



January - September 2023

# Interim report January–September 2023

## Third quarter of 2023 (compared to the third quarter of 2022)

- The loan portfolio amounted to SEK 44,139m (41,514)
- Total income amounted to SEK 906m (811)
- The C/I ratio amounted to 24.5% (24.7)
- The credit loss level amounted to 2.6% (2.3)
- Operating profit amounted to SEK 405m (373)
- Net profit amounted to SEK 321m (295) and earnings per share<sup>1)</sup> amounted to SEK 1.49 (1.38)
- Return on equity amounted to 16.6% (18.7)
- The CET1 ratio amounted to 15.1% (13.5) and the total capital ratio amounted to 16.2% (14.6)

## January–September 2023 (compared to January–September 2022)

- The loan portfolio amounted to SEK 44,139m (41,514)
- Total income amounted to SEK 2,714m (2,284)
- The C/I ratio amounted to 25.1% (26.3)
- The credit loss level amounted to 2.5% (2.3)
- Operating profit amounted to SEK 1,223m (1,005)
- Net profit amounted to SEK 968m (795) and earnings per share<sup>1)</sup> amounted to SEK 4.50 (3.72)
- Return on equity amounted to 17.5% (17.5)
- The CET1 ratio amounted to 15.1% (13.5) and the total capital ratio amounted to 16.2% (14.6)

## Significant events during the period

On 5 September 2023 Collector Bank AB formally changed its corporate name to Norion Bank AB.

The Swedish Financial Supervisory Authority ("Swedish FSA") has carried out a review and evaluation of Norion Bank AB and decided upon special capital base requirements and Pillar 2 Guidance. The bank's previous internally calculated capital requirements have been confirmed and the Swedish FSA has decided upon a Pillar 2 Guidance of 0% of the total risk exposure amount and 0.5% of the leverage ratio-based requirement.

## Significant events after the period

The Swedish FSA has granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. The permission will strengthen the bank's capital position. As per 30 September 2023, the total capital ratio would have increased by circa 0.9%. The alternative standardised approach will be applied from the fourth quarter of 2023.

<sup>1)</sup> See pages 4–5

# Norion Bank Group

Highlights third quarter of 2023  
(compared to the third quarter of 2022)

44,139

Loan portfolio (SEKm)

+6%

906

Total income (SEKm)

+12%

24.5%

C/I ratio

-0.3

percentage points

321

Net profit (SEKm)

+9%

16.6%

Return on equity

-2.0

percentage points

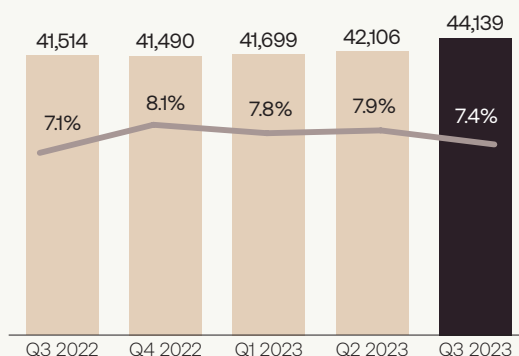
15.1%

CET1 ratio

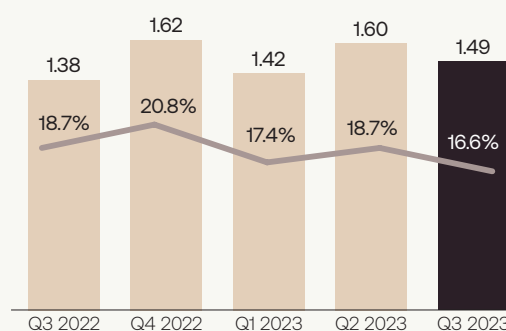
+1.6

percentage points

Loan portfolio (SEKm) and NIM (%)



EPS <sup>1)</sup> (SEK) and adjusted RoE (%)



<sup>1)</sup> Earnings per share before and after dilution

# This is Norion Bank

Norion Bank Group is a business-oriented Nordic financing bank. The Group's brands – Norion Bank, Walley and Collector – offer customized financing solutions that meet distinct needs in three customer segments: medium-sized corporates and real estate companies, merchants, and private individuals. As a specialist in financing solutions, Norion Bank Group is a leading complement to traditional large banks, with a vision of being the leading Nordic financing bank in its chosen segments.

Norion Bank offers corporate and real estate loans, as well as factoring for medium-sized corporates and real estate companies. The Walley brand offers flexible payment and checkout solutions to merchants and private individuals. The Collector brand offers personal loans and credit cards to private customers, as well as savings accounts to private individuals and companies. Norion Bank Group (formerly Collector Bank) was founded in 1999 and has offices in Gothenburg, Stockholm, Helsingborg, Oslo and Helsinki. Business is conducted through Norion Bank AB (public), which is listed on Nasdaq Stockholm.

## Key ratios Group

SEKm	Q3 2023	Q2 2023	Δ	Q3 2022	Δ
<b>Income statement</b>					
Net interest income	792	826	-4%	733	8%
Total income	906	926	-2%	811	12%
Net profit	321	342	-6%	295	9%
Earnings per share before dilution, SEK	149	160	-7%	138	8%
Earnings per share after dilution, SEK	149	160	-7%	138	8%
<b>Balance sheet</b>					
Loans to the public	44,139	42,106	5%	41,514	6%
Deposits and borrowings from the public	39,870	38,753	3%	37,567	6%
Debt securities in issue	1,865	2,754	-32%	3,368	-45%
Subordinated liabilities	-	-	-	-	-
Total equity (shareholders of Norion Bank AB)	7,493	7,187	4%	6,236	20%
<b>Key ratios<sup>1)</sup></b>					
Net interest margin (NIM) - Period <sup>2)</sup>	74%	79%		71%	
Net interest margin (NIM) - LTM <sup>2)</sup>	76%	77%		70%	
Credit loss level - Period <sup>2)</sup>	26%	25%		23%	
Credit loss level - LTM <sup>2)</sup>	25%	25%		23%	
C/I ratio - Period <sup>2)</sup>	245%	249%		247%	
C/I ratio - LTM <sup>2)</sup>	251%	251%		267%	
Return on equity (RoE) - Period <sup>2)</sup>	16.6%	18.7%		18.7%	
Return on equity (RoE) - LTM <sup>2)</sup>	18.3%	18.9%		17.3%	
CET1 ratio <sup>3)</sup>	15.1%	15.0%		13.5%	
Tier 1 ratio <sup>3)</sup>	16.2%	16.1%		14.6%	
Total capital ratio <sup>3)</sup>	16.2%	16.1%		14.6%	
Average number of full-time employees	349	341	3%	308	14%
<b>Adjusted key ratios<sup>1)</sup></b>					
Net interest margin (NIM) - Period <sup>2)</sup>	74%	79%		71%	
Net interest margin (NIM) - LTM <sup>2)</sup>	76%	77%		70%	
Credit loss level - Period <sup>2)</sup>	26%	25%		23%	
Credit loss level - LTM <sup>2)</sup>	25%	25%		23%	
C/I ratio - Period <sup>2)</sup>	245%	249%		247%	
C/I ratio - LTM <sup>2)</sup>	251%	251%		267%	
Return on equity (RoE) - Period <sup>2)</sup>	16.6%	18.7%		18.7%	
Return on equity (RoE) - LTM <sup>2)</sup>	18.3%	18.8%		17.2%	

<sup>1)</sup> See Definitions, pages 19-20, and [norionbank.se/en-se/investor-relations-en/financial-information/key-financials](https://norionbank.se/en-se/investor-relations-en/financial-information/key-financials) for more information about key ratios

<sup>2)</sup> Key ratios that have not been prepared in accordance with IFRS but are deemed to facilitate the analysis of Norion Bank's development. See Definitions, pages 21-22

<sup>3)</sup> Key ratios according to capital adequacy rules (CRR). See note 12, pages 43-45



## Key ratios Group, cont.

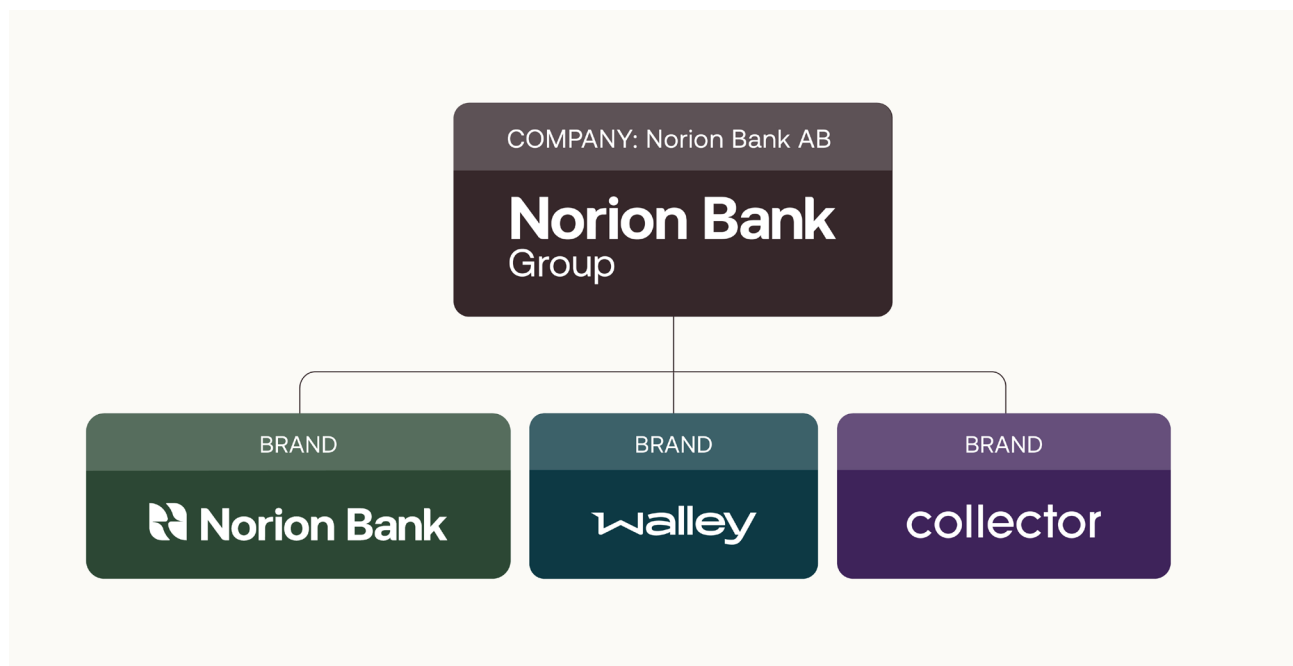
SEKm	Jan-Sep 2023	Jan-Sep 2022	Δ	Full year 2022
<b>Income statement</b>				
Net interest income	2,427	2,060	18%	2,899
Total income	2,714	2,284	19%	3,212
Net profit	968	795	22%	1,141
Earnings per share before dilution, SEK	450	3.72	21%	5.34
Earnings per share after dilution, SEK	450	3.72	21%	5.34
<b>Balance sheet</b>				
Loans to the public	44,139	41,514	6%	41,490
Deposits and borrowings from the public	39,870	37,567	6%	36,842
Debt securities in issue	1,865	3,368	-45%	3,337
Subordinated liabilities	-	-	-	-
Total equity (shareholders of Norion Bank AB)	7,493	6,236	20%	6,570
<b>Key ratios<sup>1)</sup></b>				
Net interest margin (NIM) - Period <sup>2)</sup>	76%	71%		75%
Net interest margin (NIM) - LTM <sup>2)</sup>	76%	70%		75%
Credit loss level - Period <sup>2)</sup>	2.5%	2.3%		2.4%
Credit loss level - LTM <sup>2)</sup>	2.5%	2.3%		2.4%
C/I ratio - Period <sup>2)</sup>	25.1%	26.3%		25.9%
C/I ratio - LTM <sup>2)</sup>	25.1%	26.7%		25.9%
Return on equity (RoE) - Period <sup>2)</sup>	17.5%	17.5%		18.3%
Return on equity (RoE) - LTM <sup>2)</sup>	18.3%	17.3%		18.3%
CET1 ratio <sup>3)</sup>	15.1%	13.5%		14.3%
Tier 1 ratio <sup>3)</sup>	16.2%	14.6%		15.4%
Total capital ratio <sup>3)</sup>	16.2%	14.6%		15.4%
Average number of full-time employees	339	303	12%	308
<b>Adjusted key ratios<sup>1)</sup></b>				
Net interest margin (NIM) - Period <sup>2)</sup>	76%	71%		75%
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Credit loss level - Period <sup>2)</sup>	2.5%	2.3%		2.4%
Credit loss level - LTM <sup>2)</sup>	2.5%	2.3%		2.4%
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# Collector Bank has become Norion Bank –One company operating under three brands



On 5 September 2023, Collector Bank formally changed its corporate name to Norion Bank. The change of corporate name reflects the strategic transformation journey that was initiated in 2019, transforming from a digital challenger bank to a stable, Nordic financing bank. The name change also clarifies the customer offering and maximizes the growth and development opportunities for each of the bank's three brands.

