NOBA HOLDING AB (PUBL)
INTERIM REPORT JANUARY-SEPTEMBER 2023

A WORD FROM THE CEO

THE COMMON JOURNEY CONTINUES

When looking back on the first full quarter under the common name NOBA, we can conclude that we have continued to develop the organization and that we see clearly positive commercial effects of not just having a common name, but also of having an organization that fully cooperates. I can see the results from everything that we have already achieved as being a consequence of us sharing competences and experiences between individuals, departments and functions. I am equally motivated by thinking of the opportunities and of the future when we will see the full effect of the knowledge sharing and thereby also being able to strengthen our customer offering and competitiveness further, and with that also gain market share.

STRONG DEVELOPMENT IN A CHALLENGING ENVIRONMENT

In a challenging market and a time of unrest in the world with ever increasing interest rates and household economies under pressure, we have been able to maintain a clear focus on assisting our customers and developing our business. We have during the quarter, welcomed over 150,000 new customers to the bank and it is of particular joy to see a growth among the savings customers where the Nordax Bank brand has increased the number of accounts with 14 percent during the third quarter. The underlying net interest income has developed well, and we have continued to be adaptable and competitive, not the least in terms of our pricing of both lending and deposit rates. It is notable that the majority of our competitors are lowering their ambitions on the back of the market uncertainty which, following our strong commercial development and well positioned customer offering, has given us the opportunity to gain further market shares. We stand strong towards the competition, and I think that this will remain for some time now, as we further grow in terms of size, competence and customer focus.

BALANCE AND FLEXIBILITY AS GUIDANCE

Being able to remain responsive and responsible, while at the same time upholding a sound profitability is crucial. This is true for both lending and savings products, and this is something that our strong credit competence and diversified funding structure enables. Credit quality is always a prioritized area and something that we closely monitor, both in terms the existing book and in terms of new lending.

With general signs of increasing credit losses within our part of the market, we see that we have an important role to play given our long-term, creative and approachable way of informing and educating in personal finances and financial health. When writing this “A word from the CEO”, we have just finished an extensive Nordic survey with the focus on financial health in society. I am looking forward to sharing the results during the coming quarters.

ACTIVITY WITHIN THE FINANCING AREA

During the quarter, NOBA has once again been active on the capital markets, and both taken advantage of the possibility of early redemption surrounding a NOK 125m AT1 bond and a SEK 550m T2 bond as well as the repurchase of senior unsecured bonds comprising SEK 198m and NOK 170m. Together with new and prolonged financing during previous quarters, and net deposits of roughly SEK 6.5 billion during the third quarter, this is a testimony of the trust that NOBA enjoys from both investors and savings customers.

A SUSTAINABLE BUSINESS THAT MATTERS

We continue to be the top pick among the most popular personal loans and credit cards in several Nordic countries, and the distance to our competitors in terms of size and market share continues to grow steadily. With that also comes responsibility. In order to continue delivering on our ambitious plans concerning sustainability and to prepare for upcoming regulations and heightened demands, the activity within the sustainability area has been high during the quarter. Our customers are people and households with a stable economy that now face a more challenging situation given increasing interest rates and prices in society. To navigate correctly, we let our vision of contributing to an increased financial health for more people guide us. This way, we can be sustainable and stable also in times of increased uncertainty.

JACOB LUNDBLAD
CEO NOBA

ABOUT THE GROUP

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NOBA Holding AB (publ) (formerly Nordax Holding AB (publ)) (Corporate Identity Number 559097-5743), with its registered office in Stockholm at Box 23124, SEK - 104 35 Stockholm, Sweden, telephone number +46 8 508 808 00, www.noba.bank, with its group below referred to as "NOBA" which is owned indirectly by Nordic Capital Fund VIII to about 35 per cent, Nordic Capital Fund IX to about 45 per cent and Sampo Oyi to about 20 per cent.

In NOBA, there exists a number of subsidiaries of NOBA Bank Group AB (publ) (hereinafter NOBA Bank), among others Svensk Hypotekspension AB (hereinafter ”SHP”) and its subsidiaries. Direct subsidiaries of NOBA Bank are NOBA Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgages 1 AB (publ), Lilienthal Finance Ltd, NOBA Finland 1 AB (publ) and SHP. SHP Group consists of Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ). After the cross-border legal merger between NOBA Bank and its subsidiary Bank Norwegian ASA, which took place on 30 November 2022, the operations of the former subsidiary is hereafter carried out through a Norwegian branch of NOBA Bank under the formal name Bank Norwegian, a part of NOBA Bank Group AB (publ).

NOBA was authorized on 27 January 2004 as a credit market company to carry out finance activities. On 5 December 2014, NOBA received approval to carry out banking activities by the Swedish Financial Supervisory Authority according to the Banking and Finance Business Act.

Using a centralized business model and an organization based in Stockholm and Oslo, NOBA conducts crossborder banking activities in Sweden, Norway, Denmark, Finland, Germany, the Netherlands and Spain in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

NOBA’s main business consists of, under the brands Bank Norwegian and Nordax Bank, lending to the general public in Sweden, Norway, Finland and Denmark. Previously, NOBA also conducted lending in Germany and Spain. Lending consists of unsecured loans up to the equivalent of NOK 800,000, SEK 600,000, DKK 400,000, and EUR 60,000. Since 2018, loans secured against residential property are offered in Sweden and, as of 2019, also in Norway.

Through the subsidiary SHP, acquired in January 2019, NOBA also offers loans secured against residential property to Swedes aged 60 and older.

Since November 2021, NOBA also offers credit cards in Sweden, Norway, Finland, Denmark and Germany through its branch Bank Norwegian. Previously, NOBA also offered credit cards in Spain.

NOBA also offers savings accounts to the general public in Sweden, Norway, Finland, Denmark, Germany, Spain and the Netherlands. Deposits in savings accounts are one element of NOBA’s diversified financing platform, which also consists of asset-backed securities, financing against collateral from international banks, bonds, equity and subordinated liabilities.

NOBA’s business comprises a diversified set of distribution channels. These are made up of direct channels such as online channels, direct marketing and existing customers and indirect channels such as loan intermediaries. As of 30 September 2023 52% of new sales was generated via indirect channels and 48% via direct channels and existing customers.

NOBA has a solid customer base where the responsible lending is illustrated both via the customers and via their use of NOBA’s products. NOBA's personal loan customers are drawn from all age groups and social classes and are typically middle-aged professionals with relatively high incomes, with the majority owning their own home. Of the outstanding personal loan volume, 93% is covered by a left-to-live surplus of above 3,000 SEK and of the same volume 66% has been used to refinance previous loans. Of the credit card customers, approximately 99.5% pays their invoice in due time. Together with the customers utilizing NOBA's mortgages and equity release products, NOBA's customer base shows a very high customer satisfaction where NOBA's Swedish surveys has displayed the highest customer satisfaction in the banking industry.

DEVELOPMENT DURING THE THIRD QUARTER COMPARED TO THE PREVIOUS QUARTER

PORTFOLIO DEVELOPMENT

Total lending as of 30 September 2023 amounted to SEK 108.3 billion (SEK 102.1 billion as of 30 June 2023). All active markets and products contributed to the increase in volume.

PERSONAL LOANS AND CREDIT CARDS

During the third quarter of 2023 the portfolio of personal loans and credit cards showed a good growth. As of 30 September 2023, the total volume of personal loans and credit cards amounted to SEK 91.0 billion (SEK 85.3 billion as of 30 June 2023).

MORTGAGE LOANS

NOBA began offering mortgages in Sweden in 2018. The main target group is customers with some form of non-traditional employment, i.e. self-employed or temporary employees, including project, part-time or replacement workers. Through a thorough credit assessments and personal contacts, more loans are approved for this customer group, which is often rejected by the major banks despite being financially stable. Interest in the offer has been high and new lending continues to grow.

At the end of the first quarter 2019, NOBA also launched mortgage loans in the Norwegian market. As in Sweden, the target group in Norway is the non-standard segment, i.e. customers who fall outside the narrow framework of the major banks.

New lending has, during the third quarter, been further affected by the continuing general rise of interest rates in society but the portfolio still displayed an increase where the total mortgage portfolio amounted to SEK 7.9 billion as of 30 September 2023 (SEK 7.6 billion as of 30 June 2023).

EQUITY RELEASE MORTGAGES

In line with previous historical periods, the portfolio has continued to develop well during the third quarter of 2023 and shows stable new lending. The market for equity release mortgages has a good development potential and SHP has a strong brand within the customer group with continued great customer interest. The total portfolio of equity release mortgages amounted to SEK 9.3 billion as of 30 September 2023 (SEK 9.1 billion as of 30 June 2023).

CAPITAL AND LIQUIDITY

NOBA's consolidated situation has a very good capital and liquidity position.

As of September 30, 2023 Common Equity Tier 1 Capital Ratio amounted to 13.75% (14.02%), the Tier 1 capital ratio amounted to 15.34% (15.79%) and the total capital ratio was 16.75% (17.71%). At the same time, the capital requirements amount to a CET1-capital ratio requirement for the period of 9.32% (9.28%), a Tier 1 requirement of 11.06% (11.03%) and a total capital ratio requirement of 13.40% (13.36%).

The lower CET1-capital ratio was mainly due to that the increase in CET1 capital, as a result of earnings, was lower than the growth in risk exposure amount. The CET1-capital ratio and the total capital ratio was negatively affected by the 2 October redemption of a tier 1 capital instrument and a tier 2 capital instrument, assumed via the merger of Bank Norwegian, which thereby was not included in the capital base as per the end of September.

The CET1 capital increased during the quarter and amounted to SEK 11,699 million (SEK 11,328 million) mostly driven by the positive net profit during the period.

The leverage ratio was 9.67% (10.06%).

The liquidity reserve amounts to SEK 19.4 billion (SEK 17.8 billion) and consists mainly of covered bonds, treasury bills and deposits with central banks and Nordic credit institutions. The liquidity coverage ratio (LCR) was 185.6% (185.6%).

The net stable funding ratio (NSFR) was 117.9% (118.7%). NOBA has a diversified funding structure with different sources allocated between credit institutions, the capital market and deposits from the public. Deposits from the public is the largest funding source and amounts to SEK 93,654 million as per 30 September 2023 (SEK 87,167 million).

For additional information on capital and liquidity, see Note 5 Capital adequacy analysis.

DEVELOPMENT DURING THE THIRD QUARTER 2023 COMPARED TO THE THIRD QUARTER 2022

PORTFOLIO DEVELOPMENT

Total lending as of 30 September 2023 amounted to SEK 108.3 billion (SEK 84.5 billion as of 30 September 2022). All products and markets contributed to the increase in volume compared to the corresponding quarter 2022.

PERSONAL LOANS AND CREDIT CARDS

Compared to the third quarter 2022, the portfolio of private loans and credit cards showed a good growth. The total volume of personal loans and credit cards as of 30 September 2023 amounted to SEK 91.0 billion (SEK 69.6 billion as of 30 September 2022).

MORTGAGE LOANS

New lending has, during the second quarter, been affected by the continuing general rise of interest rates in society but is displaying a stable growth where the total mortgage portfolio amounted to SEK 7.9 billion as of 30 September 2023 (6.4 billion as of 30 September 2022).

EQUITY RELEASE MORTGAGES

The portfolio has steadily continued to develop well and shows stable new lending. The total volume of equity release mortgages amounted to SEK 9.3 billion as of 30 September 2023 (SEK 8.5 billion as of 30 September 2022).

