hedging	3 295	8 700	9 080	47 363
Change in fair value on hedged fixed interest loans	-5 164	-6 802	-10 435	-48 678
Net change in value and gains on foreign currency	736	58	1 006	103
Net gains/losses on financial instruments at fair value through P&L	-1 722	2 520	-1 469	1 799

7. Operating expenses

NOK thousand	Q3, 2023	Q3, 2022	YTD 2023	YTD 2022
Payroll	-58 865	-64 746	-176 449	-183 234
Pensions	-8 591	-7 896	-27 492	-23 794
Social security costs	-10 353	-10 408	-27 985	-29 377
Other staff cost	-10 960	-8 891	-34 256	-31 396
Staff costs	-88 768	-91 941	-266 181	-267 802
Rent and other office costs	-3 850	-4 116	-19 040	-10 746
Fees and temporary staff	-19 177	-18 726	-67 638	-67 565
Travel and marketing	-1 477	-2 611	-8 375	-8 429
Other operating costs	-3 343	-2 789	-8 786	-8 604
Intragroup services	-13 511	-10 096	-40 465	-27 119
Depreciation and gain/loss	-3 633	-5 128	-11 873	-18 456
Other expenses	-44 991	-43 467	-156 176	-140 918
Total operating expenses	-133 760	-135 408	-422 357	-408 720

8. Loans to credit institutions

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Deposits with credit institutions	409 031	430 844
Loans to credit institutions	0	27
Due from banks before impairment	409 031	430 870
Impairment of individually impaired loans	0	0
Revaluation of hedged item	0	0
Net due from banks	409 031	430 870

9. Loans to the public

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Equipment loans	7 657 911	5 896 892
Factoring receivables	32 130	190 492
Factoring loans	202	1 781 848
Financial lease agreements	42 473 045	35 797 197
Customer loans before impairment	50 163 289	43 666 429
Impairment of individually impaired loans	-525 825	-459 263
Net due from customers	49 637 464	43 207 166

10. Allowances recognised and customer loans

NOK thousand	YTD Q3, 2023			
	Stage 1	Stage 2	Stage 3	Total
Allowances on loans as of 01.01	-144 685	-71 236	-265 867	-481 788
Allowances on new loans	-72 008	-16 449	-19 171	-107 628
Movement from S1 to S2	18 428	-57 412	0	-38 983
Movement from S1 to S3	1 846	0	-45 328	-43 482
Movement from S2 to S3	0	9 004	-52 328	-43 324
Movement from S3 to S2	0	-989	18 237	17 248
Movement from S3 to S1	-35	0	5 269	5 234
Movement from S2 to S1	-5 596	27 142	0	21 546
Loans terminated	9 227	3 473	30 748	43 448
Change within stage	30 376	9 420	62 109	101 904
Allowances on loans at end of period	-162 446	-97 047	-266 331	-525 824
Customer loans before impairment	45 462 155	3 919 363	781 784	50 163 302

NOK thousand	YTD Q3, 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	-54 386	-14 428	-12 154	-80 968
Movement from S1 to S2	10 902	-25 726	0	-14 824
Movement from S1 to S3	1 179	0	-26 037	-24 858
Movement from S2 to S3	0	7 550	-50 471	-42 921
Movement from S3 to S2	0	-2 170	29 518	27 348
Movement from S3 to S1	-309	0	8 390	8 081
Movement from S2 to S1	-3 410	19 762	0	16 352
Loans terminated	5 940	2 948	18 604	27 492
Change within stage	40 620	11 320	65 717	117 657
Allowances on loans at end of period	-133 733	-68 017	-257 513	-459 263
Customer loans before impairment	39 710 271	3 332 587	623 572	43 666 430

11. Losses and allowances recognised in profit and loss

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Losses on loans		
Write-downs for loan losses at end of period	-525 825	-459 263
Exchange rate adjustments (opening balance)	2 757	-32 496
Write-downs for loan losses as at 01.01	481 788	492 622
Total actual losses	-43 969	-4 967
Income on actual losses	16 866	15 292
Net loan losses	-68 383	11 188