– We are very pleased with the strategic transformation journey we have undergone. Norion Bank has moved from a digital challenger, characterized by high growth, to a stable and focused financing bank with solid profitability and a more balanced risk profile. The aim of the new corporate name is to both further strengthen our positioning and clarify our customer offering. With our broad product platform, we have a unique position on the market, says Martin Nossman, CEO of Norion Bank.

# Norion Bank Group

Norion Bank Group is a business-oriented Nordic financing bank. The Group's brands – Norion Bank, Walley and Collector – offer customized financing solutions that meet distinct needs in three customer segments: medium-sized corporates and real estate companies, merchants, and private individuals. As a specialist in financing solutions, Norion Bank Group is a leading complement to traditional large banks, with a vision of being the leading Nordic financing bank in its chosen segments.

 **Norion Bank**

Corporate and real estate loans, as well as factoring solutions, for medium-sized corporates and real estate companies.

 **walley**

Payment and checkout solutions for merchants and private customers.

 **collector**

Personal loans, credit cards and savings accounts for private individuals.

# A comment from our CEO

## Collector Bank has become Norion Bank

In the beginning of September, we formally became Norion Bank and this is our first quarterly report under the new name. Changing the corporate name is a project that on paper essentially means a new name, a new logo and new brand colors. For me personally, this is a project that reflects the strategic transformation journey the bank has undergone during the last couple of years. Norion Bank has transformed from a digital niche bank, characterized by high growth, to a stable and focused financing bank with solid profitability and a more balanced risk profile.

I'm also looking forward to letting our three brands stand on their own feet, and I hope that our customers appreciate the clarity three brands create for our business offering. More information about the name change and our three brands is available on pages 6-7 in this interim report.

Last, but not least, I would like to thank everyone involved for their solid efforts. Parallel to a name change, you have been part of the daily operations and further developed the bank's business during the last year.

## The macroeconomic environment and its effects on our customers

The Riksbank started increasing the policy rate about 1.5 years ago. The policy rate has during the same period increased from 0% to 4.00% and we have seen similar increases in many other countries. The uncertainty regarding future development has contributed to a more cautious market sentiment. The inflation rate has however been slightly lower in the past couple of months compared to the first half of 2023 and the second half of 2022. I hope we are on the right path and that we hence are not far from reaching the interest rate peak. A more stabilized interest rate level will reduce uncertainty among market participants and facilitate the making of long-term sustainable plans.

Our corporate and real estate clients have been significantly more cautious during the last year awaiting a more stabilized interest rate level. Transaction activity has hence been more muted. We have however not seen any systematic patterns in terms of payment difficulties yet. One reason could be that we, on the corporate side, do not have any significant exposure to the industries that as of today have experienced a higher bankruptcy ratio.

Fewer of our private customers are sent to debt collection, but the ones that experience difficulties in maintaining their payment plans have increased difficulties catching up with their payments. I'm happy to see that the changes we have made to our credit assessment process during the last few years are starting to show results. We however remain humble with regards to future developments both for our corporate and private customers. Sound and sustainable lending will remain of great importance for the bank.

## Operating development

The loan portfolio amounted to SEK 44,139 million by the end of the third quarter. The quarterly increase has mainly been driven by the Real Estate and Consumer segment, respectively.

The Swedish real estate market has experienced turbulence during quite some time. The market is still somewhat cautious but demand for bank financing remains solid. We continue to maintain a high frequency of client interaction within our real estate business. Despite many interesting opportunities, we have been selective in terms of completed transactions.

I'm happy to see that this is the first quarter in a long time that we grow the Consumer loan book. Our efforts of increasing proprietary distribution are starting to show results. Our investments in proprietary distribution, coupled with the changes made to our credit assessment process in recent years, has yielded a risk-adjusted profitability level that we have not seen in many years. We are satisfied with the results and will continue to prioritize increased profitability as well as sound and sustainable lending.

In summary, I can conclude that we have delivered stable results yet another quarter amid a turbulent and uncertain macroeconomic environment. Total income remains stable, and we show solid cost control despite the inflationary pressure we experience and the investments we continue to make in the organization. Return on equity remains on a solid level, amounting to 16.6% in the third quarter.


## Increased clarity and strengthening of the capital situation

By the end of the quarter, the Swedish Financial Supervisory Authority decided upon special capital base requirements and Pillar 2 Guidance after having carried out a review and evaluation of Norion Bank AB. Our previous internally calculated capital requirements have been confirmed and the Swedish FSA decided upon a Pillar 2 Guidance of 0% of the total risk exposure amount and 0.5% of the leverage ratio-based requirement. The decision creates increased clarity in terms of the bank's future capital requirements.

After the end of the quarter, the Swedish FSA granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. The permission will strengthen the bank's capital position, starting in the fourth quarter of 2023 when we will be applying the method for the first time. As an illustrative example of financial effects, the total capital ratio would have increased by circa 0.9% should the method have been applied during the third quarter. See page 11 in this interim report for more information about financial effects.

**Martin Nossman**  
CEO





MARTIN NOSSMAN, CEO

“Continued stable  
performance.”

# The Group's development

## Total income for the third quarter of 2023

Total income amounted to SEK 906 million (811) corresponding to an increase of 12% compared to last year. Net interest income increased by 8% compared to the previous year and amounted to SEK 792 million (733). Higher market rates have, during a longer period, had a positive impact on interest income. Funding costs have also increased following higher policy rates and gradually increased competition in the deposit market. The net interest margin amounted to 7.4% (7.1). The net interest margin has been negatively affected by increased volumes in Stage 2 and Stage 3, primarily related to the Real Estate segment, as well as late inflow of new volumes during the quarter. Net commission income increased by 4% compared to last year and amounted to SEK 74 million (71). Net gains and losses on financial items amounted to SEK 30 million (-3) driven by strong revaluations of financial holdings. Other income amounted to SEK 10 million (9).

## Total income for the period January-September 2023

Total income amounted to SEK 2,714 million (2,284) during the period January-September 2023, corresponding to an increase of 19% compared to last year. Net interest income amounted to SEK 2,427 million (2,060) during the period January-September 2023, corresponding to an increase of 18%. The net interest margin amounted to 7.6% (7.1) during the period January-September 2023. Net commission income amounted to SEK 222 million (226) during the period January-September 2023, corresponding to a decrease of 2% compared to last year. Net gains and losses on financial items amounted to SEK 35 million (-30). Other income amounted to SEK 30 million (29).

## Total expenses

Total expenses amounted to SEK 681 million (601) during the period January-September 2023, of which SEK 222 million (201) pertain to the third quarter of 2023. Total expenses are seasonally low during the third quarter. The C/I ratio for the period January-September 2023 amounted to 25.1% (26.3) and to 24.5% (24.7) in the third quarter of 2023. Norion Bank hence continues to prove solid cost control.

## Loan portfolio

The total loan portfolio amounted to SEK 44,139 million (41,514) by the end of the third quarter of 2023, corresponding to an increase of 6% compared to last year and an increase of 5% compared to the previous quarter. The Corporate loan portfolio has decreased by 11% compared to the previous year and decreased by 1% compared to the previous quarter. The Real Estate loan portfolio has increased by 20% compared to the previous year and increased by 9% compared to the previous quarter. The Consumer loan portfolio has increased by 2% compared to the previous year and increased by 4% compared to the previous quarter. The Payments loan portfolio has increased by 12% compared to the previous year and increased by 3% compared to the previous quarter. Out of the total loan portfolio, Corporate amounted to 22% (26), Real Estate amounted to 47% (41), Consumer amounted to 25% (26), Payments amounted to 6% (6) and Other amounted to 1% (2) by the end of the quarter.

## Credit losses

The credit loss level for the period January-September 2023 amounted to 2.5% (2.3) and to 2.6% (2.3) in the third quarter of 2023. The credit loss level for the underlying banking operations is presented on page 11.

## Operating profit, net profit, EPS and RoE

Operating profit amounted to SEK 1,223 million (1,005) during the period January-September 2023 and to SEK 405 million (373) in the third quarter of 2023. Net profit amounted to SEK 968 million (795) during the period January-September 2023 and to SEK 321 million (295) in the third quarter of 2023. Earnings per share amounted to SEK 4.50 (3.72) during the period January-September 2023 and to SEK 1.49 (1.38) in the third quarter of 2023. Return on equity amounted to 17.5% (17.5) during the period January-September 2023 and to 16.6% (18.7) in the third quarter of 2023.

## Non-recurring items

Non-recurring items are defined as income and expenses that are not expected to appear on a regular basis.

### 2023

There were no non-recurring items in the first, second or third quarter of 2023.

### 2022

There were no non-recurring items in the first, second, third or fourth quarter of 2022.

## Liquidity

Norion Bank's total liquidity amounted to SEK 6,260 million (6,708) as of 30 September 2023. Total liquidity consists of a liquidity portfolio (Bonds and other interest-bearing securities as well as Treasury bills and other bills eligible for refinancing with central banks, etc.) and other liquid assets (Loans to credit institutions). The liquidity portfolio consists of highly liquid assets, e.g. municipal bonds, covered bonds and government issued securities, and amounted to SEK 4,067 million (3,393) as of 30 September 2023. Other liquid assets mainly consist of deposit accounts with Nordic banks and amounted to SEK 2,193 million (3,315) as of 30 September 2023.



## Funding

Deposits and borrowings from the public amounted to approximately 77% (77) of Norion Bank's balance sheet, which by the end of the period amounted to SEK 39,870 million (37,567). This is the primary source of funding for the Group. Senior unsecured bonds issued amounted to SEK 1,816 million (3,268). Commercial papers issued amounted to SEK 49 million (100).

## Capital adequacy

Norion Bank has received permission from the Swedish Financial Supervisory Authority to include net profit for the period in own funds. A review of net profit for the period for Norion Bank AB has been performed, and Norion Bank has been allowed to include net profit in the Common Equity Tier 1 capital. Norion Bank has previously issued a hybrid capital instrument in the form of an Additional Tier 1 bond of SEK 500 million. Over time, Norion Bank aims to work with an efficient capital planning strategy, which includes issuance of both Additional Tier 1 and Tier 2 instruments. At the end of the period, the risk-weighted exposure amount was SEK 47,478 million (45,582). As of 30 September 2023, the CET1 ratio amounted to 15.1% (13.5), the Tier 1 ratio to 16.2% (14.6) and the total capital ratio to 16.2% (14.6).

The Swedish Financial Supervisory Authority has granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. The permission will strengthen the bank's capital position. Based on Norion Bank's figures as of 30 September 2023, the Common Equity Tier 1 ratio would have increased from 15.1% to 15.9%, compared with the regulatory requirement of 9.1%. The Tier 1 ratio and Total Capital ratio would have increased from 16.2% to 17.0%, compared with regulatory requirements of 10.8% and 13.1%, respectively. The alternative standardised approach will be applied from the fourth quarter of 2023.

## The macroeconomic environment

Central Banks all around the world have carried out policy rate increases continuously during 2022 and 2023. The policy rate increases have however not fully managed to curb inflation which during the last year has been driven by energy and food prices. Macroeconomic forecasts have as a consequence been revised down during the same period, but the market now seem to expect a more stabilized interest rate path in the near term.