CAPITAL AND LIQUIDITY

As of 30 September 2023, Common Equity Tier 1 Capital Ratio amounted to 13.75% (15.22%), the Tier 1 capital ratio amounted to 15.34% (17.32%) and the total capital ratio was 16.75% (19.01%). The CET1-capital ratio requirement for the period was 9.32% (12.25%), the Tier 1 requirement was 11.06% (14.09%) and the total capital ratio requirement was 13.40% (17.07%).

The lower capital ratios were mainly because the increase in CET1 capital, as a result of earnings, was lower than the growth in risk exposure amount. The decreased capital requirements are to a large extent a consequence of decreased Pillar 2 requirements as well as the Norwegian systemic risk buffer, which for 30 September 2022 for NOBA amounted to 1.79%, after the legal merger is no longer applicable.

The lower Pillar 2 requirements are due to the internal capital adequacy assessment process, which was carried out during the first quarter of 2023, where the Swedish Financial Supervisory Authority's assessment methods and requirements have been applied for all risks. On 30 September 2022, NOBA included the Pillar 2 requirements that Bank Norwegian was assigned via the Norwegian Finanstilsynet. This change of method lowered the Pillar 2 requirements from 3.93% to 1.36%.

During the period, the countercyclical buffer requirements in Norway increased from 1.5% to 2.5%, in Denmark from 1% to 2.5%, in Sweden from 1% to 2% and in Germany from 0% to 0.75%, which increased NOBA's countercyclical buffer requirements to 1.55% (0.85%).

The CET1-capital increased during the year and amounted to SEK 11,699 million (SEK 10,270 million) mostly driven by the positive net profit.

The leverage ratio amounted to 9.67% (10.64%).

The liquidity reserve amounted to SEK 19.4 billion (SEK 18.7 billion) and consists mainly of covered bonds, treasury bills and deposits with central banks and Nordic credit institutions. The liquidity coverage ratio (LCR) was 185.6% (135.0%)[1].

The net stable funding ratio (NSFR) amounted to 117.9 % (122.8 %). NOBA has a diversified funding structure with different sources allocated between credit institutions, the capital market and deposits from the public. Deposits from the public is the largest funding source and as per 30 September 2023, amounts to SEK 93,654 million for the period (SEK 71,085 million).

For additional information on capital and liquidity, see Note 5 Capital adequacy analysis.

[1] When calculating the LCR of the Consolidated Situation, NOBA has chosen to include only the liquidity buffer required to cover Bank Norwegian’s net outflow, as NOBA does not consider that liquidity exceeding 100% of Bank Norwegian’s net outflow can be freely used by the Consolidated Situation. If Bank Norwegian’s surplus liquidity was included in the Consolidated Situation, the LCR would have been 224.9% as per 30 September 2022.

OTHER EVENTS

The uncertainty on the financial markets and in the real economy remained also during the third quarter, even though more and more data was reported containing a more positive message in terms of a decreasing rate of inflation. The central banks’ clear focus on fighting the price increases with higher interest rates seems to have finally made an impact. However, this ever more tightening environment also comprises great challenges on society. NOBA continues to monitor the effects this has on the company's customers. NOBA, also during the third quarter, conducted further adjustments to pricing on both deposits and lending.

On 16 September, Mats Benserud, Branch CFO, started as new Branch Manager for Bank Norwegian, a part of NOBA Bank Group AB (publ). Mats has previous experience from several leading positions in the financial sector and will play a crucial role in NOBA's growth journey. Mats will also be a part of the Bank's Executive Committee and will replace Merete Gillund who has chosen to leave the bank.

In September, NOBA repurchased SEK 198m and NOK 170m of senior unsecured bonds.

On 5 July, NOBA, through the subsidiary Nordax Sverige 5 AB (publ), obtained an increase and extension of SEK 1 billion, 2 years of an existing SEK 3 billion financing facility with an international bank.

During the quarter, it was decided, in order to focus resources on the most commercially strong markets and product offerings, and on the back of a somewhat weaker financial development, to pause new lending on the German market. NOBA continues to offer new credit cards and a competitive savings offering on the German market.

During the quarter, the company and its owners initiated a strategic review to support NOBA in its future development. This may include, but not be limited to, broadening the shareholder base of NOBA through the sale by the owners of a minority stake in the company.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Following constructive dialogue with Norwegian Air Shuttle ASA (NAS), NOBA, after the balance sheet date, reached a settlement in the IPR dispute. Bank Norwegian will continue to use and market the name Bank Norwegian as part of NOBA Bank Group and the joint CashPoint collaboration will continue. The previously communicated planned graphic redesign of Bank Norwegian will proceed as planned. This concludes the strategic review of the collaboration with NAS that was previously announced.

During October, the roll out of the new visual identity for Bank Norwegian was initiated. This is planned to be ongoing during the course of the coming months, where the graphical profile, which features blue and grey as its primary colours, will be introduced across all markets.

On 2 October NOBA redeemed a NOK 125m AT1 bond and a SEK 550m T2 bond.

RESULT JULY-SEPTEMBER 2023

THE GROUP RESULT COMPARED TO THE SECOND QUARTER 2023

Operating profit amounted to MSEK 327 (425). The result for the period has been positively affected by increased net interest income but negatively affected by increasing credit losses.

Net interest income amounted to MSEK 2,009 (1,886). Net interest income primarily increased by growing lending and higher lending interest rates but also contained higher interest expenses driven by increased deposit rates.

Commission income amounted to MSEK 142 (148). Commission income was stable versus the previous quarter.

Operational expenses amounted to MSEK -390 (-468). Of the expenses, general administrative expenses made up MSEK -375 (-381) whereof MSEK -347 (-349) related to the underlying business and MSEK -28 (-32) related to transformational expenses mostly connected with the integration of Bank Norwegian and the ongoing change of core banking system within NOBA. Operational expenses also include depreciation and impairment of property, plant and equipment and other intangible assets and amounted to MSEK -15 (-87), where the decrease is explained by the impairment of intangible assets relating to Lilienthal Finance Ltd encompassing MSEK -69 during the second quarter.

Other operating expenses is made up of marketing costs and sales costs related to credit cards and amounted to MSEK -317 (-285). The increase is primarily driven by higher marketing costs related to credit cards in Germany and a high usage of credit cards on all markets.

Depreciation and impairment of intangible assets related to transaction surplus values amounted to MSEK -43 (-42) which was according to plan. These costs are purely related to the accounting treatment of allocated surplus values from previous acquisitions and do not affect neither cash flows nor capital adequacy since the asset is already deducted from the capital base.

Credit losses amounted to MSEK -1,106 (-841), corresponding to 4.2 per cent (3.4) of average lending. The increase in absolute numbers was driven by growing lending portfolios. Increased provisions relating to loans in Stage 1 was, as in the previous quarter, a significant driver of the credit losses and amounted to MSEK -316 (-211) corresponding to 29% (25%) of total credit losses.

ADJUSTED OPERATING PROFIT

The quarterly operating profit was negatively affected by the expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. During the quarter, the decision was also made to halt new lending on these markets as well as also the issuing of new credit cards in Spain. The operating profit from Continental Europe amounted to MSEK -127 (-88).

Since the Bank's operating profit currently, to a large extent, is affected by transformational expenses, initial costs related to Continental Europe and accounting effects from intangible assets primarily related to the acquisition of Bank Norwegian, management also monitors the business based on an adjusted operating profit where the effects of these costs, and other non-recurring items, are excluded. The adjusted operating profit amounted to MSEK 525 MSEK (656)[1].

THE GROUP RESULT COMPARED TO THE THIRD QUARTER 2022

Operating profit amounted to MSEK 327 (558). The decrease is primarily explained by increased provisions for credit losses but also comprises an increased net interest income.

Net interest income amounted to MSEK 2,009 (1,691). Net interest income primarily increased by growing lending and higher lending interest rates but also contained higher interest expenses driven by increased deposit rates. Commission income amounted to MSEK 142 (120). The increase was driven by higher credit card related income.

Operational expenses amounted to MSEK -390 (-382). Of the expenses, general administrative expenses made up MSEK

[1] Reported operating profit of MSEK 327 (425) adjusted for transformational expenses of MSEK -28 (-32), effect relating to Continental Europe of MSEK -127 (-88) and depreciation of transaction related surplus values according to plan MSEK -43 (-42)

-375 (-356) whereof MSEK -347 (-289) related to the underlying business and MSEK -28 (-67) related to transformational expenses mostly connected with the integration of Bank Norwegian and the ongoing change of core banking system within NOBA. Of the underlying general administrative expenses, depreciation, amortization and impairment of property, plant and equipment and other intangible assets amounted to MSEK -15 (-26).

Other operating expenses is made up of marketing costs and sales costs related to credit cards and amounted to MSEK -317 (-285). The increase is primarily driven by costs related to an increased usage of credit cards.

Depreciation, amortization and impairment of intangible assets related to transactions amounted to MSEK -43 (-44) which was according to plan.

Credit losses amounted to MSEK -1,106 (-492), corresponding to 4.2 per cent (2.4) of average lending. The increase was driven by both higher underlying delinquency levels and by further provisions relating to loans in Stage 1 of MSEK -316 (-37). Provisions for Continental Europe amounted to MSEK -95 (-68).

ADJUSTED OPERATING PROFIT

The quarterly operating profit was negatively affected by the expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. During the quarter, the decision was also made to halt new lending on these markets as well as also the issuing of new credit cards in Spain. The operating profit from Continental Europe amounted to MSEK -127 (-69).

Since the Bank's operating profit currently, to a large extent, is affected by transformational expenses, initial costs related to Continental Europe and accounting effects from intangible assets primarily related to the acquisition of Bank Norwegian, management also monitors the business based on an adjusted operating profit where the effects of these costs, and other non-recurring items, are excluded. The adjusted operating profit amounted to MSEK 525 (738)[1].

PARENT COMPANY RESULT COMPARED TO THE THIRD QUARTER 2022

Total net sales for July-September 2023 amounted to MSEK 14 (7).

Operating expenses for July-September 2023 amounted to MSEK -3 (-2).

Result from financial investments for July-September 2023 amounted to MSEK 18 (11).

[1] Reported operating profit of MSEK 327 (558) adjusted for transformational expenses of MSEK -28 (-67), effect relating to Continental Europe of MSEK -127 (-69) and depreciation of transaction related surplus values according to plan of MSEK -43 (-44).

RISKS AND INTERNAL CONTROL

RISKS AND UNCERTAINTIES

The large and swift interest rate increases conducted by central banks since the start of last year have contributed to the global inflation and economy being on a decreasing trajectory. The growth rates of energy and food prices have decreased significantly even though no broad-based price decreases have been seen in consumer pricing and the inflationary pressure remains high. Central banks have also signaled that interest rate cuts still remain far into the future.

Even though unemployment rates continue to surprise positively, it is forecasted that unemployment will increase. The household economy is sensitive to increasing unemployment which the bank is also reflecting in the credit loss provisioning.

The uncertainty relating to ripple effects in the financial system, on the back of the problems surrounding certain banks in the U.S and in Switzerland mid- March, has decreased. On the other hand, the global geo-political uncertainty has increased as a consequence of the increased tensions in the Middle East and the continuing Russian war against the Ukraine.

The Group's overall policies for steering, risk management and risk appetite framework set the group strategi, appetite and limits for each respective risk and the relevant strategy, as well as roles and responsibilities, for managing these risks.

The Group is exposed to both credit risks and other financial risks, such as market risk and liquidity risk. The Group is also exposed to operational risks, such as IT risks, process risks and external risks, compliance risks, risks of exposure to financial crime and business risks.