12. Leasing (financial leasing assets)

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Purchase cost 01.01	67 408 997	62 031 965
Exchange rate difference	1 017 386	446 644
Fair value changes	-36 920	-34 615
Inflow during the year	16 418 346	13 290 493
Outflow during the year	-10 378 912	-9 358 334
Purchase cost at end of period	74 428 896	66 376 153
Accumulated ordinary depreciation 01.01	27 614 536	26 652 700
Exchange rate difference	411 472	173 356
Ordinary depreciation during the year	8 841 488	8 221 664
Reversed depreciation sold assets	-7 927 789	-7 236 144
Accumulated depreciation at end of period	28 939 707	27 811 576
Book value leasing assets at end of period	45 489 189	38 564 577
Customer receivable	-3 027 680	-2 771 126
Other accruals	11 549	3 747
Book value in the balance sheet at end of period	42 473 058	35 797 197
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	11 509 639	9 257 343
1 to 5 years	36 447 191	29 314 920
After 5 years		0
Future minimum finance lease rental	47 956 830	38 572 263
Average interest	6,05 %	3,66 %
Present value of minimum lease payments	42 098 316	35 474 550
Unearned finance income	5 446 852	2 740 451

13. Risk classification

NOK thousand	YTD Q3, 2023	
	Net loans to customers	Whereof past due, non-doubtful
Days outstanding status		
Not past due	46 589 714	
1-29	2 533 641	2 459 793
30-59	61 383	60 826
60-89	314 538	252 065
90-179	122 035	19 418
> 180	43 081	12 628
> 1 year	9 992	1 633
Total	49 674 384	2 806 363

NOK thousand	YTD Q3, 2022	
	Net loans to customers	Whereof past due, non-doubtful
Days outstanding status		
Not past due	41 443 425	
1-29	1 392 004	1 348 280
30-59	59 595	56 605
60-89	218 185	195 263
90-179	62 827	19 800
> 180	19 061	8 444
> 1 year	12 070	3 794
Total	43 207 166	1 632 186

Credit exposure:

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Net loans to customers	49 674 385	43 207 166
Positive market value derivatives	130 663	481 535
Guarantee liabilities and loan commitments	3 045 613	2 995 223
Total credit exposure	52 850 660	46 683 924

14. Doubtful loans

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Gross doubtful loans	781 784	623 572
- Write-downs on impaired assets	-266 331	-257 513
Net doubtful loans	515 453	366 059

15. Income tax

The company calculates the tax payable based on an estimated effective tax rate. For 2022 the effective tax rate was 18,93 % at year end and the expected effective tax rate for 2022 was 22,0 %. For 2023 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 30 September 2023. The main contributor to the fluctuation in effective tax rate is exchange rate effects from the portfolio.

NOK thousand	YTD 2023	YTD 2022
Current income tax expense	-265 139	-84 704
Gross deferred tax expense	50 146	-101 055
Income tax expense for the period	-214 992	-185 759

16. Deposits by credit institutions

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Demand deposits and current accounts	406 420	0
Term deposits borrowings	40 426 094	34 048 051
Related payables	201 891	83 748
Total	41 034 406	34 131 799

17. Subordinated liabilities

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Subordinated liabilities	0	550 000
Subordinated liabilities related payables	0	235
Total	0	550 235

18. Information on related parties

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Assets/interest income		
Loans to Group companies	0	27
Other assets	558	679
Liability/interest expense		
Loans from Group companies	36 992 720	29 128 345
Related payables Group companies	178 491	67 399
Interest expenses to group companies	-963 233	-242 371
Subordinated liabilities	0	550 000
Interest expenses on subordinated liabilities	-15 574	-15 147