	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Credit loss level (%)				
Reported	26%	23%	25%	23%
Reported, excl. purchased debt portfolios	26%	23%	25%	22%

# Cautious market awaiting more stabilized interest rate levels

The loan portfolio of the Corporate segment amounted to SEK 9,544 million (10,743), corresponding to a decrease of 11% over the previous year and a decrease of 1% over the previous quarter. The Corporate segment accounted for 22% (26) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 217 million (187) during the quarter and to SEK 599 million (496) during the period January–September 2023. The net interest margin (NIM) amounted to 8.0% compared to 7.0% in the same quarter last year and 7.7% in the previous quarter. The NIM amounted to 7.7% (6.8) during the period January–September 2023. The total income margin amounted to 9.1% compared to 7.2% in the same quarter last year and 7.9% in the previous quarter. The total income margin amounted to 7.9% (7.1) during the period January–September 2023. The NIM and total income margins can vary between periods dependent on when amortizations and disbursements of new loans are made during respective period.

Interest among existing and potential clients is well maintained. Client interaction frequency has been relatively high, whereas transaction activity continued to be muted following a cautious market sentiment. On the back of the uncertain macroeconomic backdrop, Norion Bank has also applied a more selective approach with regards to completed transactions. Norion Bank has an attractive position within the Corporate segment which is one of the company's focus areas going forward.

## Norion Bank

### Corporate

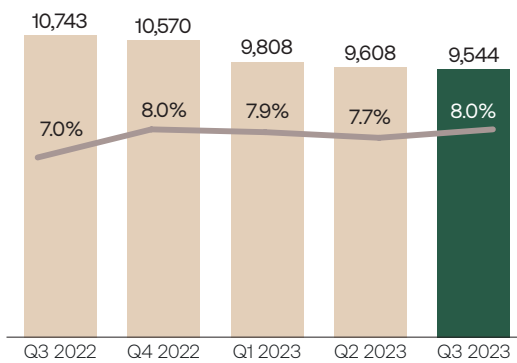
Norion Bank offers corporate loans and factoring solutions with particular focus on medium-sized enterprises in Sweden, Norway and Finland in a wide range of industries. Corporate loans are issued to companies against collateral. Factoring solutions primarily comprise purchasing of invoices both with and without right of recourse.



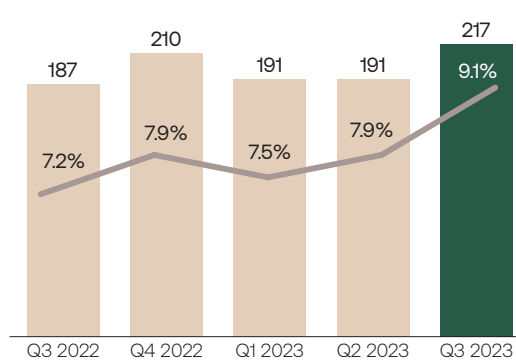
Photo: Anna Roström

## DEVELOPMENT IN THE CORPORATE SEGMENT

Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)

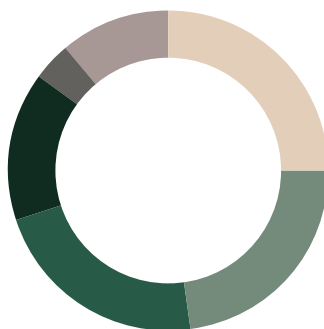


Geographic split <sup>1)</sup>



Sweden, 35%  
Norway, 24%  
Finland, 21%  
Other, 20%

Industry split <sup>1)</sup>



Manufacturing, 25%  
Wholesale & Retail, 23%  
Financial services & Investment companies, 22%  
Business services, 15%  
Information & Communication, 4%  
Other, 11%

**47** SEKm  
Average loan in the portfolio <sup>2)</sup>

**15**  
Average remaining maturity (months) <sup>2)</sup>

<sup>1)</sup> Based on the Corporate loan portfolio as of 30 September 2023

<sup>2)</sup> Corporate lending

# Challenging market conditions remain

The loan portfolio of the Real Estate segment amounted to SEK 20,528 million (17,122), corresponding to an increase of 20% over the previous year and an increase of 9% over the previous quarter. The Real Estate segment accounted for 47% (41) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 262 million (273) during the quarter and to SEK 912 million (738) during the period January–September 2023. The net interest margin (NIM) amounted to 5.6% compared to 6.4% in the same quarter last year and 6.6% in the previous quarter. The NIM has been negatively affected by increased volumes in Stage 2 and Stage 3 as well as late inflow of new volumes during the third quarter of 2023. The NIM amounted to 6.4% (6.3) during the period January–September 2023. The total income margin amounted to 5.3% compared to 6.4% in the same quarter last year and 6.9% in the previous quarter. The total income margin amounted to 6.4% (6.4) during the period January–September 2023. The NIM and total income margins can vary between periods dependent on when amortizations and disbursements of new loans are made during respective period.

Despite muted market activity, demand for bank financing remains driven by i.a. lower activity on the bond market. Interest among existing and potential clients is hence well maintained. On the back of the macroeconomic developments and declining market sentiment, Norion Bank has applied a more selective approach with regards to completed transaction. The majority of the Real Estate portfolio still constitutes of senior loans, which amounted to 59% (67) by the end of the quarter. Norion Bank has an attractive position within the Real Estate segment which is one of the company's focus areas going forward.

## Norion Bank

### Real Estate

Norion Bank offers real estate loans focusing on metropolitan areas and university cities in the Nordic region and Germany. Real estate loans are issued to companies against collateral. Norion Bank offers both junior and senior lending. Financing is provided mainly for residential properties but also for offices and industrial properties.

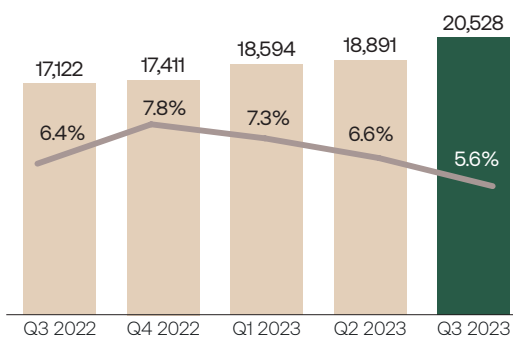


Photo: Anna Roström

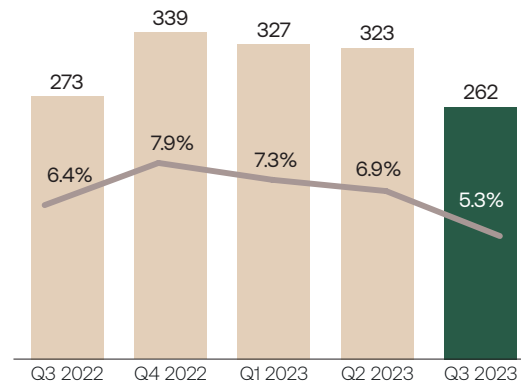


## DEVELOPMENT IN THE REAL ESTATE SEGMENT

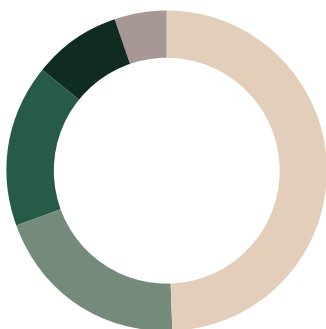
Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)

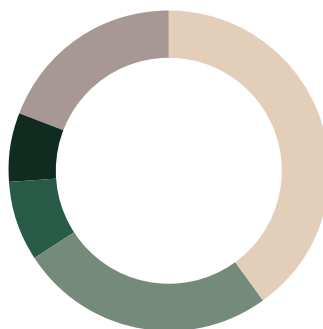


Geographic split <sup>1)</sup>



Sweden, 49%  
Germany, 20%  
Finland, 16%  
Denmark, 9%  
Other, 5%

Industry split <sup>1)</sup>



Residential, 40%  
Office, 26%  
Warehouse, 8%  
Retail, 7%  
Other, 19%

125 SEKm  
Average loan in the portfolio

13  
Average remaining maturity  
(months)

Share of senior loans ▶ 59%

Share of junior loans ▶ 41%

Average LTV – senior loans ▶ 62%

Average LTV – junior loans ▶ 73%

<sup>1)</sup> Based on the Real Estate loan portfolio as of 30 September 2023

# Solid new sales development

The loan portfolio of the Consumer segment amounted to SEK 10,838 million (10,602), corresponding to an increase of 2% over the previous year and an increase of 4% over the previous quarter. The Consumer segment accounted for 25% (26) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 204 million (213) during the quarter and to SEK 647 million (672) during the period January–September 2023. The net interest margin (NIM) amounted to 7.1% compared to 7.4% in the same quarter last year and 8.5% in the previous quarter. The NIM amounted to 7.6% (7.6) during the period January–September 2023. The total income margin amounted to 7.7% compared to 8.0% in the same quarter last year and 9.1% in the previous quarter. The total income margin amounted to 8.1% (8.2) during the period January–September 2023.

Loan book volumes have been declining during the last few years given Norion Bank's focus on increasing profitability within the segment. The third quarter has experienced stronger quarterly volume growth following an increase in new sales coupled with less early redemptions. The focus on improving credit quality in new sales and increasing sales through own channels have yielded results. Annual volume growth has been more modest, and expectations include a quarterly growth rate that is lower than the one recorded during the third quarter of 2023. Interest rate increases have been made during the last quarters to compensate for increased funding costs due to higher policy rates. Increased profitability and sound and sustainable lending remain prioritized areas for the segment.

## collector

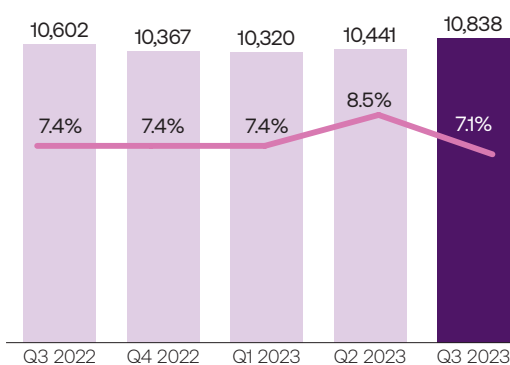
### Consumer

Collector offers unsecured loans to private individuals of up to SEK 500,000 in Sweden and up to EUR 25,000 in Finland. Sales is conducted through own channels as well as loan intermediaries. Collector also offers credit cards, with a maximum credit limit of SEK 100,000, and savings accounts.

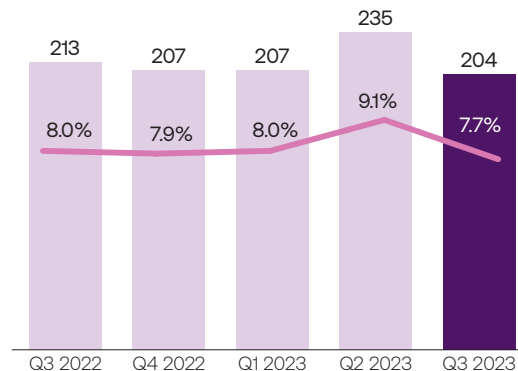


## DEVELOPMENT IN THE CONSUMER SEGMENT

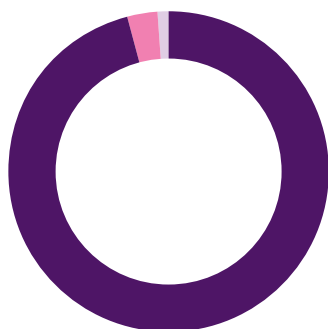
Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)



Geographic split <sup>1)</sup>



Sweden, 96%  
Finland, 3%  
Norway, 1%

Average customer

Personal loans



209,000

Average loan new sales  
(SEK, LTM)

156,000

Average loan in the portfolio (SEK)

~40%

New sales through own channels

51,000

Customers

24,000

Cards outstanding

<sup>1)</sup> Based on the Consumer loan portfolio as of 30 September 2023

# Good volume development

The loan portfolio of the Payments segment amounted to SEK 2,640 million (2,359), corresponding to an increase of 12% over the previous year and an increase of 3% over the previous quarter. The Payments segment accounted for 6% (6) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 129 million (117) during the quarter and to SEK 351 million (365) during the period January–September 2023. The net interest margin (NIM) amounted to 8.3% compared to 8.8% in the same quarter last year and 7.9% in the previous quarter. The NIM amounted to 7.8% (9.2) during the period January–September 2023. The total income margin amounted to 19.8% compared to 19.5% in the same quarter last year and 17.8% in the previous quarter. The total income margin amounted to 18.3% (20.2) during the period January–September 2023.