INTERNAL CONTROL

NOBA has established independent functions covering risk control and compliance - Group Risk Control and Group Compliance – in accordance with the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding governance, risk management and control at credit institutions (FFFS 2014:1) as well as the European Banking Authority's Guidelines on internal governance. The Group Risk Control and Group Compliance are led and coordinated by the Board's appointed Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) respectively.

During the third quarter, the Group's independent unit for information security - the Information Security Function has been merged into Group Risk Control and the new unit (ICT Risk Management) is led by the Group Head of ICT Risk Management who reports to the Group CRO.

All independent control functions report directly to the Board of Directors and the CEO. The internal audit is outsourced to EY.

KEY FIGURES

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Common Equity Tier 1 Capital Ratio in %	13.8	14.0	15.2	13.8	15.2
Return on equity excluding intangible assets in %	8.9	10.4	15.4	10.1	10.6
Return on assets in %	0.8%	0.9%	1.4%	0.9%	1.0%
Net credit loss level %	4.2	3.4	2.4	3.7	2.7
Cost to income ratio % total operating expenses excl. depreciation, amortization and impairment of intangible assets related to transactions	32	37	38	34	43
Cost to income ratio % operational expenses	18	23	22	20	23
Cost to income ratio % operational expenses excl. transformational expenses[1]	17	18	18	18	19
Adjusted operating profit MSEK	525	656	738	1,724	1,742
Operating profit per share SEK	113.6	129.4	176.0	374.8	363.6
Number of employees[2]	629	623	597	629	597

[1] For Q2 2023 also adjusted for impairment of immaterial assets relating to Lilienthal Finance Ltd of MSEK -69.

[2] Number of employees is recalculated to full time employees.

CONSOLIDATED INCOME STATEMENT

GROUP MSEK	NOTE	Q3 2023	Q2 2023	Q3 2022	JAN-SEP 2023	JAN-SEP 2022
Operating income						
Interest income	9	3,020	2,663	2,000	8,091	5,684
Interest expense	9	-1,011	-777	-309	-2,394	-800
Total net interest income		**2,009**	**1,886**	**1,691**	**5,697**	**4,884**
Commission income	8	142	148	120	391	297
Net profit from financial transactions	10	32	27	-50	72	-219
Other operating income	11	0	0	0	0	0
Total operating income		**2,183**	**2,061**	**1,761**	**6,160**	**4,962**
Operating expenses						
General administrative expenses	8	-375	-381	-356	-1,125	-1,080
Depreciation and impairment of property, plant and equipment and other intangible assets	8	-15	-87	-26	-126	-80
Depreciation and impairment of transaction surplus values	8	-43	-42	-44	-128	-132
Other operating expenses	12	-317	-285	-285	-868	-954
Total operating expenses		**-750**	**-795**	**-711**	**-2,247**	**-2,246**
Profit before credit losses		**1,433**	**1,266**	**1,050**	**3,913**	**2,716**
Net credit losses	13	-1,106	-841	-492	-2,771	-1,567
Operating profit		**327**	**425**	**558**	**1,142**	**1,149**
Tax on profit for the period		-54	-114	-134	-241	-275
Net profit for the period		**273**	**311**	**423**	**901**	**874**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

GROUP MSEK	Q3 2023	Q2 2023	Q3 2022	JAN-SEP 2023	JAN-SEP 2022
Items to be reclassified in the income statement					
Gains and losses on revaluation during the year	-7	2	23	-31	226
Tax on gains and losses on revaluation during the year	1	0	-5	6	-51
Total cash flow hedges	**-6**	**2**	**18**	**-25**	**175**
Debt instruments measured at fair value through other comprehensive income	0	-1	-	-1	-
Tax on debt instruments measured at fair value through other comprehensive income	0	0	-	0	-
Total debt instruments measured at fair value through other comprehensive income	**0**	**-1**	**-**	**-1**	**-**
Translation of foreign subsidiaries	241	336	-374	-668	-158
Hedge accounting of net investment before tax	-177	-214	212	351	-401
Tax on hedge accounting	37	44	-43	-72	83
Tax on translation differences	-26	-49	-	54	-
Total	**75**	**117**	**-205**	**-335**	**-476**
Items not to be reclassified in the income statement					
Equity instruments valued at fair value through other comprehensive income	0	-22	0	-22	4
Total	**0**	**-22**	**0**	**-22**	**4**
Total other comprehensive income	69	85	-187	-383	-297
Comprehensive income	**342**	**410**	**236**	**518**	**577**
Attributable to:					
The Parent Company’s shareholders	324	454	236	497	560
Holders of Tier 1 capital	18	-44	0	21	17

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY MSEK	Q3 2023	Q2 2023	Q3 2022	JAN-SEP 2023	JAN-SEP 2022
Net sales	14	14	7	40	17
total net sales	**14**	**14**	**7**	**40**	**17**
Operating expenses					
Employee expenses	-2	-2	-2	-6	-9
Other external expenses	-1	0	0	-2	-3
Total operating expenses	**-3**	**-2**	**-2**	**-8**	**-12**
Operating profit	**11**	**12**	**5**	**32**	**5**
Result from financial investments					
Profit from shares in group companies	-	-	-	-	-
Interest expenses and similar expenses	-13	-14	-7	-37	-15
Received group contribution	-	-	-	-	-
Dividend received	31	26	18	81	51
Result from financial investments	**18**	**12**	**11**	**44**	**36**
Result after financial items	29	24	16	76	41
Tax on profit for the period	**-**	**-**	**-**	**-**	**-**
Net profit for the period	**29**	**24**	**16**	**76**	**41**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Total profit corresponds to profit for the period.

STATEMENT OF FINANCIAL POSITION

GROUP

MSEK	NOTE	30 SEP 2023	31 DEC 2022
Assets			
Lending to central banks	6,7	2,312	3,723
Lending to credit institutions	6,7	2,887	3,376
Lending to the general public	4,6-7	108,284	89,382
Bonds and other fixed-income securities	6,7	14,679	13,608
Other shares	6,7	149	168
Shares in subsidiaries		-	-
Derivatives	6,7	249	419
Intangible assets		11,889	12,364
Tangible assets		64	77
Current tax assets		2	2
Deferred tax assets		9	-
Other assets	6,7	278	286
Prepaid expenses and accrued income		82	68
Total assets		**140,884**	**123,473**
LIABILITIES, PROVISIONS AND EQUITY			
Liabilities			
Liabilities to credit institutions	6,7	10,994	9,739
Deposits from the general public	6,7	93,654	77,104
Issued securities	6,7	6,978	8,416
Derivatives	6,7	221	307
Current tax liabilities		55	179
Deferred tax liability		866	973
Other liabilities	6,7	981	972
Accrued expenses and deferred income		614	461
Subordinated liabilities	6,7	2,289	1,519
Total liabilities		**116,652**	**99,670**
Equity			
Share capital		2	2
Other reserves		20,917	20,917
Other funds		-	-
Fair value reserve		16	39
Cash flow hedges		136	161
Tier 1 capital instruments		1,477	1,470
Translation of foreign operations, net		-375	-43
Retained earnings		1,157	387
Profit for the year		902	870
Total equity		**24,232**	**23,803**
Total liabilities, provisions and equity		**140,884**	**123,473**

STATEMENT OF FINANCIAL POSITION

PARENT COMPANY

MSEK	30 SEP 2023	31 DEC 2022
Financial assets		
Shares in group companies	22,216	22,216
Total financial assets	**22,216**	**22,216**
Total fixed assets	**22,216**	22,216
Short-term assets		
Receivables group companies	726	745
Other assets	15	14
Prepaid expenses and accrued income	2	1
Total short-term assets	**743**	**760**
Cash and bank balances	39	29
Total current assets	**782**	**789**
Total assets	**22,998**	**23,005**
LIABILITIES, PROVISIONS AND EQUITY		
Equity		
Share capital	2	2
Other reserves	20,917	20,917
Tier 1 capital instruments	1,350	1,338
Retained earnings	25	72
Profit for the period	76	45
Total equity	**22,370**	**22,374**
Liabilities		
Current liabilities		-
Current tax liabilities	0	1
Accrued expenses and prepaid income	1	1
Liabilities group companies	7	7
Other liabilities	0	2
Subordinated liabilities	620	620
Total current liabilities	**628**	**631**
Total liabilities	**628**	**631**
Total liabilities, provisions and equity	**22,998**	**23,005**

STATEMENT OF CASH FLOWS

GROUP MSEK	JAN-SEP 2023	JAN-SEP 2022
Operating activities		
Operating profit [1]	1,142	1,149
Adjustment for non-cash items	3,398	2,206
Income tax paid	-438	-639
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-25,426	-17,100
Decrease/Increase in other assets	-418	-740
Decrease/Increase in deposits from the general public	18,978	5,413
Decrease/Increase in other liabilities	1,369	-121
Cash flow from operating activities	**-1,395**	**-9,832**
Investing activities		
Purchase of shares	-	-23
Value change of shares	-	4
Investment in property, plant and equipment and intangible assets	-44	-27
Investment in bonds and other interest-bearing securities	-28,120	-27,239
Sale/disposal of bonds and other fixed income securities	26,904	37,619
Cash flow from investing activities	**-1,260**	**10,334**
Financing activities		
Change to liability to credit institutions	1,249	1,263
Change issued securities	-1,282	-941
Change subordinated liabilities	759	-225
Tier 1 capital instruments issued, net[2]	-89	-55
Tier 1 capital dividend[2]	-	-311
Cash flow from financing activities	**637**	**-269**
Cash flow for the period	**-2,018**	**233**
Cash and cash equivalents at the beginning of the period	**7,099**	**5,182**
Exchange rate differences and cash equivalents	**118**	**105**
Cash and cash equivalents at the end of the period	**5,199**	**5,520**

[1] Whereof received interest MSEK 7,080 (5,055) and paid interest MSEK 1,085 (514).

Cash and cash equivalents is defined as lending to central banks excluding rix certificates and lending to credit institutions. Pledged cash and cash equivalents under Note 14 are available to NOBA in connection with monthly settlement under financing agreements and are therefore defined as cash and cash equivalents due to being pledged for a maximum of 30 days and therefore short-term.

