

STABLE LENDING MARKETS

Nordax is currently active in four markets in Northern Europe: Sweden, Norway, Finland and Germany. They all share a stable macroeconomic outlook, stable public finances, comprehensive social insurance systems and good access to personal data, which facilitates credit assessments.

Our markets are characterised by a proven propensity among private customers to repay their debts at the same time that there is an effective legal system in place for debt collection. The option of seeking payment through a neutral enforcement authority through wage garnishment is also a common denominator for our markets.

Geographically diversified lending is a strength, since economic conditions and growth prospects in different markets vary over time.

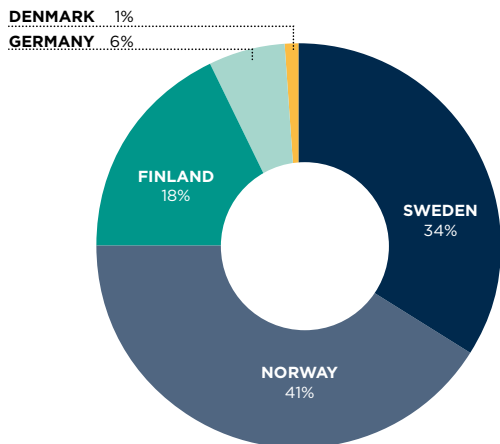
UNIQUE DISTRIBUTION MODEL

Our marketing is effective, and the strategy is based in large part in seeking out customers ourselves. Our loan offers are marketed through several different channels mainly targeted marketing, but also through loan brokers, digital channels and lending to existing customers. Targeted marketing is our core competence and consists of addressed direct mail, unaddressed direct mail and marketing through partners. We identify clusters of potential customers where we from experience know there may be individuals who are interested in and can afford a larger loan. Many of our customers are reached through the postal system. In this way we are sure to reach the potential customers we most want to and they in turn have the opportunity to consider our offer in peace and quiet. We work continuously to optimise response rates and the quality of loan applications with the help of sophisticated data analysis.

We prefer direct marketing channels to broker channels, since they are more cost-efficient and have lower credit risk.

We use brokers only in segments where we have expertise - in evaluating large personal loans. Despite the higher percentage of approved loans in direct marketing channels, these channels consistently have lower credit risk. Efficiency and lending growth in our direct marketing channels are good, but we have also increased the number of lending channels in recent years to reach more individuals in our target group.

LENDING BY MARKET



NEW LENDING - CHANNEL DISTRIBUTION