Transaction volumes amounted to SEK 3,514 million (3,165) during the third quarter of 2023, which corresponds to an increase of 11% compared to the same quarter last year. Transaction volumes amounted to SEK 10,291 million (9,915) during the period January–September 2023, which corresponds to an increase of 4% compared to the same period last year. Transaction volumes remain at stable levels despite slightly challenging conditions for the e-commerce market. The Payments segment, operating under the Walley brand, hence continues to gain market share. Profitable growth, in combination with satisfied merchants and end customers, remain as core focus for the Payments business.

## Walley

### Payments

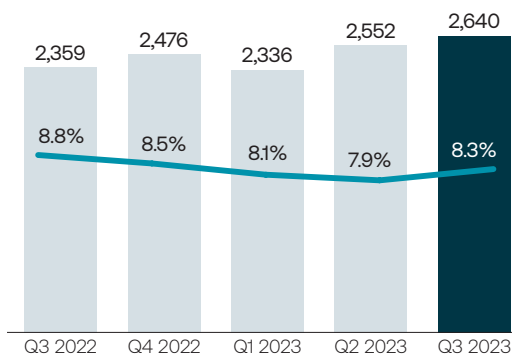
Walley offers payment and checkout solutions to e-commerce and retail chains, primarily in Sweden, Finland and Norway, as well as invoicing and payment by instalment services for private individuals. Walley offers specialized solutions focusing on the merchant's strategy and brand, primarily targeting larger merchants.



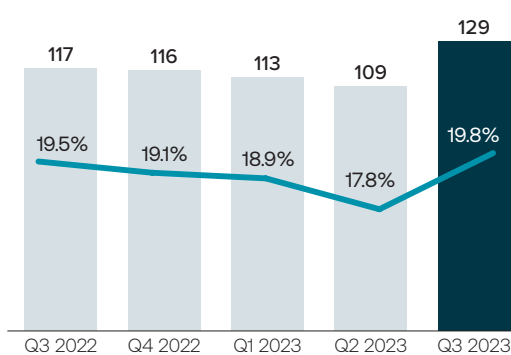
Loan portfolio

## DEVELOPMENT IN THE PAYMENTS SEGMENT

Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)

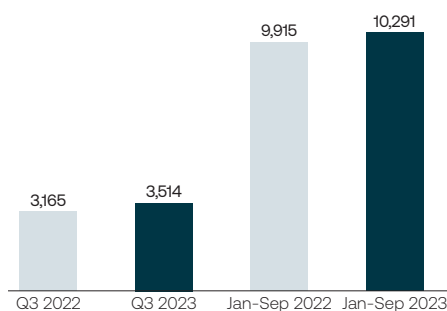


Geographic split <sup>1)</sup>



Sweden, 48%  
 Finland, 40%  
 Norway, 11%  
 Denmark, 1%

Transaction volumes (SEKm)



**Q3 2023**  
 (Q3 2022)

**+11%**  
 % change

**Jan-Sep 2023**  
 (Jan-Sep 2022)

**+4%**  
 % change

**4.6 M**  
 Active customers  
 (LTM)

**1,100**  
 Average ticket size (SEK)

<sup>1)</sup> Based on the Payments loan  
 portfolio as of 30 September  
 2023

# Other information

## Material risks and uncertainty factors

Through its operations, Norion Bank is exposed to several different risks: primarily credit risk, market risk (currency risk and interest rate risk), liquidity and financing risks as well as operational risk and other business risks. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potentially unfavorable influences on the Group's financial results. Risk management is handled by the Group's management team according to policies established by the Board of Directors. The Board establishes written policies for overall risk management and for specific areas such as currency risk, interest rate risk, credit risk, operational risk and the use of derivatives and similar financial instruments. The Group's risk structure and its risk, liquidity and capital management are described in Norion Bank's annual report. There have been no significant changes since the publication of the annual report (the Group's annual report for the fiscal year 2022 that was published under the former corporate name Collector Bank AB), except as reported in this interim report.

## A company regulated by the Swedish Financial Supervisory Authority

Norion Bank AB (publ) has a license to conduct banking operations. The Bank conducts business in Sweden and through branches in Norway and Finland. Norion Bank AB (publ) is under the supervision of the Swedish Financial Supervisory Authority and is covered by its rules for capital adequacy and large exposures.

## Employees

During the quarter, the average number of full-time employees (FTE) amounted to 349, which corresponds to an increase of 14% compared to the corresponding quarter last year. The number of full-time employees includes employees on fixed-term contracts, but not employees on parental leave or a leave of absence.

## The Norion Bank share

Norion Bank's share ("NORION") is listed on Nasdaq Stockholm. As of 29 September 2023, the closing price for the Norion Bank share was SEK 35.25, corresponding to a market capitalization of SEK 7.2 billion. There were approximately 10,000 shareholders at the end of the period.

## Share capital

As of 30 September 2023, the share capital amounted to SEK 20,538,100, divided into 205,381,004 ordinary shares. The Company has a single share series. Each share entitles the shareholder to one vote at the General Meeting.

## Dividend

According to the adopted dividend policy dividends may be low or not occur at all in the medium term.

Shareholders at 30 September 2023	%
Fastighets AB Balder	44.1%
Erik Selin	17.8%
StrategiQ Capital AB	6.9%
State Street Bank and Trust Company	4.6%
Helichrysum Gruppen AB	3.1%
Nordnet Pensionsförsäkring	2.7%
JME Invest AB	2.0%
Brunnudden Kapital AS	1.4%
Vante AB	1.4%
Avanza Pension	1.1%
Other shareholders	15.0%
<b>Total</b>	<b>100.0%</b>

## Presentation for investors and analysts

A conference call will be held on 20 October 2023 at 09:00 a.m. (CET), during which CEO Martin Nossman and CFO Peter Olsson will present the report. The presentation will be held in Swedish and will be broadcasted live on <https://ir.financialhearings.com/norion-bank-q3-2023>. For those who wish to participate in the conference call, please register on the following link: <https://conference.financialhearings.com/teleconference/?id=5009776>. After registration, you will be provided a phone number and a conference ID to access the conference call. The presentation material will be in English and be available prior to the presentation on the website <https://www.norionbank.se/en-se/investor-relations-en/financial-information/reports-and-presentations>.

## Significant events during the period

On 5 September 2023 Collector Bank AB formally changed its corporate name to Norion Bank AB.

The Swedish Financial Supervisory Authority ("Swedish FSA") has carried out a review and evaluation of Norion Bank AB and decided upon special capital base requirements and Pillar 2 Guidance. The bank's previous internally calculated capital requirements have been confirmed and the Swedish FSA has decided upon a Pillar 2 Guidance of 0% of the total risk exposure amount and 0.5% of the leverage ratio-based requirement.

## Significant events after the period

The Swedish FSA has granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. The permission will strengthen the bank's capital position. As per 30 September 2023, the total capital ratio would have increased by circa 0.9%. The alternative standardised approach will be applied from the fourth quarter of 2023.



# Definitions

Alternative performance measures (APMs) are financial measures of past or future earnings trends, financial position or cash flow that are not defined in the applicable accounting regulatory framework (IFRS), in the Capital Requirements Directive (CRD IV), or in the EU's Capital Requirement Regulation number 575/2013 (CRR). APMs are used by Norion Bank when relevant for monitoring and describing the bank's financial situation and enhance comparability between the periods. Norion Bank believes that these APMs provide valuable information and enhance the analysis of the Group's financial development. These are not necessarily comparable to similar APMs presented by other companies. See [norionbank.se/en-se/investor-relations-en/financial-information/key-financials](https://norionbank.se/en-se/investor-relations-en/financial-information/key-financials) for more information about key ratios.

## **Net interest margin (NIM)**

### **Net interest margin (NIM) - Period**

Net interest income for the period in relation to average loans to the public for the period.

### **Net interest margin (NIM) - LTM**

Net interest income for the last twelve months in relation to average loans to the public for the last twelve months.

### **Adjusted net interest margin (NIM) - Period**

Net interest income for the period, adjusted for non-recurring items, in relation to average loans to the public for the period.

### **Adjusted net interest margin (NIM) - LTM**

Net interest income for the last twelve months, adjusted for non-recurring items, in relation to average loans to the public for the last twelve months.

## **C/I ratio**

### **C/I ratio - Period**

Total expenses for the period in relation to total income for the period.

### **C/I ratio - LTM**

Total expenses for the last twelve months in relation to total income for the last twelve months.

### **Adjusted C/I ratio - Period**

Total expenses for the period, adjusted for non-recurring items, in relation to total income for the period, adjusted for non-recurring items.

### **Adjusted C/I ratio - LTM**

Total expenses for the last twelve months, adjusted for non-recurring items, in relation to total income for the last twelve months, adjusted for non-recurring items.

## **Credit loss level**

### **Credit loss level - Period**

Credit losses, net for the period in relation to average loans to the public for the period.

### **Credit loss level - LTM**

Credit losses, net for the last twelve months in relation to average loans to the public for the last twelve months.

### **Adjusted credit losses, net - Period**

Credit losses, net, adjusted for non-recurring items, for the period in relation to average loans to the public for the period.

### **Adjusted credit losses, net - LTM**

Credit losses, net for the period, adjusted for non-recurring items, in relation to average loans to the public for the last twelve months.

## **Earnings per share<sup>1)</sup>**

### **Earnings per share after dilution<sup>1)</sup>**

Net profit for the period attributable to the shareholders of Norion Bank AB in relation to average number of shares outstanding after dilution for the period.

### **Earnings per share before dilution<sup>1)</sup>**

Net profit for the period attributable to the shareholders of Norion Bank AB in relation to average number of shares outstanding before dilution for the period.

<sup>2)</sup> Not alternative performance measures.

# Definitions cont.

## Return on equity (RoE)

### **Return on equity (RoE) - Period**

Net profit for the period attributable to the shareholders of Norion Bank AB in relation to average equity attributable to the shareholders of Norion Bank AB for the period.

### **Return on equity (RoE) - LTM**

Net profit attributable to the shareholders of Norion Bank AB for the last twelve months in relation to average equity attributable to the shareholders of Norion Bank AB for the last twelve months.

### **Adjusted return on equity (RoE) - Period**

Net profit for the period attributable to the shareholders of Norion Bank AB, adjusted for non-recurring items, in relation to average equity attributable to the shareholders of Norion Bank AB for the period. For relevant periods prior to the intragroup merger between Collector Bank AB and Collector AB, the calculation includes net profit for the period attributable to the shareholders of Collector AB, adjusted for non-recurring items, in relation to average equity attributable to the shareholders of Collector AB for the period.

### **Adjusted return on equity (RoE) - LTM**

Net profit attributable to the shareholders of Norion Bank AB for the last twelve months, adjusted for non-recurring items, in relation to average equity attributable to the shareholders of Norion Bank AB for the last twelve months. For relevant periods prior to the intra-group merger between Collector Bank AB and Collector AB, the calculation includes net profit attributable to the shareholders of Collector AB for the last twelve months, adjusted for non-recurring items, in relation to average equity attributable to the shareholders of Collector AB for the last twelve months.

## Other

### **Adjusted net interest income**

Net interest income adjusted for non-recurring items.

### **Adjusted total income**

Total income adjusted for non-recurring items.

### **Adjusted total expenses**

Total expenses adjusted for non-recurring items.

### **Adjusted operating profit**

Operating profit adjusted for non-recurring items.

### **Adjusted net profit**

Net profit attributable to the shareholders of the parent company adjusted for non-recurring items.

### **Non-recurring items**

Income and expenses that are not expected to appear on a regular basis. See The Group's development, pages 10-11.

### **CET1 ratio (Common Equity Tier 1 ratio)<sup>2)</sup>**

Common Equity Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 43-45.

### **Tier 1 ratio<sup>2)</sup>**

Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 43-45.

### **Total capital ratio<sup>2)</sup>**

Total own funds in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 43-45.

### **Average number of full-time employees**

Including employees on fixed-term contracts, but not on parental leave or leave of absence.

<sup>2)</sup> Key ratios according to capital adequacy rules (CRR).