STATEMENT OF CHANGES IN EQUITY

GROUP

MSEK	Share capital	Other reserves	Translation of foreign operations, net	Fair value reserv	Cash flow hedges	Retained earning incl. profit for the year	Sum	Tier 1 capital instruments	TOTAL
Opening balance 1 January 2022	**2**	**20,917**	**109**	**35**	**3**	**476**	**21,542**	**1,757**	**23,299**
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	848	848	19	867
Other comprehensive income	-	-	-152	4	158	-	10	28	38
Total comprehensive income	**-**	**-**	**-152**	**4**	**158**	**848**	**858**	**47**	**905**
Paid interest Tier 1 capital instruments	-	-	-	-	-	-81	-81	-	-81
Repayment of Tier 1 capital instrument	-	-	-	-	-	-	-	-311	-311
Change in Tier 1 capital instruments	-	-	-	-	-	14	14	-23	-9
Transactions with shareholders									
Shareholder contribution	-	-	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-
Tax effect on capital contribution	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing balance 31 December 2022	**2**	**20,917**	**-43**	**39**	**161**	**1,257**	**22,333**	**1,470**	**23,803**
Opening balance 1 January 2023	**2**	**20,917**	**-43**	**39**	**161**	**1,257**	**22,333**	**1,470**	**23,803**
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	877	877	24	901
Other comprehensive income	-	-	-332	-23	-25	-	-380	-3	-383
Total comprehensive income	**-**	**-**	**-332**	**-23**	**-25**	**877**	**497**	**21**	**518**
Paid interest Tier 1 capital instruments	-	-	-	-	-	-89	-89	-	-89
Change in Tier 1 capital instruments	-	-	-	-	-	14	14	-14	0
Transactions with shareholders									
Shareholder contribution	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-
Closing balance 30 September 2023	**2**	**20,917**	**-375**	**16**	**136**	**2,059**	**22,755**	**1,477**	**24,232**

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

MSEK	Share capital	Other reserves	Retained earnings	Sum	Tier 1 capital instruments	TOTAL
Opening balance 1 January 2022	**2**	**20,917**	**125**	**21,044**	**1,320**	**22,364**
Comprehensive income						
Net profit/loss for the year	**-**	**-**	**56**	**56**	**16**	**72**
Total comprehensive income	**-**	**-**	**56**	**56**	**16**	**72**
Change in Tier 1 capital instrument	-	-	-2	-2	2	0
Paid interest in Tier 1 capital instruments	-	-	-62	-62	-	-62
Closing balance 31 December 2022	**2**	**20,917**	**117**	**21,036**	**1,338**	**22,374**
Opening balance 1 January 2023	**2**	**20,917**	**117**	**21,036**	**1,338**	**22,374**
Comprehensive income						
Net profit/loss for the period	-	-	55	55	21	76
Total comprensive income	**-**	**-**	**55**	**55**	**21**	**76**
Paid interest in Tier 1 capital instruments	-	-	-80	-80	-	-80
Change in Tier 1 capital instruments	-	-	9	9	-9	0
Closing balance 30 September 2023	**2**	**20,917**	**101**	**21,020**	**1,350**	**22,370**

The share capital comprises of 2,403,815 shares of the same class with a quotient value of SEK 1 per share.

NOTES

Amounts stated in the notes are in MSEK unless otherwise stated. The information on pages 1-11 is an integrated part of this interim report.

NOTE 1: GENERAL INFORMATION

NOBA Holding AB (publ) (Corporate Identity Number 559097-5743), with its registered office in Stockholm, Sweden is a parent company to the wholly owned subsidiary NOBA Group AB (Corporate Identity Number 556993-2485), with its registered office in Stockholm, which owns NOBA Bank Group AB (publ) (Corporate Identity Number 556647-7286), registered office in Stockholm.

The Group's operating subsidiaries are NOBA Bank Group AB (publ), which since 2014 has been licensed to conduct banking operations and Svensk Hypotekspension AB, which since 2018 has been licensed to conduct mortgage lending under the Mortgage Credit Act.

NOTE 2: ACCOUNTING AND MEASUREMENT POLICIES

The interim report has been prepared according to IAS 34, Interim Financial Reporting. The consolidated accounts for the NOBA Holding Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, together with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Accounting Regulations for Groups, and the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2008:25.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act. The Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities has also been applied.

CHANGED ACCOUNTING POLICIES THAT HAVE APPLIED AS OF 2023

During the period, no accounting standards were added, which have been published but not yet applied, with any significant effect on the Group's financial reports or on capital adequacy and large exposures.

During 2023 part of Lending to the general public regarding equity release mortgages has been classified as Financial assets valued at profit and loss since these assets do not fulfill the SPPI reqirements in order to be able to be classified as Amortized cost or to Fair value through Other Comprehensive Income.

As from Q1 2023 the Group presents all costs related to the distribution of credit cards and marketing costs to the Norwegian Air Shuttle Group within Other operating expenses. Previous the majority was included in General administrative expenses.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses refer to employee benefit expenses and other administrative expenses, such as IT expenses, external services (audit, other services), costs of premises, telephone and postage, and other expenses.

As from Q1 2023 the Group presents Depreciation and impairment of transaction surplus values on a separate row in Income Statement and historic figures are reclassified.

ASSESSMENT OF BUSINESS MODEL FOR FINANCIAL ASSETS

In order to determine valuation categories an assessment of business model for financial assets is conclusive. In order to determine business model a distribution of financial assets in different portfolios has been conducted based upon how they are governed, reported and follow up upon. During the second quarter of 2023 a new business model, intended that the follow up is based on contractual cash flows as well as sales has been implemented.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Debt instruments are classified in this category if the following of the two criterias are fulfilled
a) the aim of the business model can be achieved both through obtaining the contractual cash flows and to sell the assets
b) the contractual cash flows constitutes solely of the principal amount and interest.

This is applied for interest-bearing securities, primarily for placement of liquidity, which normally holds to maturity but where there, if needed, is an opportunity to sell the entire or part of the tenure in advance.

Accounting occurs upon initial recognition to fair value and transaction costs. Unrealized value changes is accounted for in Other comprehensive income and accumulated in a fair value reserve within equity. Accumulated gains or loss is reclassified from equity to the income statement when the instrument is derecognized from the balance sheet and accounted for on the line item Net financial transactions. Interests are accounted for in the income statement on the line item Interest income, and calculated in accordance with the effective interest rate method. Currency effects are accounted for in the income statement on the line item Net result from financial transactions. These assets are subject for impairment testing. Impairment is accounted for on the line item Net result from financial transactions and as a change of the fair value reserve in equity through other comprehensive income.

The report has otherwise been prepared in accordance with the same accounting principles and calculation methods that were applied in the annual report for 2022.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgments and estimates that affect the recognized amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the reporting date as well as the recognized income and expenses during the reporting period. The executive management continuously evaluates these judgments and estimates, including assessing control over investment funds, the fair value of financial instruments, provisions for credit impairment, impairment testing of goodwill and deferred taxes. Post-model expert credit adjustments to the credit impairment provisions continue to be necessary, given the geopolitical and economic uncertainties. Details of these are found in Note 13.

Beyond that, there have been no significant changes to the basis upon which the critical accounting judgments and estimates have been determined compared with 31 December 2022.

NOTE 4: FINANCIAL RISK MANAGEMENT

GROUP MSEK	2023-09-30	2022-12-31
Credit risk exposures relate to the balance sheet as follows:		
Lending to central banks	2,312	3,723
Lending to credit institutions	2,887	3,376
Lending to the general public	108,284	89,382
Bonds and other fixed-income securities	14,679	13,608
Total	**128,162**	**110,089**

GROUP MSEK

30 SEPTEMBER 2023	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Sweden	32,052	2,283	3,669	-718	-355	-1,735	35,196
SHP	9,382	39	0	-81	0	0	9,340
Norway	21,897	1,502	3,319	-166	-127	-1,174	25,251
Finland	25,406	1,971	4,375	-487	-346	-1,752	29,167
Germany & Spain	2,070	104	546	-94	-28	-401	2,197
Denmark	6,667	279	679	-115	-42	-335	7,133
Total	**97,474**	**6,178**	**12,588**	**-1,661**	**-898**	**-5,397**	**108,284**

31 DECEMBER 2022	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Sweden	26,264	1,833	2,201	-420	-325	-997	28,556
SHP	8,787	38	3	-30	0	0	8,798
Norway	19,140	1,424	3,035	-106	-111	-1,217	22,165
Finland	18,682	1,686	3,540	-248	-263	-1,395	22,002
Germany & Spain	1,583	129	427	-40	-29	-310	1,760
Denmark	5,749	242	522	-93	-40	-279	6,101
Total	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**

LENDING TO THE GENERAL PUBLIC PER PRODUCT

GROUP MSEK

30 SEPTEMBER 2023	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Personal loans	68,282	4,755	11,160	-1,392	-827	-4,959	77,019
Credit Cards	13,162	541	969	-186	-69	-410	14,007
Mortgage loans	6,648	843	459	-2	-2	-28	7,918
SHP	9,382	39	0	-81	0	0	9,340
Total	**97,474**	**6,178**	**12,588**	**-1,661**	**-898**	**-5,397**	**108,284**

31 DECEMBER 2022	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Personal loans	54,117	4,466	8,779	-805	-710	-3,863	61,984
Credit Cards	10,882	467	797	-98	-55	-320	11,673
Mortgage loans	6,419	381	149	-4	-3	-15	6,927
SHP	8,787	38	3	-30	0	0	8,798
Total	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**

NOTE 5: CAPITAL ADEQUACY ANALYSIS

The information in this note is disclosed in accordance with Chapter 8, Section 4 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual reports at credit institutions and securities companies (FFFS 2008:25), as well as Chapter 8, Section 1 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding prudential requirements and capital buffers (FFFS 2014:12). Information in Article 447 of Regulation (EU) No 575/2013 and Article 473a point 6 (transitional arrangement of IFRS9 for own funds) in accordance with (EBA/ GL/2018/01 and EBA/GL/2020/12) as well as the disclosure requirements of the same regulation). The liquidity and funding information is disclosed in accordance with Chapter 5, Section 2 of the Swedish Financial Supervisory Authority's regulations regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7).

INFORMATION ON THE CONSOLIDATED SITUATION

The top company in the Consolidated Situation is NOBA Holding AB (publ). The following companies are included in the Consolidated Situation when calculating capital requirements: NOBA Holding AB (publ), NOBA Group AB (publ), NOBA Bank Group AB (publ), NOBA Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgages 1 AB (publ), Svensk Hypotekspension AB and affiliated subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ), in addition to Lilienthal Finance Ltd.

MERGER WITH BANK NORWEGIAN

On 30 November 2022, the merger between NOBA Bank Group AB (at the time of merger Nordax Bank AB) and Bank Norwegian ASA has been completed. The merger was implemented with NOBA Bank as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian being continued through NOBA's Norwegian branch, the legal name of which is Bank Norwegian, a branch of NOBA Bank Group AB (publ) (the "Branch").

The capital requirements for the consolidated situation did not change as result of merger, however, the capital requirement on solo level has increased due to the replacement of shareholdings in Bank Norwegian by the assets of Bank Norwegian, as well as the surplus value of lending portfolio that arose in connection with the acquisition.

The acquisition of Bank Norwegian ASA was financed by NOBA Holding AB (publ) (at the time of merger Nordax Holding AB (publ)) via new share issue of SEK 9.7 billion, new issuance of SEK 1.4 billion in Additional Tier 1 capital and SEK 650 million Tier 2 capital, which was invested by external investors. NOBA Group AB (publ) (at the time of merger Nordax Group AB (publ)) issued corresponding instruments and amounts which was invested by NOBA Holding AB (publ). NOBA Bank Group AB (publ) issued the corresponding amounts and instruments which was invested by NOBA Group AB (publ).

The acquisition has been also financed via non-cash issuance of Bank Norwegian shares with a value of SEK 4.4 billion, unconditional shareholder contribution of SEK 1 billion, conditional shareholder contribution of SEK 8.4 billion and a loan of SEK 200 million from NOBA Holding AB (publ). At the time of the legal merger, the conditional shareholder contribution was converted to unconditional shareholder contribution. In December 2022 the loan from NOBA Holding, including accrued interest, was also converted to unconditional shareholder contributions of SEK 203 million.

CAPITAL INSTRUMENTS

The aforementioned capital instruments are included in the consolidated situation's capital base as well as, after deductions for minority interests, Tier 2 capital of SEK 580 million issued by NOBA Bank Group AB. In June, NOBA Bank Group AB obtained permission from the Swedish FSA call options of the Additional Tier 1 capital and Tier 2 capital issued by Bank Norwegian prior to the merger, the call option repayment date is effective from October 2. On September 11, NOBA informed the market, through a press release and notification to bondholders, that the redemption will occur, thus these instruments are excluded from the capital base.