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. Capital adequacy

NOK thousand	YTD Q3, 2023	YTD Q3, 2023*	YTD Q3, 2022
<i>Common Equity Tier 1 capital</i>			
Share capital	945 436	945 436	945 436
Share premium account	240 639	240 639	240 639
Other equity	6 140 247	6 908 997	6 168 375
Common Equity Tier 1 capital before regulatory adjustment	7 326 322	8 095 072	7 354 450
<i>Common equity Tier 1 capital: Regulatory adjustment</i>			
Intangible assets (net of related tax liability)	-5 195	-5 195	-13 317
Value adjustments due to the requirements for prudent valuation	-76	-76	-52
Negative amounts resulting from the calculation of expected loss	-39 568	-39 568	-24 260
Total regulatory adjustments to Common Equity Tier 1	-44 840	-44 840	-37 628
Common Equity Tier 1 capital	7 281 482	8 050 232	7 316 822
Additional Tier 1 capital	0	0	0
Tier 1 capital	7 281 482	8 050 232	7 316 822
<i>Tier 2 capital: instrument and provision</i>			
Subordinated debt	0	0	550 000
Tier 2 capital before regulatory adjustment	0	0	550 000
Tier 2 capital: regulatory adjustment	0	0	0
Total regulatory adjustment to Tier 2 capital	0	0	0
Tier 2 capital	0	0	550 000
Total capital	7 281 482	8 050 232	7 866 822
* Including profit			
<i>Calculation basis</i>			
Standardised method			
Local and regional authorities (including municipalities)	533 792	533 792	192 118
Institutions	96 177	96 177	101 206
Corporate	10 195 735	10 195 735	9 865 310
Other	169 335	169 335	155 473
Engagements in default	219 765	219 765	148 315
Total Credit risk, standardised method	11 214 804	11 214 804	10 462 422
IRB method			
Corporate - small and medium sized businesses	16 448 552	16 448 552	14 038 226
Corporate - other	7 449 544	7 449 544	5 377 913
Total Credit risk, IRB method	23 898 096	23 898 096	19 416 140
Credit risk weighted assets	35 112 900	35 112 900	29 878 562
Operational risk, basic indicator approach	3 068 288	3 068 288	2 911 940
Additional requirement according to Basel II floor	0	0	0
Total calculation basis	38 181 189	38 181 189	32 790 503
<i>Capital ratios and buffers</i>			
Common Equity Tier 1	19,07%	21,08%	22,31%
Tier 1	19,07%	21,08%	22,31%
Total capital	19,07%	21,08%	23,99%
Capital requirement (CET1) including institution specific buffers	12,12%	12,12%	11,14%
...of which: capital conservation buffer	2,50%	2,50%	2,50%
...of which: countercyclical buffer	2,42%	2,42%	1,31%
...of which: systemic risk buffer	2,70%	2,70%	2,83%
...of which: systemically important institution buffer	0,00%	0,00%	0,00%
Common Equity Tier 1 above minimum capital requirements and capital buffers	6,95%	8,96%	11,17%
Tier 1 capital above minimum capital requirements and capital buffers	5,45%	7,46%	9,67%
Total capital above minimum capital requirements and capital buffers	3,45%	5,46%	9,35%

Capital ratios and buffers, nominal amounts

Institution specific buffer requirement	4 626 545	4 626 545	3 653 994
...of which: capital conservation buffer	954 530	954 530	819 763
...of which: countercyclical buffer	922 992	922 992	430 572
...of which: systemic risk buffer	1 030 870	1 030 870	928 086
...of which: systemically important institution buffer	0	0	0
Common Equity Tier 1 above minimum capital requirements and capital buffers	2 654 608	3 422 050	3 661 567
Tier 1 capital above minimum capital requirements and capital buffers	2 081 890	2 849 332	3 169 710
Total capital above minimum capital requirements and capital buffers	1 318 266	2 085 708	3 064 780
Amount below the thresholds for deductions			
Deferred tax assets arising from temporary differences			11 985
Pillar 2 requirement			
Additional core capital buffer requirement ratio	2,1 %	2,1 %	1,7 %
Additional core capital buffer requirement	823 986	823 986	555 454
Leverage ratio			
Total Leverage Ratio exposure	52 963 787	52 963 787	45 813 722
Leverage Ratio	13,8 %	15,2 %	16,0 %

Adding profit to capital requier apporval from Finanstilsynet.

20. 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 2022.

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

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

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Financial assets - Level 2		
Hedging derivative assets	130 129	481 535
Revaluation differences	-36 920	-34 615
Total assets	93 209	446 920
NOK thousand		
Financial liabilities - Level 2		
Financial liabilities at fair value through profit and loss	0	0
Hedging derivative liabilities	-534	11
Total liabilities	-534	11

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

21. 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.

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Financial derivatives -assets		
Gross amount	130 663	481 535
Amounts that are offset	0	0
Net amount in financial position	130 663	481 535
Financial instruments on balance sheet	0	-11
Cash collateral in the balance sheet	0	-488 360
Net position	130 663	-6 836

NOK thousand	YTD Q3, 2023	YTD Q3, 2022
Financial derivatives -liabilities		
Gross amount	0	11
Amounts that are offset	0	0
Net amount in financial position	0	11
Financial instruments on balance sheet	0	-11
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.

22. Contingencies

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

23. Assets pledged and received as security

Nordea Finance Equipment AS has no assets pledged as security.

24. Events after the reporting period

The company is at the date of issue, 6th November 2023, not familiar with matters that are likely to change the assessment of the financial position as at 30 September 2023.