# Income statement

## Group

SEKm	Note	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Interest income <sup>1)</sup>		1 162	1 125	853	3 327	2 376	3 385
Interest expense <sup>2)</sup>		-369	-299	-120	-900	-317	-486
<b>Net interest income</b>		<b>792</b>	<b>826</b>	<b>733</b>	<b>2 427</b>	<b>2 060</b>	<b>2 899</b>
Commission income		85	87	82	254	259	342
Commission expense		-11	-11	-11	-32	-33	-43
<b>Net commission income</b>		<b>74</b>	<b>76</b>	<b>71</b>	<b>222</b>	<b>226</b>	<b>299</b>
Net gains and losses on financial items		30	14	-3	35	-30	-24
Other income <sup>3)</sup>		10	11	9	30	29	39
<b>Total income</b>		<b>906</b>	<b>926</b>	<b>811</b>	<b>2 714</b>	<b>2 284</b>	<b>3 212</b>
Personnel expenses		-79	-93	-71	-262	-229	-321
Other expenses		-126	-121	-98	-369	-326	-448
Depreciation/amortization and impairment of tangible and intangible assets		-17	-17	-31	-50	-46	-63
<b>Total expenses</b>		<b>-222</b>	<b>-231</b>	<b>-201</b>	<b>-681</b>	<b>-601</b>	<b>-832</b>
<b>Profit before credit losses</b>		<b>684</b>	<b>696</b>	<b>610</b>	<b>2 033</b>	<b>1 684</b>	<b>2 381</b>
Credit losses, net		-280	-263	-237	-810	-678	-938
<b>Operating profit</b>		<b>405</b>	<b>432</b>	<b>373</b>	<b>1 223</b>	<b>1 005</b>	<b>1 442</b>
Tax expense		-84	-90	-79	-255	-211	-302
<b>Net profit for the period</b>		<b>321</b>	<b>342</b>	<b>295</b>	<b>968</b>	<b>795</b>	<b>1 141</b>
<b>Portion of net profit for the period attributable to:</b>							
shareholders of Norion Bank AB		305	328	283	925	763	1 097
additional Tier 1 capital holders		15	14	11	43	31	44
Earnings per share, before dilution, SEK <sup>3)</sup>		1,49	1,60	1,38	4,50	3,72	5,34
Earnings per share, after dilution, SEK <sup>3)</sup>		1,49	1,60	1,38	4,50	3,72	5,34

<sup>1)</sup> Consists mainly of interest income calculated according to the effective interest rate method.

<sup>2)</sup> Interest expenses for issued tier 1 capital instruments are reported in equity.

<sup>3)</sup> On May 4, 2022, a reverse share split and a split were carried out before the merger of Collector AB to achieve the 1:1 exchange ratio. After the share split, the total number of shares in Norion Bank AB amount to 205 381 004. Historical data for the total number of shares in this report have been adjusted in accordance with IAS 33.

# Statement of comprehensive income

Group

SEKm	Note	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Net profit for the period reported via income statement</b>		321	342	295	968	795	1 141
<b>Items that have been or may be reclassified to the income statement</b>							
Exchange rate differences on translation of foreign currency		0	0	1	-2	1	2
<b>Other comprehensive income for the period, net of tax</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>-2</b>	<b>1</b>	<b>2</b>
<b>Total comprehensive income for the period</b>		<b>321</b>	<b>342</b>	<b>296</b>	<b>965</b>	<b>796</b>	<b>1 143</b>
<b>Portion of total comprehensive income for the period attributable to:</b>							
shareholders of Norion Bank AB		305	328	284	923	764	1 099
additional Tier 1 capital holders		15	14	11	43	31	44

# Balance sheet

Group

		Sep 30 2023	Dec 31 2022	Sep 30 2022
SEKm	Note			
<b>ASSETS</b>				
Treasury bills and other bills eligible for refinancing with central banks, etc.	13	557	267	145
Loans to credit institutions		2 193	3 050	3 315
Loans to the public	8, 9	44 139	41 490	41 514
Bonds and other interest-bearing securities	13	3 510	2 970	3 248
Shares and participating interests	13	634	533	525
Intangible assets		89	79	76
Tangible assets		117	137	118
Derivatives	13	9	-	25
Other assets		52	68	74
Prepaid expenses and accrued income		253	82	62
<b>Total assets</b>		<b>51 553</b>	<b>48 676</b>	<b>49 102</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and borrowings from the public	10	39 870	36 842	37 567
Debt securities in issue	11	1 865	3 337	3 368
Derivatives	13	-	7	-
Other liabilities		726	687	642
Accrued expenses and prepaid income		1 099	733	789
<b>Total liabilities</b>		<b>43 560</b>	<b>41 606</b>	<b>42 366</b>
Equity attributable to additional Tier 1 capital holders		500	500	500
Equity attributable to the shareholders of Norion Bank AB		7 493	6 570	6 236
<b>Total equity</b>		<b>7 993</b>	<b>7 070</b>	<b>6 736</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>51 553</b>	<b>48 676</b>	<b>49 102</b>



# Statement of changes in equity

Group

January - September 2023	Equity attributable to the shareholders of Norion Bank AB				Total	Additional Tier 1 instruments holders <sup>1)</sup>	Total equity
	Share capital	Other contributed capital	Exchange differences, subsidiaries and associates	Retained earnings, incl. net profit for the period			
SEKm							
Opening balance 1 January 2023	149	5	-2	6 418	6 570	500	7 070
Comprehensive income for the period							
Profit for the period				925	925	43	968
Other comprehensive income for the period			-2		-2		-2
<b>Total comprehensive income for the period</b>			<b>-2</b>	<b>925</b>	<b>923</b>	<b>43</b>	<b>965</b>
Transactions reported directly in equity							
Additional Tier 1 instruments redeemed						-43	-43
<b>Total transactions reported directly in equity</b>						<b>-43</b>	<b>-43</b>
<b>Closing balance 30 september 2023</b>	<b>149</b>	<b>5</b>	<b>-5</b>	<b>7 343</b>	<b>7 493</b>	<b>500</b>	<b>7 993</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments, that is to say no obligation to pay interest.

Group

January - December 2022	Equity attributable to the shareholders of Norion Bank AB				Total	Additional Tier 1 instruments holders <sup>1)</sup>	Total equity
	Share capital	Other contributed capital	Exchange differences, subsidiaries and associates	Retained earnings, incl. net profit for the period			
SEKm							
Opening balance 1 January 2022	149	5	-4	5 266	5 416	500	5 916
Comprehensive income for the period							
Profit for the period				1 097	1 097	44	1 141
Other comprehensive income for the period			2		2		2
<b>Total comprehensive income for the period</b>			<b>2</b>	<b>1 097</b>	<b>1 099</b>	<b>44</b>	<b>1 143</b>
Transactions reported directly in equity							
Additional Tier 1 instruments redeemed						-44	-44
Collector AB merger				55	55		55
<b>Total transactions reported directly in equity</b>				<b>55</b>	<b>55</b>	<b>-44</b>	<b>11</b>
<b>Closing balance 31 December 2022</b>	<b>149</b>	<b>5</b>	<b>-2</b>	<b>6 418</b>	<b>6 570</b>	<b>500</b>	<b>7 070</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments, that is to say no obligation to pay interest.

# Statement of changes in equity, cont.

Group

January - September 2022

SEKm	Equity attributable to the shareholders of Norion Bank AB				Total	Additional Tier 1 instruments holders <sup>1)</sup>	Total equity
	Share capital	Other contributed capital	Exchange differences, subsidiaries and associates	Retained earnings, incl. net profit for the period			
Opening balance 1 January 2022	149	5	-4	5 266	5 416	500	5 916
Comprehensive income for the period							
Profit for the period				763	763	31	795
Other comprehensive income for the period			1		1		1
<b>Total comprehensive income for the period</b>			<b>1</b>	<b>763</b>	<b>764</b>	<b>31</b>	<b>796</b>
Transactions reported directly in equity							
Additional Tier 1 instruments redeemed						-31	-31
Collector AB merger				55	55		55
<b>Total transactions reported directly in equity</b>				<b>55</b>	<b>55</b>	<b>-31</b>	<b>24</b>
<b>Closing balance 30 september 2022</b>	<b>149</b>	<b>5</b>	<b>-3</b>	<b>6 085</b>	<b>6 236</b>	<b>500</b>	<b>6 736</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments, that is to say no obligation to pay interest.

# Cash flow statement

Group

SEKm	Jan-Sep 2023	Full year 2022	Jan-Sep 2022
<b>Operating activities</b>			
Operating profit	1 223	1 442	1 005
Adjustments for non-cash items in operating activities	1 070	862	828
Income taxes paid	-228	-156	-94
Increase/decrease in assets and liabilities from operating activities	-1 309	-1 871	-1 252
<b>Cash flow from operating activities</b>	<b>756</b>	<b>277</b>	<b>487</b>
<b>Investing activities</b>			
Acquisitions/disposals of tangible assets	-1	-1	0
Acquisitions/disposals of intangible assets	-33	-38	-28
<b>Cash flow from investing activities</b>	<b>-34</b>	<b>-39</b>	<b>-28</b>
<b>Financing activities</b>			
Decrease of liabilities	-24	-31	-22
Additional Tier 1 instruments	-43	-44	-31
Redemption of interest-bearing securities	-1 600	-4 384	-4 334
Issuance of interest-bearing securities	49	1 970	1 969
<b>Cash flow from financing activities</b>	<b>-1 618</b>	<b>-2 489</b>	<b>-2 418</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>3 050</b>	<b>5 228</b>	<b>5 228</b>
Cash flow for the period	-896	-2 251	-1 959
Exchange rate differences in cash and cash equivalents	39	73	46
<b>Cash and cash equivalents at the end of the period</b>	<b>2 193</b>	<b>3 050</b>	<b>3 315</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>			
Interest paid	658	454	294
Interest received	3 284	3 384	2 382

# Income statement

## Norion Bank AB

SEKm	Note	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Interest income <sup>1)</sup>		1 162	1 125	853	3 327	2 376	3 385
Interest expense <sup>2)</sup>		-369	-299	-120	-900	-317	-486
<b>Net interest income</b>	4	<b>792</b>	<b>826</b>	<b>733</b>	<b>2 427</b>	<b>2 060</b>	<b>2 899</b>
Commission income		85	87	82	254	259	342
Commission expense		-11	-11	-11	-32	-33	-43
<b>Net commission income</b>		<b>74</b>	<b>76</b>	<b>71</b>	<b>222</b>	<b>226</b>	<b>299</b>
Net gains and losses on financial items		30	14	-3	35	-30	-24
Other income		10	11	9	30	30	40
<b>Total income</b>		<b>906</b>	<b>926</b>	<b>811</b>	<b>2 714</b>	<b>2 285</b>	<b>3 213</b>
Personnel expenses	5	-79	-93	-71	-262	-229	-321
Other expenses	6	-126	-120	-98	-369	-326	-448
Depreciation/amortization and impairment of tangible and intangible assets		-17	-17	-31	-50	-46	-63
<b>Total expenses</b>		<b>-222</b>	<b>-230</b>	<b>-201</b>	<b>-681</b>	<b>-601</b>	<b>-832</b>
<b>Profit before credit losses</b>		<b>684</b>	<b>696</b>	<b>610</b>	<b>2 033</b>	<b>1 685</b>	<b>2 382</b>
Credit losses, net	7	-280	-263	-237	-810	-678	-938
<b>Operating profit</b>		<b>405</b>	<b>432</b>	<b>373</b>	<b>1 223</b>	<b>1 007</b>	<b>1 443</b>
Appropriations		-	0	-	0	-	-277
Tax expense		-84	-90	-79	-255	-211	-246
<b>Net profit for the period</b>		<b>321</b>	<b>342</b>	<b>295</b>	<b>968</b>	<b>796</b>	<b>920</b>
<b>Portion of net profit for the period attributable to:</b>							
shareholders of Norion Bank AB		305	328	283	925	764	876
additional Tier 1 capital holders		15	14	11	43	31	44

<sup>1)</sup> Consists mainly of interest income calculated according to the effective interest rate method.

<sup>2)</sup> Interest expenses for issued tier 1 capital instruments are reported in equity. Comparison periods are recalculated.