IFRS 9 TRANSITIONAL ARRANGEMENT

NOBA has notified the Swedish FSA that NOBA has decided to use the transitional arrangement regarding IFRS9 which entail a gradual phasing-in of credit provisions that arise during the transition to IFRS 9 and credit provisions for stages 1 and 2 until December 31, 2019. In 2022, 25% of the effects was added back to Tier 1 capital, from 2023, the effects have been phased in completely and there will be no transitional arrangements applied for these credit provisions. NOBA also applies the transitional rules for credit provisions for stages 1 and 2 that arose after December 31, 2019. In 2022, 75% of the negative effects of these credit provisions was added back to CET1 capital. In 2023, the add-back decreased to 50%. During the quarter, the add-back amount to CET1 capital increased to SEK 480 million (346).

LIQUIDITY RESERVE AND OWN FUNDS

With the exception of Riksbank certificates all of NOBA's securities holdings in the liquidity reserve are accounted at fair value. Changes in fair value are reported either through profit and loss or through other comprehensive income. In either case the changes affect CET1. Thus, sales of holdings in the liquidity reserve have no impact on own funds.

NOTE 5: CAPITAL ADEQUACY ANALYSIS

COMBINED BUFFER REQUIREMENT

The combined buffer requirement for the Consolidated Situation consists of the capital conservation buffer requirement and the countercyclical capital buffer requirement. The capital conservation buffer requirement amounts to 2.5 percent of the risk-weighted exposure amount. The countercyclical capital buffer is weighted based on geographical requirements. For Finland and Spain the requirement amounted to 0%, for Germany the requirement amounted to 0,75%, for Norway and Denmark the requirement amounted to 2,5% while the requirement was 2% for Sweden.

Due to the acquisition of Bank Norwegian in November 2021, a systemic risk buffer was added. However, as a result of merger through absorption, the requirement for systemic risk buffer was abolished because the Norwegian systemic risk buffer only applies to foreign institutions with Norwegian risk exposure amount of NOK 32 billion, NOBA's Norwegian risk exposure amount falls below that threshold.

Upon the request of the Norwegian Ministry of Finance, the European systemic risk board, ESRB, has lowered the threshold to NOK 5 billion as of December 31 2023. The Swedish Financial Supervisory Authority has recognized and reciprocated on 5 June the recommendation of the Norwegian Ministry of Finance. Therefore, the Norwegian systemic risk buffer requirement has become applicable to NOBA for the Norwegian exposure starting from and including 31 December 2023. The Systemic risk buffer requirement amounts to 4.5% of the risk exposure amount in Norway, which for NOBA corresponds to approximately 1% of the total risk exposure amount.

CAPITAL ADEQUACY - PART 1

MSEK	CONSOLIDATED SITUATION 30 SEP 2023	CONSOLIDATED SITUATION 31 DEC 2022
Own funds		
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	23,273	23,254
Total deduction of regulatory adjustment to CET1 capital	-11,574	-12,544
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	**11,699**	**10,710**
Additional Tier 1 capital1	1,350	1,428
Sum Tier 1 Capital	**13,049**	**12,138**
Tier 2 Capital [2]	1,200	1,296
Total capital	**14,249**	**13,434**
Risk exposure amount, credit risk	79,248	65,183
Risk exposure amount, market risk	-	-
Risk exposure amount, operational risk	5,782	5,782
Risk exposure amount, credit value adjustment (CVA)	56	183
Total risk exposure amount (risk weighted assets)	**85,086**	**71,148**
Capital ratios and buffers		
Common Equity Tier 1 capital ratio	13.75%	15.05%
Tier 1 capital ratio	15.34%	17.06%
Total capital ratio	16.75%	18.88%
Total Common Equity Tier 1 capital requirement including buffer requirement	8.55%	8.04%
- of which, capital conservation buffer requirement	2.50%	2.50%
- of which, countercyclical capital buffers	1.55%	1.04%
-of which systemic risk buffer	-	-
Common Equity Tier 1 capital available as buffer [3]	6.75%	8.05%
SPECIFICATION OWN FUNDS		
Common Equity Tier 1 capital:		
Capital instruments and related share premium	20,920	20,920
-of which share capital	2	2
- of which other contributed capital	20,917	20,917
-of which other funds	-	-
Retained earnings	1,156	389
Accumulated other comprehensive income	-	-
Deferred tax liabilities attributable to other intangible assets	518	564
Minority interest	-	-
Independently audited interim results after deductions of foreseeable dividends	679	1,024
Common Equity Tier 1 capital before regulatory adjusted	**23,273**	**22,896**

[1] In June, NOBA Bank Group AB obtained permission from the Swedish FSA call options of the Additional Tier 1 capital and Tier 2 capital issued by Bank Norwegian prior to the merger, the call option repayment date is effective from October 2. On September 11, NOBA informed the market that the redemption will occur, thus these instruments are excluded from the capital base.

[2] In June, NOBA Bank Group AB obtained permission from the Swedish FSA call options of the Tier 2 Capital issued by Bank Norwegian prior to the merger, the call option repayment date is effective from October 2. On September 11, NOBA informed the market that the redemption will occur, thus these instruments are excluded from the capital base.

[3] Available CET1 capital that can be used as buffer after deducting CET1 capital required to fulfill the requirements under Pillar 1 and the capital conservation buffer requirement given as a percentage of REA.

CAPITAL ADEQUACY - PART 2

MSEK	CONSOLIDATED SITUATION 30 SEP 2023	31 DEC 2022
Regulatory adjustments:		
(+) Other transition adj. of common equity Tier 1 capital [4]	480	358
(-) Intangible assets	-11,889	-12,364
Additional value adjustments	-165	-180
Total regulatory adjustment to Common Equity Tier 1 capital	-11,574	-12,186
Common Equity Tier 1 capital	**11,699**	**10,710**
Additional Tier 1 capital		
-AT1 capital instrument, directly issued	1,350	1,338
-AT1capitalinstrument, issued by subsidiaries that are given recognition AT1Capital	-	90
Tier 1 capital, total	**13,049**	**12,138**
Tier 2 capital instrument		
Tier 2 capital instrument, directly issued	620	620
- Tier2capital instrument, issued by subsidiaries that are given recognition T2 Capital	580	676
Total capital	**14,249**	**13,434**
Total risk exposure amount	**85,086**	**71,148**
Specification of risk exposure amount		
Exposures to national governments and central banks	23	0
Exposures to regional governments and local authorities	230	179
Exposures to institutions	669	868
Exposures in the form of covered bonds	841	708
Retail exposures	63,130	50,909
Exposures secured by mortgages on immovable property	5,932	5,535
Equity exposures	149	168
Exposures in default	7,517	6,169
Exposures to corporates	-	-
Other items	757	647
Total risk exposure amount for credit risk, Standardized Approach	**79,248**	**65,183**
Foreign exchange risk	-	-
Total risk exposure amount for foreign exchange risk	**-**	**-**
Operational risk according to Alternative Standardized Approach	5,782	5,782
Total risk exposure amount for operational risks	**5,782**	**5,782**
Credit valuation adjustment risk (CVA)	56	183
Total risk exposure amount for credit valuation adjustment risk	**56**	**183**
Total risk exposure amount	**85,086**	**71,148**

[4] NOBA Bank Group AB and the Consolidated Situation applies the transitional arrangements in accordance with article 473a of Regulation (EU) no. 575/2013 with application of paragraphs 2 and 4. Template “Final report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements”, EBA/GL/2018/01 can be read at the end of this note.

CAPITAL ADEQUACY - DEL 3

MSEK	CONSOLIDATED SITUATION 30 SEP 2023	31 DEC 2022
SPECIFICATION OWN FUNDS REQUIREMENTS (8% OF REA)		
Credit risk		
Exposures to national governments and central banks	2	-
Exposures to regional governments and local authorities	18	14
Exposures to institutions	54	69
Exposures in the form of covered bonds	67	57
Retail exposures	5,050	4,073
Exposures secured by mortgages on immovable property	475	443
Equity exposures	12	13
Exposures in default	601	494
Exposures to corporates	-	-
Other items	61	52
Total capital requirement for credit risk	**6,340**	**5,215**
Market risk		
Foreign exchange risk	-	-
Total risk exposure amount for market risk	**-**	**-**
Operational risk		
Operational risk according to Alternative standardized Approach	463	463
Total risk exposure amount for operational risk	**463**	**463**
Credit valuation adjustment risk (CVA)		
Credit valuation adjustment risk (CVA)	4	15
Total capital requirement for CVA risk	**4**	**15**
Total Capital Requirement	**6,807**	**5,693**
Capital Requirement, percent of REA		
Pillar 1	8.00%	8.00%
Pillar 2	1.36%	3.48%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical buffer	1.55%	1.04%
Systemic risk buffer - Norway	-	-
Total Capital Requirement	**13.40%**	**15.02%**
Capital Requirement		
Pillar 1	6,807	5,692
Pillar 2	1,155	2,475
Capital conservation buffer	2,127	1,779
Institution-specific countercyclical buffer	1,315	738
Systemic risk buffer - Norway	-	-
Total Capital Requirement	**11,404**	**10,683**
LEVERAGE RATIO		
Total exposure measure for calculating leverage ratio	**134,991**	**116,650**
Tier 1 capital	**13,049**	**12,138**
Leverage ratio	**9.67%**	**10.41%**
Overall leverage ratio requirements	**4,050**	**3,500**
Overall leverage ratio requirements, percentage	**3%**	**3%**

Template EU KM1 - Key metrics templat in accordance with , article 447, Regulation EU No 575/2013.

CONSOLIDATED SITUATION PART 1		A	B	C	D	E
MSEK		20230930	20230630	20230331	20221231	20220930
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	11,699	11,328	10,861	10,710	10,270
2	Tier 1 capital	13,049	12,758	12,279	12,138	11,691
3	Total capital	14,249	14,313	13,512	13,434	12,827
	Risk-weighted exposure amounts					
4	Total risk exposure amounts	85,086	80,815	74,536	71,148	67,485
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.75%	14.02%	14.57%	15.05%	15.22%
6	Tier 1 ratio (%)	15.34%	15.79%	16.47%	17.06%	17.32%
7	Total capital ratio (%)	16.75%	17.71%	18.13%	18.88%	19.01%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.00%	0.00%	0.00%	3.48%	3.46%
EU 7b	of which: to be made up of CET1 capital (%)	0.00%	0.00%	0.00%	2.33%	2.35%
EU 7c	of which: to be made up of Tier 1 capital (%)	0.00%	0.00%	0.00%	2.61%	2.59%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	11.48%	11.46%
	Combined buffer and overall capital requirement (as a percentage of risk- weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identi-fied at the level of a Member State (%)		-	-	-	-
9	Institution specific countercyclical capital buffer (%)	1.55%	1.54%	1.17%	1.04%	0.85%
EU 9a	Systemic risk buffer (%)		-	-	-	-
10	Global Systemically Important Institution buffer (%)		-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	1.79%
11	Combined buffer requirement (%)	4.05%	4.04%	3.67%	3.54%	5.14%
EU 11a	Overall capital requirements (%)	13.40%	13.36%	12.92%	15.02%	17.07%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.25%	9.52%	10.07%	8.23%	8.37%
	Leverage ratio					
13	Leverage ratio total exposure measure (amounts)	134,991	126,772	118,493	116,650	109,848
14	Leverage ratio (%)	9.67%	10.06%	10.36%	10.41%	10.64%

Template EU KM1 - Key metrics templat in accordance with Regulation EU No 575/2013

CONSOLIDATED SITUATION PART 2

MSEK		A 20230930	B 20230630	C 20230331	D 20221231	E 20220930
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	"Additional own funds requirements to address the risk of excessive leverage (%)"	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (%)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	-	-	-	-	-
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio[1]					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	14,782	12,631	11,123	9,532	8,060
EU 16a	Cash outflows - Total weighted value	10,536	10,189	10,155	10,216	9,451
EU 16b	Cash inflows - Total weighted value	3,800	3,847	4,351	4,550	4,514
16	Total net cash outflows (adjusted value)	6,736	6,342	5,804	5,666	4,937
17	Liquidity coverage ratio (%)	219.44%	199.17%	191.63%	168.24%	163.26%
	Net Stable Funding Ratio					
18	Total available stable funding	123,760	118,626	111,786	108,873	104,763
19	Total required stable funding	105,018	99,926	93,571	89,268	85,342
20	NSFR ratio (%)	117.85%	118.71%	119.47%	121.96%	122.76%

1 Expressed as simple averages of the observations at the end of the month during the twelve months before the end of each quarter.