# Statement of comprehensive income

Norion Bank AB

SEKm	Note	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Net profit for the period reported via income statement</b>		321	342	295	968	796	920
<b>Items that have been or may be reclassified to the income statement</b>							
Exchange rate differences on translation of foreign currency		0	0	1	-2	1	1
<b>Other comprehensive income for the period, net of tax</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>-2</b>	<b>1</b>	<b>1</b>
<b>Total comprehensive income for the period</b>		<b>321</b>	<b>342</b>	<b>296</b>	<b>965</b>	<b>797</b>	<b>921</b>
<b>Portion of total comprehensive income for the period attributable to:</b>							
shareholders of Norion Bank AB		305	328	284	923	765	877
additional Tier 1 capital holders		15	14	11	43	31	44

# Balance sheet

## Norion Bank AB

SEKm	Note	Sep 30 2023	Dec 31 2022	Sep 30 2022
<b>ASSETS</b>				
Treasury bills and other bills eligible for refinancing with central banks, etc.	13	557	267	145
Loans to credit institutions		2 193	3 050	3 315
Loans to the public	8,9	44 139	41 490	41 514
Bonds and other interest-bearing securities	13	3 510	2 970	3 248
Shares and participating interests	13	634	533	525
Shares and participating interests in group entities		0	0	0
Intangible assets		89	79	76
Tangible assets		117	137	118
Derivatives	13	9	-	25
Other assets		52	68	74
Prepaid expenses and accrued income		253	82	62
<b>Total assets</b>		<b>51 553</b>	<b>48 676</b>	<b>49 102</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and borrowings from the public	10	39 870	36 842	37 567
Debt securities in issue	11	1 865	3 337	3 368
Derivatives	13	-	7	-
Other liabilities		508	470	480
Accrued expenses and prepaid income		1 099	733	789
<b>Total liabilities</b>		<b>43 343</b>	<b>41 388</b>	<b>42 204</b>
Tax allocation reserve		1 032	1 032	755
<b>Total liabilities</b>		<b>1 032</b>	<b>1 032</b>	<b>755</b>
Equity attributable to additional Tier 1 capital holders		500	500	500
Equity attributable to the shareholders of Norion Bank AB		6 678	5 756	5 643
<b>Total equity</b>		<b>7 178</b>	<b>6 256</b>	<b>6 143</b>
<b>Total liabilities and equity</b>		<b>51 553</b>	<b>48 676</b>	<b>49 102</b>



# Statement of changes in equity

Norion Bank AB

January - September 2023	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 instruments <sup>1)</sup>	Retained earnings, incl. net profit for the period	
SEKm						
<b>Opening balance 1 January 2023</b>	<b>149</b>	<b>6</b>	<b>79</b>	<b>500</b>	<b>5 521</b>	<b>6 256</b>
Transfer of development expenses			8		-8	-
Cost additional Tier 1 instruments					-43	-43
Profit for the period					968	968
Other comprehensive income for the period		-2				-2
<b>Closing balance 30 September 2023</b>	<b>149</b>	<b>4</b>	<b>86</b>	<b>500</b>	<b>6 438</b>	<b>7 178</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments.

Norion Bank AB

January - December 2022	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 instruments <sup>1)</sup>	Retained earnings, incl. net profit for the period	
SEKm						
<b>Opening balance 1 January 2022</b>	<b>149</b>	<b>5</b>	<b>71</b>	<b>500</b>	<b>4 579</b>	<b>5 304</b>
Transfer of development expenses			8		-8	-
Cost additional Tier 1 instruments					-44	-44
Profit for the period					920	920
Other comprehensive income for the period		1				1
Collector AB merger					74	74
<b>Closing balance 31 December 2022</b>	<b>149</b>	<b>6</b>	<b>79</b>	<b>500</b>	<b>5 521</b>	<b>6 256</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments.

Norion Bank AB

January - September 2022	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 instruments <sup>1)</sup>	Retained earnings, incl. net profit for the period	
SEKm						
<b>Opening balance 1 January 2022</b>	<b>149</b>	<b>5</b>	<b>71</b>	<b>500</b>	<b>4 579</b>	<b>5 304</b>
Transfer of development expenses			5		-5	-
Cost additional Tier 1 instruments					-31	-31
Profit for the period					796	796
Other comprehensive income for the period		0				0
Collector AB merger					74	74
<b>Closing balance 30 September 2022</b>	<b>149</b>	<b>5</b>	<b>76</b>	<b>500</b>	<b>5 412</b>	<b>6 143</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments.

# Cash flow statement

Norion Bank AB

SEKm	Jan-Sep 2023	Full year 2022	Jan-Sep 2022
<b>Operating activities</b>			
Operating profit	1 223	1 443	1 007
Adjustments for non-cash items in operating activities	1 070	861	826
Income taxes paid	-228	-156	-94
Increase/decrease in assets and liabilities from operating activities	-1 309	-1 851	-1 237
<b>Cash flow from operating activities</b>	<b>756</b>	<b>297</b>	<b>502</b>
<b>Investing activities</b>			
Acquisitions/disposals of tangible assets	-1	-1	0
Acquisitions/disposals of intangible assets	-33	-38	-28
<b>Cash flow from investing activities</b>	<b>-34</b>	<b>-39</b>	<b>-28</b>
<b>Financing activities</b>			
Decrease of liabilities	-24	-31	-22
Additional Tier 1 instruments	-43	-44	-31
Redemption of interest-bearing securities	-1 600	-4 384	-4 334
Issuance of interest-bearing securities	49	1 970	1 969
Group contributions paid/received	0	-6	-
<b>Cash flow from financing activities</b>	<b>-1 618</b>	<b>-2 495</b>	<b>-2 418</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>3 050</b>	<b>5 214</b>	<b>5 214</b>
Cash flow for the period	-896	-2 237	-1 944
Exchange rate differences in cash and cash equivalents	39	73	45
<b>Cash and cash equivalents at the end of the period</b>	<b>2 193</b>	<b>3 050</b>	<b>3 315</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>			
Interest paid	658	454	294
Interest received	3 284	3 384	2 382

# Notes

The stated amounts in the notes are in millions of SEK (SEKm) and at book value unless otherwise stated. The interim report on pages 2-20 constitute an integrated part of this financial report.

## Note 1. General information

Norion Bank AB (publ) company registration number 556597-0513, is a bank limited company with its registered office in Gothenburg. The company has a license to conduct banking operations and is listed on Nasdaq Stockholm. The Bank conducts business in Sweden and through branches in Norway and Finland.

The address of the headquarters is Lilla Bommens Torg 11, SE-411 09 Gothenburg, Sweden. Norion Bank AB (publ) is under the supervision of the Swedish Financial Supervisory Authority and is covered by its rules for capital adequacy and large exposures.

## Note 2. Accounting policies

### Accounting policies

The interim report is prepared in accordance with IAS 34, and the Swedish Financial Supervisory Authority's Regulations and General Guidelines on the Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25, Chapter 7, Sections 2-3 and Chapter 8), the Annual Accounts Act for Credit Institutions and Securities Companies (Chapter 7, Sections 7-8 ÅRKL).

The parent company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's Regulations and General Guidelines (FFFS 2008:25) on Annual Reports in Credit Institutions and Securities Companies and the Supplementary Accounting Rules for Legal Entities (RFR 2) issued by the Swedish Financial Reporting Board.

Accounting principles, methods of calculation and presentation are essentially unchanged compared with those applied in the 2022 Annual Report.

### Changes in IFRS

None of the changes in the accounting regulations issued for application 2023 are deemed to have a significant impact on Norion Bank and its financial reports, capital adequacy or large exposures.

## Note 3. Operating segments

Group

	Q3 2023					
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	Group
SEKm						
Net interest income	191	278	188	54	82	792
Net commission income	5	-	13	56	0	74
Net gains and losses on financial items	21	-15	3	9	11	30
Other income	0	0	0	10	0	10
<b>Total income</b>	<b>217</b>	<b>262</b>	<b>204</b>	<b>129</b>	<b>94</b>	<b>906</b>
Net interest margin (NIM)	8.0%	5.6%	7.1%	8.3%	-	7.4%
Total income margin	9.1%	5.3%	7.7%	19.8%	-	8.4%
Loans to the public	9 544	20 528	10 838	2 640	590	44 139

<sup>1)</sup> Including eliminations.

## NOTES

### Note 3. Operating segments, cont.

#### Group

SEKm	Q2 2023					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	187	310	222	48	59	826
Net commission income	5	-	16	55	0	76
Net gains and losses on financial items	0	13	-2	-5	8	14
Other income	0	0	0	10	0	11
<b>Total income</b>	<b>191</b>	<b>323</b>	<b>235</b>	<b>109</b>	<b>68</b>	<b>926</b>
Net interest margin (NIM)	7.7%	6.6%	8.5%	7.9%	-	7.9%
Total income margin	7.9%	6.9%	9.1%	17.8%	-	8.8%
Loans to the public	9 608	18 891	10 441	2 552	614	42 106

<sup>1)</sup> Including eliminations.

#### Group

SEKm	Q3 2022					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	181	271	199	53	29	733
Net commission income	2	-	14	55	0	71
Net gains and losses on financial items	4	2	0	0	-8	-3
Other income	0	0	0	9	0	9
<b>Total income</b>	<b>187</b>	<b>273</b>	<b>213</b>	<b>117</b>	<b>21</b>	<b>811</b>
Net interest margin (NIM)	7.0%	6.4%	7.4%	8.8%	-	7.1%
Total income margin	7.2%	6.4%	8.0%	19.5%	-	7.9%
Loans to the public	10 743	17 122	10 602	2 359	688	41 514

<sup>1)</sup> Including eliminations.

#### Group

SEKm	Jan-Sep 2023					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	579	914	602	151	182	2 427
Net commission income	12	-	43	167	0	222
Net gains and losses on financial items	7	-2	2	5	23	35
Other income	1	0	0	29	0	30
<b>Total income</b>	<b>599</b>	<b>912</b>	<b>647</b>	<b>351</b>	<b>206</b>	<b>2 714</b>
Net interest margin (NIM)	7.7%	6.4%	7.6%	7.8%	-	7.6%
Total income margin	7.9%	6.4%	8.1%	18.3%	-	8.5%
Loans to the public	9 544	20 528	10 838	2 640	590	44 139

<sup>1)</sup> Including eliminations.

## NOTES

### Note 3. Operating segments, cont.

#### Group

SEKm	Jan-Sep 2022					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	479	724	630	166	62	2 060
Net commission income	7	0	45	174	0	226
Net gains and losses on financial items	9	14	-2	-2	-50	-30
Other income	0	0	0	28	0	29
<b>Total income</b>	<b>496</b>	<b>738</b>	<b>672</b>	<b>365</b>	<b>14</b>	<b>2 284</b>
Net interest margin (NIM)	6.8%	6.3%	7.6%	9.2%	-	7.1%
Total income margin	7.1%	6.4%	8.2%	20.2%	-	7.8%
Loans to the public	10 743	17 122	10 602	2 359	688	41 514

<sup>1)</sup> Including eliminations.

#### Group

SEKm	Full year 2022					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	691	1 060	824	217	106	2 899
Net commission income	10	-	58	230	0	299
Net gains and losses on financial items	5	16	-3	-4	-38	-24
Other income	1	0	0	37	1	39
<b>Total income</b>	<b>706</b>	<b>1 077</b>	<b>879</b>	<b>481</b>	<b>69</b>	<b>3 212</b>
Net interest margin (NIM)	7.5%	6.8%	7.6%	8.8%	-	7.5%
Total income margin	7.6%	7.0%	8.1%	19.5%	-	8.3%
Loans to the public	10 570	17 411	10 367	2 476	667	41 490

<sup>1)</sup> Including eliminations.



## NOTES

### Note 4. Net interest income

#### Group

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Loans to the public <sup>1)</sup>	1 089	1 083	840	3 182	2 350	3 333
Interest-bearing securities	38	32	11	94	24	38
Loans to credit institutions	34	10	2	51	2	14
<b>Total interest income</b>	<b>1 162</b>	<b>1 125</b>	<b>853</b>	<b>3 327</b>	<b>2 376</b>	<b>3 385</b>
Deposits and borrowings from the public	-335	-262	-101	-794	-255	-396
Subordinated liabilities	-	-	-	-	-11	-11
Debt securities in issue	-34	-37	-19	-105	-50	-78
Amounts owed to credit institutions	0	0	0	-1	0	-1
<b>Total interest expense</b>	<b>-369</b>	<b>-299</b>	<b>-120</b>	<b>-900</b>	<b>-317</b>	<b>-486</b>
<b>Net interest income</b>	<b>792</b>	<b>826</b>	<b>733</b>	<b>2 427</b>	<b>2 060</b>	<b>2 899</b>

<sup>1)</sup> Interest income calculated according to the effective interest rate method.

#### Norion Bank AB

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Loans to the public <sup>1)</sup>	1 089	1 083	840	3 182	2 350	3 333
Interest-bearing securities	38	32	11	94	24	38
Loans to credit institutions	34	10	2	51	2	14
<b>Total interest income</b>	<b>1 162</b>	<b>1 125</b>	<b>853</b>	<b>3 327</b>	<b>2 376</b>	<b>3 385</b>
Deposits and borrowings from the public	-335	-262	-101	-794	-255	-396
Subordinated liabilities	-	-	-	-	-11	-11
Debt securities in issue	-34	-37	-19	-105	-50	-78
Amounts owed to credit institutions	0	0	0	-1	0	-1
<b>Total interest expense</b>	<b>-369</b>	<b>-299</b>	<b>-120</b>	<b>-900</b>	<b>-317</b>	<b>-486</b>
<b>Net interest income</b>	<b>792</b>	<b>826</b>	<b>733</b>	<b>2 427</b>	<b>2 060</b>	<b>2 899</b>

<sup>1)</sup> Interest income calculated according to the effective interest rate method.

## NOTES

### Note 5. Personnel expenses

#### Group

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Salaries and other remuneration	-51	-64	-46	-177	-155	-219
Pension costs	-18	-20	-15	-59	-49	-69
Social security costs	-8	-7	-7	-23	-20	-27
Other staff related costs	-1	-1	-2	-3	-5	-6
<b>Total personnel expenses</b>	<b>-79</b>	<b>-93</b>	<b>-71</b>	<b>-262</b>	<b>-229</b>	<b>-321</b>

#### Norion Bank AB

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Salaries and other remuneration	-51	-64	-46	-177	-155	-219
Pension costs	-18	-20	-15	-59	-49	-69
Social security costs	-8	-7	-7	-23	-20	-27
Other staff related costs	-1	-1	-2	-3	-5	-6
<b>Total personnel expenses</b>	<b>-79</b>	<b>-93</b>	<b>-71</b>	<b>-262</b>	<b>-229</b>	<b>-321</b>

### Note 6. Other expenses

#### Group

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Consultancy expenses	-40	-44	-45	-130	-115	-161
IT expenses	-22	-21	-35	-62	-54	-73
Other purchased services	-33	-27	-26	-87	-71	-101
Postage expenses	-7	-10	-8	-26	-24	-32
Other operating expenses	-24	-20	15	-64	-61	-82
<b>Total other expenses</b>	<b>-126</b>	<b>-121</b>	<b>-98</b>	<b>-369</b>	<b>-326</b>	<b>-448</b>

#### Norion Bank AB

	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
SEKm						
Consultancy expenses	-40	-44	-45	-130	-115	-161
IT expenses	-22	-21	-35	-62	-54	-73
Other purchased services	-33	-27	-26	-87	-71	-101
Postage expenses	-7	-10	-8	-26	-24	-32
Other operating expenses	-24	-20	15	-64	-61	-82
<b>Total other expenses</b>	<b>-126</b>	<b>-120</b>	<b>-98</b>	<b>-369</b>	<b>-326</b>	<b>-448</b>

## NOTES

### Note 7. Credit losses, net

Group and Norion Bank AB

SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Loans at amortized cost</b>						
Credit impairment provisions - Stage 1	-30	-46	-5	-92	4	3
Credit impairment provisions - Stage 2	-38	70	14	-108	-55	-146
Credit impairment provisions - Stage 3	-167	-214	-195	-459	-398	-533
<b>Total</b>	<b>-236</b>	<b>-190</b>	<b>-185</b>	<b>-660</b>	<b>-449</b>	<b>-676</b>
Portfolio revaluation - POCI	-	-	0	-	-51	-51
<b>Impairment gains and losses - POCI</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-51</b>	<b>-51</b>
Write-offs	-44	-73	-52	-150	-179	-212
Recoveries	-	-	-	-	-	-
<b>Total</b>	<b>-44</b>	<b>-73</b>	<b>-52</b>	<b>-150</b>	<b>-179</b>	<b>-212</b>
<b>Total credit impairment</b>	<b>-280</b>	<b>-263</b>	<b>-237</b>	<b>-810</b>	<b>-678</b>	<b>-938</b>

### Note 8. Loans to the public

Group and Norion Bank AB

SEKm	Sep 30 2023	Dec 31 2022	Sep 30 2022
<b>PRIVATE CUSTOMERS <sup>3)</sup></b>			
<b>Total gross carrying amount</b>	<b>18 119</b>	<b>17 077</b>	<b>17 021</b>
of which Stage 1	10 351	9 836	9 980
of which Stage 2	655	536	512
of which Stage 3	6 562	6 087	5 889
of which Stage 3 - POCI <sup>1)</sup>	550	618	639
<b>Total credit impairment provisions</b>	<b>-4 084</b>	<b>-3 594</b>	<b>-3 396</b>
of which Stage 1	-264	-214	-227
of which Stage 2	-189	-133	-126
of which Stage 3	-3 631	-3 247	-3 044
of which Stage 3 - POCI <sup>1)</sup>	-	-	-
<b>Total carrying amount, private customers</b>	<b>14 035</b>	<b>13 483</b>	<b>13 624</b>
<b>Private customers</b>			
Provision ratio for loans Stage 1	2.6%	2.2%	2.3%
Provision ratio for loans Stage 2	28.8%	24.8%	24.6%
Provision ratio for loans Stage 3	55.3%	53.3%	51.7%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>	0.0%	0.0%	0.0%
Total provision ratio, private customers <sup>2)</sup>	23.2%	21.8%	20.7%

## NOTES

Note 8. Loans to the public, cont.

Group and Norion Bank AB

SEKm	Sep 30 2023	Dec 31 2022	Sep 30 2022
<b>CORPORATE CUSTOMERS <sup>4)</sup></b>			
<b>Total gross carrying amount</b>	<b>31 196</b>	<b>28 905</b>	<b>28 729</b>
of which Stage 1	25 309	24 939	24 783
of which Stage 2	4 524	3 107	2 521
of which Stage 3	1 363	859	1 424
<b>Total credit impairment provisions</b>	<b>-1 092</b>	<b>-898</b>	<b>-839</b>
of which Stage 1	-185	-141	-126
of which Stage 2	-281	-229	-142
of which Stage 3	-626	-528	-571
<b>Total carrying amount, corporate customers</b>	<b>30 104</b>	<b>28 007</b>	<b>27 890</b>
<b>Corporate customers</b>			
Provision ratio for loans Stage 1	0,7%	0,6%	0,5%
Provision ratio for loans Stage 2	6,2%	7,4%	5,6%
Provision ratio for loans Stage 3	45,9%	61,4%	40,1%
Total provision ratio, corporate customers	3,5%	3,1%	2,9%
<b>TOTAL</b>			
<b>Total gross carrying amount</b>	<b>49 315</b>	<b>45 982</b>	<b>45 750</b>
of which Stage 1	35 660	34 775	34 763
of which Stage 2	5 179	3 642	3 034
of which Stage 3	7 925	6 947	7 314
of which Stage 3 - POCI <sup>1)</sup>	550	618	639
<b>Total credit impairment provisions</b>	<b>-5 175</b>	<b>-4 492</b>	<b>-4 236</b>
of which Stage 1	-450	-355	-353
of which Stage 2	-470	-362	-268
of which Stage 3	-4 256	-3 775	-3 615
of which Stage 3 - POCI <sup>1)</sup>	-	-	-
<b>Total carrying amount, Total</b>	<b>44 139</b>	<b>41 490</b>	<b>41 514</b>
Stage 3 loans / Total loans, gross, % <sup>2)</sup>	16,3%	15,3%	16,2%
Stage 3 loans / Total loans, net, % <sup>2)</sup>	8,4%	7,8%	9,0%
<b>Total</b>			
Provision ratio for loans Stage 1	1,3%	1,0%	1,0%
Provision ratio for loans Stage 2	9,1%	9,9%	8,8%
Provision ratio for loans Stage 3	53,7%	54,3%	49,4%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>	0,0 %	0,0 %	0,0 %
Total provision ratio <sup>2)</sup>	10,6%	9,9%	9,4%

<sup>1)</sup> Purchased credit-impaired assets are subject to net accounting from the time of acquisition, consequently no explicit provisioning is shown for these receivables.

<sup>2)</sup> Excluding purchased credit-impaired assets.

<sup>3)</sup> Includes the segments Consumer, Payments and parts of Other.

<sup>4)</sup> Includes the segments Corporate and Real Estate and parts of Other.

## NOTES

### Note 9. Reconciliation of credit losses provisions for loans

The tables below show reconciliations of provisions for credit losses related to loans to the public measured at Amortized Cost.

Group and Norion Bank AB

SEKm	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance 1 January 2023</b>	<b>355</b>	<b>362</b>	<b>3 775</b>	<b>4 492</b>
New and derecognized financial assets, net	15	-91	218	142
Changes due to changed credit judgement	-	-	-	-
Changes due to change in credit risk	77	199	242	517
Other adjustments <sup>1)</sup>	2	-1	22	23
<b>Closing balance 30 September 2023</b>	<b>450</b>	<b>470</b>	<b>4 256</b>	<b>5 175</b>

<sup>1)</sup> Movements recognised outside Credit impairment line, foreign exchange effect, etc.

Group and Norion Bank AB

SEKm	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance 1 January 2022</b>	<b>354</b>	<b>207</b>	<b>3 178</b>	<b>3 739</b>
New and derecognized financial assets, net	-7	-26	433	400
Changes due to changed credit judgement	-	-	-	-
Changes due to change in credit risk	4	172	100	275
Other adjustments <sup>1)</sup>	4	9	64	78
<b>Closing balance 31 December 2022</b>	<b>355</b>	<b>362</b>	<b>3 775</b>	<b>4 492</b>

<sup>1)</sup> Movements recognised outside Credit impairment line, foreign exchange effect, etc.

Group and Norion Bank AB

SEKm	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance 1 January 2022</b>	<b>354</b>	<b>207</b>	<b>3 178</b>	<b>3 739</b>
New and derecognized financial assets, net	41	-63	257	236
Changes due to changed credit judgement	-	-	-	-
Changes due to change in credit risk	-45	117	141	213
Other adjustments <sup>1)</sup>	3	7	39	48
<b>Closing balance 30 September 2022</b>	<b>353</b>	<b>268</b>	<b>3 615</b>	<b>4 236</b>

<sup>1)</sup> Movements recognised outside Credit impairment line, foreign exchange effect, etc.

### Note 10. Deposits and borrowings from the public

Group and Norion Bank AB

	Sep 30 2023	Dec 31 2022	Sep 30 2022
SEKm			
EUR	16 247	14 641	14 101
SEK	23 195	21 673	23 069
NOK	427	527	397
<b>Total</b>	<b>39 870</b>	<b>36 842</b>	<b>37 567</b>



## NOTES

### Note 11. Debt securities in issue and subordinated liabilities

#### DEBT SECURITIES IN ISSUE

Group and Norion Bank AB

SEKm	Sep 30 2023		Dec 31 2022		Sep 30 2022	
	Carrying amount	Nominal amount	Carrying amount	Nominal amount	Carrying amount	Nominal amount
ISIN						
SE0013104577	-	-	550	550	550	550
SE0013360427	-	-	1 000	1 000	1 000	1 000
SE0015811112	750	750	750	750	750	750
SE0013105137	399	400	300	300	300	300
NO0011152449	666	666	687	688	669	669
Commercial papers	49	50	50	50	100	100
<b>Total</b>	<b>1 865</b>	<b>1 866</b>	<b>3 337</b>	<b>3 338</b>	<b>3 368</b>	<b>3 369</b>

### Note 12. Capital adequacy

Norion Bank AB

SEKm	Sep 30 2023	
	Amount	Percentage of risk exposure amount
Common Equity Tier 1 capital requirement (Pillar 1)	2 137	4.5%
Other Common Equity Tier 1 capital requirement (Pillar 2)	265	0.6%
Buffer requirements	1 933	4.1%
<b>Total Common Equity Tier 1 (CET1) capital requirement</b>	<b>4 334</b>	<b>9.1%</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>7 169</b>	<b>15.1%</b>
Tier 1 capital requirement (Pillar 1)	2 849	6.0%
Other tier 1 capital requirement (Pillar 2)	353	0.7%
Buffer requirements	1 933	4.1%
<b>Total Tier 1 capital requirement</b>	<b>5 135</b>	<b>10.8%</b>
<b>Tier 1 capital</b>	<b>7 669</b>	<b>16.2%</b>
Capital requirements (Pillar 1)	3 798	8.0%
Other capital requirement (Pillar 2)	470	1.0%
Buffer requirements	1 933	4.1%
<b>Total capital requirement</b>	<b>6 202</b>	<b>13.1%</b>
<b>Own funds</b>	<b>7 669</b>	<b>16.2%</b>

## NOTES

Note 12. Capital adequacy, cont.