The table below presents information in accordance with Regulation EU No 575/2013 Article 473a paragraph 6 and the dis- closure requirement in Part 8 of the same Regulation. Template IFRS 9-FL: Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

MALL IFRS 9-FL

MSEK		T 20230930	T1 20230630	T2 20230331	T3 20221231	T4 20220930
	Capital					
1	Common Equity Tier 1 (CET1) capital	11,699	11,328	10,861	10,710	10,270
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,219	10,982	10,629	10,352	10,096
3	Tier 1 capital	13,049	12,758	12,279	12,138	11,691
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,569	12,412	12,047	11,780	11,517
5	Total capital	14,249	14,313	13,512	13,434	12,827
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13,769	13,967	13,280	13,076	12,653
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	85,086	80,815	74,536	71,148	67,485
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	84,606	80,469	74,304	70,790	67,311
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.75%	14.02%	14.57%	15.05%	15.22%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.26%	13.65%	14.30%	14.62%	15.00%
11	Tier 1 (as a percentage of risk exposure amount)	15.34%	15.79%	16.47%	17.06%	17.32%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.86%	15.42%	16.21%	16.64%	17.11%
13	Total capital (as a percentage of risk exposure amount)	16.75%	17.71%	18.13%	18.88%	19.01%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been app- lied	16.27%	17.36%	17.87%	18.47%	18.80%
	Leverage ratio					
15	Leverage ratio total exposure measure	134,991	126,772	118,493	116,650	109,848
16	Leverage ratio	9.67%	10.06%	10.36%	10.41%	10.64%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.31%	9.79%	10.17%	10.10%	10.48%

NOTE 5: CAPITAL ADEQUACY ANALYSIS

INTERNAL CAPITAL REQUIREMENT

As of 30 September 2023, the internally assessed capital requirement for Consolidated Situation amounted to SEK 1,155 million (1,066 million). The increase in capital requirements was mainly due to balance sheet growth. NOBA has not received a Pillar 2 guidance as the Swedish Financial Supervisory Authority has not yet conducted its Supervisory Review and Evaluation process.

TOTAL CAPITAL REQUIREMENT

The total capital requirement for the period amounts to SEK 11,404 million (SEK 10,794 million) and is entirely covered by CET1 capital.

LEVERAGE RATIO

Leverage ratio is a non-risk-based capital measure where Tier 1 capital is set in relation to the total assets with adjusted derivatives as well as off-balance sheet commitments recalculated with conversion factors. As of 30 September 2023, the Consolidated Situation’s leverage ratio was 9.67% (10.06%), which is well in excess of the 3% requirement.

INFORMATION ON LIQUIDITY RISK

NOBA defines liquidity risk as the risk of failing to fulfill payment obligations at maturity with a significant increase in the cost of obtaining means of payment. NOBA uses asset-backed borrowing in which parts of the asset portfolios are pledged as collateral for the loans. The long-term strategy is to match lending assets with the maturities of liabilities. The strategy strives to achieve a diversified funding platform comprising equity, subordinated debt, securitizations (“ABS”), credit facilities provided by banks, deposits from the public and senior uncovered bonds.

The goal is to use funding sources that meet the following criteria:
- Provide a high degree of matching of currencies and interest periods as well as maturities between assets and liabilities.
- Offer diversification in terms of markets, investors, instruments, maturities, currencies, counterparties, and geography.
- Give a low liquidity risk and offer a strong possibility of refinancing at maturity, as evidenced by price stability, regularity of issuance and a broad investor base.
- Provide access to relatively large volumes, to meet the funding requirements of a growing balance sheet.

The Treasury function is responsible for managing liquidity risk, including daily measurement and reporting to the company's management. Cash flows expected to occur if all assets, liabilities, and off-balance sheet items are liquidated are calculated, which, along with key figures from the balance sheet, provides values for risk indicators such as the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), survival horizon, and deposit usage. The risk indicators are limited and monitored over time to highlight changes in the financial structure and the group's liquidity risk.

The Risk Control function is responsible for the independent control of liquidity risk and reports risk indicators to the Board of Directors and the CEO on a monthly basis. The function analyzes and reports the impact on the liquidity situation in various scenarios, such as changes in exchange rates, deposit and lending volumes, credit losses, and market values.

The contingency plan contains a clear division of responsibilities and instructions on how NOBA should respond in a liquidity crisis. The plan specifies appropriate actions to manage the consequences of various types of crises and contains definitions of events that trigger and escalate the contingency plan.

The Consolidated Situation’s liquidity reserves as of 30 September 2023 amounts to SEK 19.4 billion (SEK 17.8 billion). Of these investments, 43.4% (45.8%) are invested in covered bonds, 12.3% (10.5%) in Nordic credit institutions and 11.9 % (8.9 %) invested with central banks. The remaining balances are invested in interest bearing securities issued by central governments, municipalities and supra nationals. The credit assessment of these investments is generally high and therefore have high credit rating, between AAA and AA, from leading credit rating agencies. Norwegian municipalities do not have a credit rating but are considered from risk management and risk measurement view as AA assets, in line with the Norwegian FSA recommendation, which corresponds to a credit rating one grade lower than the Norwegian government. The average maturity of the liquidity reserve amounts to 460 (490) days and has an interest duration of 0.23 (0.26).

As of 30 September 2023, NOBA Consolidated Situation’s Liquidity Coverage Ratio (LCR) was 185.6% (185.6%). The net stable funding ratio (NSFR) was 117.9% (118.7%), calculated in accordance with the definition in Regulation (EU) No. 575/2013.

As of 30 September 2023, NOBA Consolidation Situation’s funding sources comprises of SEK 2,196 (2,197) million financing via the asset backed securities market (securitization), SEK 4,782 (5,106) million in corporate bonds, SEK 10,994 (9,993) million financing against pledges with international banks, and SEK 93,654 (87,167) million of retail deposits.

NOTE 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

VALUATION GROUP MSEK 30 SEPTEMBER 2023	FAIR VALUE THROUGH PROFIT AND LOSS	VALUED AT AMORTIZED COST	FAIR VALUE VIA OTHER COMPR. INCOME	TOTAL
Assets				
Lending to central banks	-	2,312	-	2,312
Lending to credit institutions	-	2,887	-	2,887
Lending to the general public[1]	616	107,668	-	108,284
Bonds and other fixed-income securities	13,323	-	1,356	14,679
Other shares	22	-	127	149
Derivatives	249	-	-	249
Receivable to group companies	-	-	-	-
Other assets	-	98	-	98
Total assets	**14,210**	**112,965**	**1,483**	**128,658**
Liabilities				
Liabilities to credit institutions	-	10,994	-	10,994
Deposits from the general public	-	93,654	-	93,654
Issued securities	-	6,978	-	6,978
Derivatives	221	-	-	221
Liabilities to group companies	-	-	-	-
Other liabilities	-	428	-	428
Subordinated liabilities	-	2,289	-	2,289
Total liabilities	**221**	**114,343**	**-**	**114,564**
31 DECEMBER 2022				
Assets				
Lending to central banks	-	3,723	-	3,723
Lending to credit institutions	-	3,376	-	3,376
Lending to the general public	-	89,382	-	89,382
Bonds and other fixed-income securities	13,608	-	-	13,608
Other shares	18	-	150	168
Derivatives	419	-	-	419
Receivable to group companies	-	-	-	-
Other assets	-	142	-	142
Total assets	**14,045**	**96,623**	**150**	**110,818**
Liabilities				
Liabilities to credit institutions	-	9,739	-	9,739
Deposits from the general public	-	77,104	-	77,104
Issued securities	-	8,416	-	8,416
Derivatives	307	-	-	307
Liabilities to group companies	-	-	-	-
Other liabilities	-	434	-	434
Subordinated liabilities	-	1,519	-	1,519
Total liabilities	**307**	**97,212**	**-**	**97,519**

[1] During 2023 part of Lending to the general public has been classified as Financial assets valued at profit and loss since these assets does not fulfill the SPPI reqirements in order to be able to be classified as Amortized cost or to Fair value through Other Comprehensive Income.

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE

GROUP MSEK

30 SEPTEMBER 2023	CARRYING AMOUNT	FAIR VALUE	DELTA
Assets			
Lending to central banks [1]	2,312	2,312	-
Lending to credit institutions [1]	2,887	2,887	-
Lending to the general public [2]	108,284	118,929	10,645
Bonds and other fixed-income securities	14,679	14,679	-
Other shares	149	149	-
Derivatives	249	249	-
Receivable to group companies	-	-	-
Other assets	98	98	-
Total assets	**128,658**	**139,303**	**10,645**
Liabilities			
Liabilities to credit institutions [1]	10,994	10,994	-
Deposits from the general public [1]	93,654	93,654	-
Issued securities [3]	6,978	6,901	-77
Derivatives	221	221	-
Liabilities to group companies	-	-	-
Other liabilities	428	428	-
Subordinated liabilities [3]	2,289	2,232	-57
Total liabilities	**114,564**	**114,430**	**-134**
31 DECEMBER 2022			
Assets			
Lending to central banks [1]	3,723	3,723	-
Lending to credit institutions [1]	3,376	3,376	-
Lending to the general public [2]	89,382	97,995	8,613
Bonds and other fixed-income securities	13,608	13,608	-
Other shares	168	168	-
Derivatives	419	419	-
Receivable to group companies	-	-	-
Other assets	142	142	-
Total assets	**110,818**	**119,431**	**8,613**
Liabilities			
Liabilities to credit institutions [1]	9,739	9,739	-
Deposits from the general public [1]	77,104	77,104	-
Issued securities [3]	8,416	8,301	-115
Derivatives	307	307	-
Liabilities to group companies	-	-	-
Other liabilities	434	434	-
Subordinated liabilities [3]	1,519	1,443	-76
Total liabilities	**97,519**	**97,328**	**-191**

[1] Fair value is deemed to be the same as the carrying amount, as these are of a short-term nature.

[2] The measurement includes significant observable and non-observable inputs.

[3] Fair value data for issued securities and debenture loans are based directly or indirectly on quoted prices.

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

CALCULATION OF FAIR VALUE

VALUATION TECHNIQUE FOR MEASURING FAIR VALUE – LEVEL 1

The fair value of financial instruments traded in an active market (e.g., financial assets held for trading and available-for-sale financial assets) is based on quoted market prices on the balance sheet date. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or monitoring authority are readily and regularly available and these prices represent real and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current purchase price.

VALUATION TECHNIQUE FOR MEASURING FAIR VALUE – LEVEL 2

Fair value for bonds is measured, as in level 1, from market prices, with the difference that the prices are not considered from an active market. The market price derived in this case from buy and sell position prices, but regular trading does not take place in the bond. If market prices are missing, the value is calculated by discounting expected cash flows. For discounting, the current market interest rate on securities issued by similar issuers.

The fair value of derivatives is measured as the present value of future cash flows based on observable market prices.

FAIR VALUE MEASUREMENT USING MATERIAL, UNOBSERVABLE INPUTS - LEVEL 3

In those cases, one or more essential inputs are not based on observable market information the instrument is classified as level 3. The table below shows the financial instruments valued at fair value, regarding how the classification has been constructed by the fair value hierarchy.

NOBA has a holding of unlisted shares in Stabelo AB, Vipps AB and VN Norge AS that is valued at fair value based on unobservable inputs. As of 30 September 2023 no re-evalution has been made. As of 30 June 2023, the value on shares in Stabelo AB has been re-evaluated to MSEK 127.2 which corresponds to an impairment of MSEK 22.5 (-15%). This is due to a macro-environment including rapid increasing interest rates. Fair value on shares in VN Norge AS has as per 2023-09-30 been calculated based on the shares price for Visa Inc, foreign exchange USD/NOK, a liquidity discount as well as a conversion rate.

The value of lending to the general public has been measured based on observable market data by discounting the expected future cash flows of the assets to present value using a discount factor. The expected future cash flows have been based on the size of the portfolio at the end of the balance sheet date and an expected future cash flow on the maximum maturity of the portfolio.

The table below shows the changes that have occurred in relation to level 3 instruments:

LEVEL 3 MSEK	TOTAL
Opening balance 1 January 2023	**168**
Acquisitions	-
New lending to the general public	618
Currency change	-1
Recognized in income statement	2
Sales	-
Losses (-) recognized in other comprehensive income	-22
Profits (+) recognized in other comprehensive income	-
Closing balance 30 September 2023	**765**
Opening balance 1 January 2022	**154**
Acquisitions	19
Currency change	1
Recognized in income statement	-10
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	4
Closing balance 31 December 2022	**168**

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

LEVEL
GROUP MSEK

30 SEPTEMBER 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Lending to the general public	-	-	616	616
Bonds and other fixed income securities	10,760	3,919	-	14,679
Other shares	-	-	149	149
Derivatives	-	249	-	249
Total assets	**10,760**	**4,168**	**765**	**15,693**
Liabilities				
Derivatives	-	221	-	221
Total liabilities	**-**	**221**	**-**	**221**

31 DECEMBER 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Bonds and other fixed income securities	11,356	2,252	-	13,608
Other shares	-	-	168	168
Derivatives	-	419	-	419
Total assets	**11,356**	**2,671**	**168**	**14,195**
Liabilities				
Derivatives	-	307	-	307
Total liabilities	**-**	**307**	**-**	**307**

NOT 8 OPERATING SEGMENTS

Segment information is presented based on the chief operating decision-maker's perspective, and the segments are identified based on the internal reporting to the CEO, who is identified as the chief operating decisionmaker. Profit/loss that cannot be attributed to a single segment is allocated using a distribution matrix according to internal principles that management believes to provide a fair allocation to the segments. The chief operating decision-maker mainly follows the income concept of operating income.

The business models are to conduct cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany, and Spain. Bank Norwegian is included in each country segment. Activities are also conducted in the form of SHP's lending of equity release mortgages, where follow-up is made separately.

Q3 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	917	206	710	911	43	233	3,020
Interest expenses	-366	-108	-211	-258	-18	-50	-1,011
Total net interest income	**551**	**98**	**499**	**653**	**25**	**183**	**2,009**
Net commission income	51	0	66	20	0	5	142
Net profit from financial transactions[1]	12	0	3	32	0	3	32
Total operating income	**614**	**98**	**568**	**705**	**25**	**191**	**2,183**
General administrative expenses	-111	-7	-148	-66	-28	-15	-375
Depreciation and impairment of property, plant and equipment and other intangible assets	-5	0	-6	-2	-1	-1	-15
Depreciation and impairment of transaction surplus values	-11	0	-9	-12	0	-11	-43
Other operating expenses	-60	-10	-115	-69	-28	-35	-317
Total operating expenses	**-187**	**-17**	**-278**	**-149**	**-57**	**-62**	**-750**
Profit before credit losses	**427**	**81**	**290**	**556**	**-32**	**129**	**1,433**
Net credit losses	-406	-20	-131	-377	-95	-77	-1,106
Operating profit	**21**	**61**	**159**	**179**	**-127**	**52**	**327**
Balance sheet							
Lending to the general public	**35,196**	**9,340**	**25,251**	**29,167**	**2,197**	**7,133**	**108,284**

1 FX effects that is not allocated amounts to SEK -18 million for Q3 2023 (-6).

NOT 8 OPERATING SEGMENTS

Q2 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	818	185	611	792	45	212	2,663
Interest expenses	-293	-92	-155	-185	-12	-40	-777
Total net interest income	**525**	**93**	**456**	**607**	**33**	**172**	**1,886**
Net commission income	49	0	68	21	1	9	148
Net profit from financial transactions[1]	15	0	-2	6	0	2	27
Total operating income	**589**	**93**	**522**	**634**	**34**	**183**	**2,061**
General administrative expenses	-114	-7	-163	-66	-18	-13	-381
Depreciation and impairment of property, plant and equipment and other intangible assets[2]	-3	0	-11	-2	-1	-1	-87
Depreciation and impairment of transaction surplus values	-12	0	-8	-11	0	-11	-42
Other operating expenses	-58	-10	-103	-61	-20	-33	-285
Total operating expenses	**-187**	**-17**	**-285**	**-140**	**-39**	**-58**	**-795**
Profit before credit losses	**402**	**76**	**237**	**494**	**-5**	**125**	**1,266**
Net credit losses	-355	-4	-53	-284	-83	-61	-841
Operating profit	**46**	**72**	**184**	**210**	**-88**	**64**	**425**
Balance sheet							
Lending to the general public	**32,677**	**9,144**	**23,391**	**27,864**	**1,873**	**7,108**	**102,057**

[1] FX effects that is not allocated amounts to SEK -6 million for Q2 2023 (0)

[2] Impairment that is not allocated amounts to SEK -69 million for Q2 2023 (0)

NOT 8 OPERATING SEGMENTS

Q3 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	554	110	608	520	40	169	2,000
Interest expenses	-122	-39	-96	-40	-5	-7	-309
Total net interest income	**433**	**71**	**512**	**480**	**35**	**162**	**1,691**
Net commission income	35	0	59	19	0	7	120
Net profit from financial transactions	-8	-1	-18	-13	0	-4	-50
Total operating income	**459**	**69**	**554**	**487**	**34**	**164**	**1,761**
General administrative expenses	-132	-7	-132	-54	-17	-14	-356
Depreciation and impairment of property, plant and equipment and other intangible assets	-5	0	-16	-3	-1	-2	-27
Depreciation and impairment of transaction surplus values	-11	0	-11	-11	0	-11	-44
Other operating expenses	-49	-9	-128	-57	-18	-24	-284
Total operating expenses	**-197**	**-16**	**-287**	**-125**	**-36**	**-50**	**-711**
Profit before credit losses	**290**	**54**	**267**	**372**	**-1**	**107**	**1,050**
Net credit losses	-198	-5	-85	-104	-68	-31	-492
Operating profit	**92**	**48**	**182**	**268**	**-69**	**75**	**558**
Balance sheet							
Lending to the general public	**26,597**	**8,544**	**21,748**	**20,062**	**1,769**	**5,805**	**84,525**

NOT 8 OPERATING SEGMENTS

Q1-3 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	2,468	554	1,917	2,379	133	640	8,091
Interest expenses	-888	-275	-501	-570	-39	-121	-2,394
Total net interest income	**1,580**	**279**	**1,416**	**1,809**	**94**	**519**	**5,697**
Net commission income	134	0	178	57	1	21	391
Net profit from financial transactions[1]	29	0	-10	51	0	7	72
Total operating income	**1,743**	**279**	**1,584**	**1,917**	**95**	**547**	**6,160**
General administrative expenses	-360	-21	-442	-196	-64	-42	-1,125
Depreciation and impairment of property, plant and equipment and other intangible assets [2]	-12	-1	-32	-6	-3	-3	-126
Depreciation and impairment of transaction surplus values	-34	0	-26	-35	0	-33	-128
Other operating expenses	-169	-30	-309	-193	-66	-101	-868
Total operating expenses	**-541**	**-52**	**-783**	**-395**	**-133**	**-146**	**-2,247**
Profit before credit losses	**1,202**	**227**	**801**	**1,522**	**-38**	**401**	**3,913**
Net credit losses	-1,107	-51	-253	-927	-257	-175	-2,771
Operating profit	**94**	**176**	**548**	**595**	**-295**	**226**	**1,142**
Balance sheet							
Lending to the general public	**35,196**	**9,340**	**25,251**	**29,167**	**2,197**	**7,133**	**108,284**

[1] FX effects that is not allocated amounts to SEK -4 million for Q1 - Q3 2023 (-69)

[2] Impairment that is not allocated amounts to SEK -69 million for Q1 - Q3 2023 (0)

NOT 8 OPERATING SEGMENTS

Q1-3 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	1,557	283	1,826	1,492	75	452	5,684
Interest expenses	-287	-96	-273	-108	-12	-24	-800
Total net interest income	**1,271**	**187**	**1,553**	**1,384**	**63**	**428**	**4,884**
Net commission income	104	0	132	44	-1	18	297
Net profit from financial transactions[1]	-34	0	-79	-26	0	-11	-219
Total operating income	**1,341**	**187**	**1,606**	**1,401**	**62**	**434**	**4,962**
General administrative expenses	-404	-23	-396	-170	-48	-39	-1,080
Depreciation and impairment of property, plant and equipment and other intangible assets	-14	0	-48	-9	-3	-6	-80
Depreciation and impairment of transaction surplus values	-34	-1	-32	-32	0	-33	-132
Other operating expenses	-168	-30	-336	-200	-118	-103	-954
Total operating expenses	**-586**	**-53**	**-781**	**-379**	**-169**	**-147**	**-2,246**
Profit before credit losses	**755**	**134**	**826**	**1,022**	**-107**	**287**	**2,716**
Net credit losses	-575	-16	-401	-372	-122	-81	-1,567
Operating profit	**180**	**118**	**424**	**650**	**-229**	**206**	**1,149**
Balance sheet							
Lending to the general public	**26,597**	**8,544**	**21,748**	**20,062**	**1,769**	**5,805**	**84,525**

NOTE 9 NET INTEREST INCOME

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Interest income from the general public	2,856	2,540	1,931	7,698	5,492
Interest income from credit institutions	40	26	3	88	6
Interest income from fixed-income securities	123	97	66	304	186
Other	1	-	-	1	-
Total interest income	**3,020**	**2,663**	**2,000**	**8,091**	**5,684**
Interest expenses to the general public	-762	-574	-181	-1,767	-460
Interest expenses to credit institutions	-139	-116	-35	-348	-80
Interest expenses from fixed income securities	-85	-79	-77	-240	-196
Interest expenses from subordinated debts	-51	-30	-17	-104	-49
Interest expenses leasing	0	-1	0	-1	-1
Other	26	23	1	66	-14
Total interest expenses	**-1,011**	**-777**	**-309**	**-2,394**	**-800**
Net interest income	**2,009**	**1,886**	**1,691**	**5,697**	**4,884**

NOTE 10 NET PROFIT FROM FINANCIAL TRANSACTIONS

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Fx effect	-9	-8	-6	-18	-70
Fair value through profit or loss, fair value through other comprehensive income	41	35	-44	90	-149
-of which interest bearing securities	42	32	-44	86	-149
-of which shares	-1	3	-	4	-
Net profit from financial transactions	**32**	**27**	**-50**	**72**	**-219**

NOTE 11 OTHER OPERATING INCOME

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Income from securitized loans	-	-	-	-	-
Other	0	0	0	0	0
Total other operating income	**0**	**0**	**0**	**0**	**0**

NOTE 12 OTHER OPERATING EXPENSES

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Marketing	-209	-193	-164	-593	-475
Sales cost	-108	-92	-121	-275	-194
Other services	-	-	-	-	-
Total other operating expenses	**-317**	**-285**	**-285**	**-868**	**-669**

NOTE 13 CREDIT LOSSES, NET

GROUP MSEK	JUL-SEP 2023	APR-JUN 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022
Credit losses[1]					
Stage 1	-316	-211	-37	-714	-112
Stage 2	-53	-48	-67	-132	-129
Stage 3	-737	-582	-388	-1,925	-1,326
Credit losses, net	**-1,106**	**-841**	**-492**	**-2,771**	**-1,567**

1 Mortgages and SHP has previously not been included in Stage 1 and Stage 2. Previously presented figures have been adjusted.