	Norion Bank AB		
	Sep 30 2023	Dec 31 2022	Sep 30 2022
OWN FUNDS, SEKm			
Capital instruments and the related share premium accounts: Equity	149	149	149
Retained earnings	6 376	5 500	5 291
Net profit for the period after deductions related to the consolidated situation and other foreseeable charges	968	920	796
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>7 493</b>	<b>6 570</b>	<b>6 236</b>
Deduction:			
Additional value adjustments	-231	-70	-36
Intangible assets	-89	-79	-76
Deferred tax assets	-4	-3	-3
Application of the transitional rules IFRS9	-	43	43
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-324</b>	<b>-109</b>	<b>-71</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>7 169</b>	<b>6 461</b>	<b>6 164</b>
Perpetual subordinated loan	500	500	500
<b>Additional Tier 1 instruments</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Tier 1 capital</b>	<b>7 669</b>	<b>6 961</b>	<b>6 664</b>
Supplementary capital	-	-	-
<b>Tier 2 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own funds</b>	<b>7 669</b>	<b>6 961</b>	<b>6 664</b>

	Norion Bank AB		
	Sep 30 2023	Dec 31 2022	Sep 30 2022
RISK EXPOSURE AMOUNT, SEKm			
<b>Credit risks, using the standardized approach</b>			
Central government or central banks exposures	-	-	-
Municipalities and other associations	-	-	-
Institutional exposures	491	689	757
Funds units exposures	804	692	681
Corporate exposures	27 794	25 719	25 583
Retail exposures	8 477	8 212	8 154
Exposures with mortgage in residential property	14	17	17
Exposures in default	4 120	3 790	4 903
Items associated with particularly high risk	-	543	564
Exposures in the form of covered bonds	244	207	185
Other exposures	465	330	300
<b>Total</b>	<b>42 408</b>	<b>40 199</b>	<b>41 143</b>
Risk exposure amount credit valuation adjustment risk (CVA)	25	27	28
Risk exposure amount market risk	56	28	53
Risk exposure amount operational risk	4 989	4 989	4 358
<b>Total risk exposure amount</b>	<b>47 478</b>	<b>45 244</b>	<b>45 582</b>

## NOTES

Note 12. Capital adequacy, cont.

	Norion Bank AB		
	Sep 30 2023	Dec 31 2022	Sep 30 2022
CAPITAL REQUIREMENTS, SEKm			
<b>Capital requirement for credit risk using the standardized approach</b>			
Central government or central banks exposures	-	-	-
Municipalities and other associations	-	-	-
Institutional exposures	39	55	61
Funds units exposures	64	55	54
Corporate exposures	2 223	2 058	2 047
Retail exposures	678	657	652
Exposures with mortgage in residential property	1	1	1
Exposures in default	330	303	392
Items associated with particularly high risk	-	43	45
Exposures in the form of covered bonds	20	17	15
Other exposures	37	26	24
<b>Total capital requirement for credit risk</b>	<b>3 393</b>	<b>3 216</b>	<b>3 291</b>
Risk exposure amount credit valuation adjustment risk (CVA)	2	2	2
Risk exposure amount market risk	4	2	4
Risk exposure amount operational risk	399	399	349
<b>Total Pillar 1 capital requirement</b>	<b>3 798</b>	<b>3 619</b>	<b>3 647</b>
Concentration risk	302	274	268
Interest rate risk for the banking book	169	179	187
<b>Total Pillar 2 capital requirement</b>	<b>470</b>	<b>453</b>	<b>455</b>
Capital buffers			
Capital conservation buffer	1 187	1 131	1 140
Countercyclical capital buffer	746	395	355
<b>Total capital requirement - Capital buffers</b>	<b>1 933</b>	<b>1 526</b>	<b>1 494</b>
<b>Total capital requirement</b>	<b>6 202</b>	<b>5 599</b>	<b>5 596</b>

	Norion Bank AB		
	Sep 30 2023	Dec 31 2022	Sep 30 2022
CAPITAL REQUIREMENT			
<b>Capital ratios and capital buffers</b>			
CET1 ratio	15.1%	14.3%	13.5%
Tier 1 ratio	16.2%	15.4%	14.6%
Total capital ratio	16.2%	15.4%	14.6%
Institution specific buffert requirement	4.1%	3.4%	3.3%
of which capital conservation buffer	2.5%	2.5%	2.5%
of which countercyclical capital buffer	1.6%	0.9%	0.8%
CET1 available to meet buffers	8.2%	7.4%	6.6%

A review has been carried out of the earnings for January - September 2023, which allows net profit for the period to be included in own funds.

## Note 13. Financial instruments at fair value

The table below contains financial instruments measured at fair value by valuation level. To determine the fair value for financial instruments various methods are used, depending on the degree of observable market data in the valuation and activity in the market. The objective of the fair value measurement is to arrive at the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions.

### The methods are divided into three different levels:

#### Level 1: Quoted market values

Valuations in Level 1 are determined by reference to unadjusted quoted market prices for identical asset- and liability instruments in active markets where the quoted prices are readily available and the prices represent actual and regularly occurring market transactions on an arm's length basis.

#### Level 2: Valuation techniques based on observable inputs

In Level 2 valuation techniques, all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same.

#### Level 3: Valuation techniques with significant unobservable inputs

Level 3 valuation techniques incorporate significant inputs that are unobservable. These techniques are generally based on extrapolating from observable inputs for similar instruments, analysing historical data or other analytical techniques.

### Significant transfers and reclassifications between levels

Transfers between the different levels may take place where there are indications that market conditions have changed.

#### Group and Norion Bank AB

SEKm	Sep 30 2023			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Derivative instruments	-	9	-	9
Treasury bills and other bills eligible for refinancing with central banks, etc.	378	-	-	378
Bonds and other interest-bearing securities	2 719	-	-	2 719
Shares and participating interests	-	5	629	634
<b>Total financial assets</b>	<b>3 098</b>	<b>14</b>	<b>629</b>	<b>3 741</b>
<b>LIABILITIES</b>				
Derivative instruments	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

SEKm	Dec 31 2022			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Derivative instruments	-	-	-	-
Treasury bills and other bills eligible for refinancing with central banks, etc.	56	-	-	56
Bonds and other interest-bearing securities	2 604	-	-	2 604
Shares and participating interests	-	5	528	533
<b>Total financial assets</b>	<b>2 659</b>	<b>5</b>	<b>528</b>	<b>3 192</b>
<b>LIABILITIES</b>				
Derivative instruments	-	7	-	7
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>

## NOTES

Note 13. Financial instruments at fair value, cont.

SEKm	Sep 30 2022			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Derivative instruments	-	25	-	<b>25</b>
Treasury bills and other bills eligible for refinancing with central banks, etc.	55	-	-	<b>55</b>
Bonds and other interest-bearing securities	3 107	-	-	<b>3 107</b>
Shares and participating interests	-	5	520	<b>525</b>
<b>Total financial assets</b>	<b>3 161</b>	<b>30</b>	<b>520</b>	<b>3 711</b>
<b>LIABILITIES</b>				
Derivative instruments	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Group and Norion Bank AB

Changes in level 3	Sep 30 2023	Dec 31 2022	Sep 30 2022
	Assets	Assets	Assets
	Equity instruments	Equity instruments	Equity instruments
SEKm			
<b>Opening balance for the period</b>	<b>528</b>	<b>396</b>	<b>396</b>
Acquisition	100	100	100
Divestment	-	-	-
Changes in unrealised gains or losses for items held at closing day	1	32	24
<b>Closing balance for the period</b>	<b>629</b>	<b>528</b>	<b>520</b>

Financial instruments in Level 3 refer to investments in funds. Norion Bank uses different measurement techniques depending on available data.

The investment portfolio is measured quarterly in accordance with IPEV guidelines and primarily following an external measurement where a transaction in the company has been made in the past 12 months with at least one external party. If such

measurement is not possible, or if there are objective reasons to do so, as a secondary option, an internal measurement is made based on assumed discounted cash flow.

Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance to the valuation. There were no transfers of financial instruments to or from level 3 during the period.



## NOTES

### Note 14. Financial assets and liabilities

Norion Bank has classified its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 37 in the Annual Report 2022.

Group and Norion Bank AB

	Sep 30 2023		Dec 31 2022		Sep 30 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
SEKm						
Loans <sup>1)</sup>	46 332	46 332	44 540	44 540	44 829	44 829
Debt securities	4 067	4 067	3 237	3 236	3 248	3 248
Equity instruments	629	629	528	528	520	520
Derivatives	9	9	-	-	25	25
Other	50	50	30	30	70	70
<b>Financial assets</b>	<b>51 087</b>	<b>51 087</b>	<b>48 335</b>	<b>48 334</b>	<b>48 692</b>	<b>48 692</b>

Group and Norion Bank AB

	Sep 30 2023		Dec 31 2022		Sep 30 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
SEKm						
Deposits	39 870	39 870	36 842	36 842	37 567	37 567
Debt securities issued	1 865	1 865	3 337	3 337	3 368	3 368
Derivatives	-	-	7	7	-	-
Other	350	350	109	109	104	104
<b>Financial liabilities</b>	<b>42 085</b>	<b>42 085</b>	<b>40 295</b>	<b>40 295</b>	<b>41 039</b>	<b>41 039</b>

<sup>1)</sup> Loans includes Loans to credit institutions and Loans to the public.

### Note 15. Related parties

During the period normal business transactions were executed between companies in the Group and between other related parties.

## NOTES

### Note 16. Pledged assets, contingent liabilities and commitments

#### PLEDGED ASSETS

Group and Norion Bank AB

	Sep 30 2023	Dec 31 2022	Sep 30 2022
SEKm			
For own liabilities and provisions	None	None	None
<b>Total</b>	<b>None</b>	<b>None</b>	<b>None</b>

#### CONTINGENT LIABILITIES

Group and Norion Bank AB

	Sep 30 2023	Dec 31 2022	Sep 30 2022
SEKm			
Contingent liabilities	None	None	None
<b>Total</b>	<b>None</b>	<b>None</b>	<b>None</b>

#### COMMITMENTS

Group and Norion Bank AB

	Sep 30 2023	Dec 31 2022	Sep 30 2022
SEKm			
Unutilized credit limits	4 398	5 800	6 315
Other commitments	164	158	155
<b>Total</b>	<b>4 562</b>	<b>5 958</b>	<b>6 470</b>

### Note 17. After the end of the period

The Swedish FSA has granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. Based on Norion Bank's figures as of 30 September 2023, the Common Equity Tier 1 ratio would have increased from 15.1% to 15.9%, compared with the regulatory requirement of 9.1%. The Tier 1 ratio and Total Capital ratio would have increased from 16.2% to 17.0%, compared with regulatory requirements of 10.8% and 13.1%, respectively. The alternative standardised approach will be applied from the fourth quarter of 2023.

# Assurance by the Board of Directors and the CEO

The Board of Directors and the CEO hereby certify that the interim report provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Gothenburg, October 20, 2023

## Board of Directors & CEO

Erik Selin  
Chairman of the Board

Christoffer Lundström  
Board member

Charlotte Hybinette  
Board member

Ulf Croona  
Board member

Marie Osberg  
Board member

Bengt Edholm  
Board member

Martin Nossman  
CEO

## REVIEW REPORT

To the Board of Directors of Norion Bank AB, corporate identity number 556597-0513.

### Introduction

We have reviewed the condensed interim report for Norion Bank AB as of September 30, 2023, and for the three months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we

would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, the date shown in the electronic signature

Ernst & Young AB

Daniel Eriksson  
Authorized Public Accountant

# Forthcoming corporate events

Year-end report 2023	7 February 2024
Annual report 2023	5 April 2024
Interim report January-March 2024	23 April 2024
Annual General Meeting 2024	7 May 2024
Interim report January-June 2024	12 July 2024
Interim report January-September 2024	18 October 2024

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This is information that Norion Bank AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on October 20, 2023 at 7.30 a.m. CET.