NOTE 13 CREDIT LOSSES, NET

COLLATERAL RECEIVED

Part of NOBA's loan portfolio includes mortgages and equity release mortgages (via the subsidiary SHP), and most of this lending is secured by mortgages on real property or rights in co-op apartments. The valuation of collateral is part of NOBA's credit origination process and collateral values are continuously monitored through updated valuations.

NOBA's policies for received collateral have not significantly changed during the period and there has been no significant change in the quality of collateral. As at September 30, 2023, NOBA had 199 (85 per December 31, 2022) mortgages with a total volume of SEK 436 million (149) and 1 (3) equity release mortgages with a total volume of SEK 0 million (3) that were classified as being in Stage 3.

SENSITIVITY ANALYSIS

As a general rule, deteriorating macroeconomic development in society leads to higher credit losses. Similarly, improvements in the developments result is lower credit losses. In calculating the future need for credit loss reserves, an assessment is made of the probability of various future scenarios occurring. This probability-weighted outcome is the amount recognized as the credit loss reserve.

The table below shows how the loan loss reserves would be affected if it was based respectively on a negative and a positive scenario.

The sensitivity analysis is based on analysis of the combined sensitivity of the ECL models applied within the Group. For loans on the Nordax-platform the Negative scenario entails increasing the likelihood of the Negative macro scenario from a base assumption of 5% to 30% (Currently 25% is applied which is unchanged since 2022-12-31). For loans on the Bank Norwegian-platform the Negative scenario is based on applying 100% weighting of the pessimistic scenario (currently weighting is 32.5% Base, 30% optimistic and 37.5% pessimistic which is the same as 22-12-31). For loans on the Nordax-platform the Positive scenario entails reducing the likelihood of the Negative macro scenario to 1% and for loans on the Bank Norwegian-platform applying 100% weighting of the optimistic scenario. Out of the ECL impact from the Negative scenario of MSEK 258 (192), MSEK 161 (91) relate to loans on the Nordax-platform and MSEK 97 (101) to loans on the Bank Norwegian-platform.

SENSITIVITY ANALYSIS MSEK

30 SEPTEMBER 2023	PROBABILITY-WEIGHTED	NEGATIVE SCENARIO	POSITIVE SCENARIO	NEGATIVE SCENARIO	POSITIVE SCENARIO
	LOAN LOSS RESERVES			DIFFERENCE COMPARED WITH PROBABILITY-WEIGHTED %	
Group	7,956	258	-116	3.2%	-1.5%
31 DECEMBER 2022					
Group	5,903	192	-115	3.2%	-1.9%
30 SEPTEMBER 2022					
Group	6,168	197	-123	3.2%	-2.0%

NOTE 13 CREDIT LOSSES, NET

GROUP MSEK

30 SEPTEMBER 2023	GROSS			PROVISIONS			NET
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Opening balance 1 January 2023	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**
Stage transfers							
Transfer to/from Stage 1	-4,014	-	-	37	-	-	-3,977
Transfer to/from Stage 2	-	133	-	-	62	-	195
Transfer to/from Stage 3	-	-	3,881	-	-	-1,387	2,494
Origination of new loans	27,825	1,294	379	-467	-209	-117	28,706
Derecognition	-8,528	-426	-898	79	43	371	-9,359
Changes in risk components	-	-	-	-338	-42	-159	-539
Changes in model methodologies	-	-	-	-	-	-	-
Fx effects	243	23	31	-8	-7	-17	264
Other	1,743	-199	-533	-27	22	110	1,118
Closing balance 30 September 2023	**97,474**	**6,178**	**12,588**	**-1,661**	**-898**	**-5,397**	**108,284**

31 DECEMBER 2022	GROSS			PROVISIONS			NET
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Opening balance 1 January 2022	**61,327**	**3,829**	**12,970**	**-686**	**-444**	**-5,605**	**71,391**
Stage transfers							
Transfer to/from Stage 1	-2,431	-	-	67	-	-	-2,364
Transfer to/from Stage 2	-	272	-	-	-158	-	114
Transfer to/from Stage 3	-	-	2,159	-	-	-839	1,320
Origination of new loans	29,115	1,268	403	-316	-206	-269	29,995
Derecognition	-8,537	-679	-5,837	104	97	2,668	-12,184
Changes in risk components	-	-	-	-92	-14	-263	-369
Changes in model methodologies	-	-	-	32	-10	-36	-14
Fx effects	806	67	236	-8	-6	-90	1,005
Other	-75	595	-206	-38	-27	236	488
Closing balance 31 December 2022	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**

NOTE 14 PLEDGED ASSETS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

PLEDGED ASSETS FOR OWN LIABILITIES

MSEK	GROUP 2023-09-30	GROUP 2022-12-31
Lending to the general public	15,514	13,455
Lending to credit institutions	509	581
Cash collateral for derivatives	98	142
Total	**16,121**	**14,178**

OTHER COMMITMENTS

MSEK	GROUP 2023-09-30	GROUP 2022-12-31
Granted but unpaid loans	169	140
Granted but unutilized credit cards	56,828	50,196
Summa	**56,997**	**50,336**

All pledged assets are for the Group's asset related funding operations; securitization and funding with collateral with international banks and derivative contracts. NOBA Bank Group AB (publ) has issued a letter of support to Lilienthal Finance Ltd that runs annually.

NOTE 15 TRANSACTIONS WITH RELATED PARTIES

Transactions between parent company and subsidiary are priced at market conditions and is reported in NOBA Bank Group's financial reports.

The table below shows transactions with related parties from NOBA Holding AB's (publ) perspective.

INTRA-GROUP

	ASSETS		LIABILITIES		INCOME		COSTS	
MSEK	23-09-30	22-12-31	23-09-30	22-12-31	23-09-30	22-12-31	23-09-30	22-12-31
NOBA Bank Group AB (publ)	16	16	-5	-5	-	2	-	-
NOBA Group AB (pub)	716	724	-2	-2	39	36	-	-
Svensk Hypotekspension AB	-	1	-	-	-	0	-	-
Summa	**732**	**741**	**-7**	**-7**	**39**	**38**	**-**	**-**

NOTE 16 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Following constructive dialogue with Norwegian Air Shuttle ASA (NAS), NOBA, after the balance sheet date, reached a settlement to the IPR dispute. Bank Norwegian will continue to use and market the name Bank Norwegian as part of NOBA Bank Group and the joint CashPoint collaboration will continue. The previously communicated planned graphic redesign of Bank Norwegian will proceed as planned. This concludes the strategic review of the collaboration with NAS that was previously announced.

During October, the roll out of the new visual identity for Bank Norwegian was initiated. This is planned to be ongoing during the course of the coming months, where the graphical profile, which features blue and grey as its primary colours, will be introduced across all markets.

On 2 October NOBA redeemed a NOK 125m AT1 bond and a SEK 550m T2 bond.

DEFINITIONS

THE GROUP CONSIDERS THE KEY FIGURES TO BE RELEVANT TO USERS OF THE FINANCIAL REPORT AS A COMPLEMENT IN ASSESSING THE FINANCIAL PERFORMANCE OF THE GROUP

Adjusted operating profit
Reported operating profit adjusted for transformational expenses, initial effects from the expansion in Continental Europe and depreciation of intangible assets related to the accounting treatment of allocated surplus values from previous acquisitions.

Average loan portfolio
The average of lending to the general public at the beginning of the period and the end of the period.

Cost to income ratio % total operating expenses excl. depreciation and impairment of intangible assets related to transaction surplus values
Total operating expenses excluding depreciation of intangible assets related to the accounting treatment of allocated surplus values from previous acquisitions in relation to total operating income.

Cost to income ratio % operational expenses
General administrative expenses plus depreciation and impairment of property, plant and equipment and other intangible assets in relation to total operating income.

Cost to income ratio % operational expenses excl. transformational expenses
General administrative expenses plus depreciation and impairment of property, plant and equipment and other intangible assets excluding transformational expenses in relation to total operating income.

Credit loss level
Net credit losses as a percentage of average lending to the public.

Common Equity Tier 1 capital[1]
Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR2).

Common Equity Tier 1 capital ratio[1]
Common Equity Tier 1 capital as a percentage of risk exposure amount.

Interest Rate Margin
Net interest income for the period calculated for the full year, in relation to average total assets.

Leverage ratio[1]
Tier 1 capital as a percentage of total assets including off-balance-sheet items with conversion factors defined in Regulation (EU) No 575/2013 (CRR2).

Liquidity Coverage Ratio (LCR)[1]
Liquidity Coverage Ratio (LCR)[1] High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days, as defined in Commission Delegated Regulation (EU) 2015/61 and Regulation (EU) No 575/2013.

Liquidity reserve
A separate reserve of high-quality liquid assets that can be used to secure the company's short-term ability to pay for losses or in the event of reduced access to commonly available funding sources.

Net Stable Funding Ratio (NSFR)
Measures and monitors the relationship between available stable funding and required stable funding over a one-year period.

Operating profit per share
The operating profit for the year divided by the average number of outstanding shares.

Operational expenses
General administrative expenses plus depreciation and impairment of property, plant and equipment and other intangible assets

Other Tier 1 capital[1]
Subordinated liabilities that are perpetual and meet certain conditions to be counted as Tier 1 capital when calculating the size of the capital base.

Own funds[1]
The sum of Tier 1 and Tier 2 capital.

1 These are reported with respect SFSA´s regulations and general recommendations see Note 5, capital adequacy analysis.

DEFINITIONS

Return on assets
Net profit for the period in relation to total assets.

Return on equity excl. intangible assets
Net profit for the period in relation to total equity after deduction of intangible assets.

Risk exposure amount[1]
Total assets and off-balance sheet items, weighted in accordance with capital adequacy regulation for credit and market risks. Operational risks are measured and added as risk exposure amount.

Tier 1 capital[1]
Common Equity Tier 1 capital plus qualifying forms of subordinated loans.

Tier 1 capital ratio[1]
Tier 1 capital as a percentage of the risk exposure amount.

Tier 2 capital[1]
Mainly subordinated loans that do not qualify as Tier 1 capital.

Total capital ratio[1]
Total own funds as a percentage of the risk exposure amount.

SIGNATURE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer declares that this financial report for the period 1 January 2023 through 30 September 2023 provides a fair overview of the parent company's and the group's operations, their financial position and results and describes material risks and uncertainties facing the parent company and the group.

Stockholm November 16 2023

JACOB LUNDBLAD
CHIEF EXECUTIVE DIRECTOR