NOBA HOLDING AB (PUBL)

INTERIM REPORT JANUARY-JUNE 2023

A WORD FROM THE CEO

FINALLY NOBA

It is with great joy and humbleness I write this first quarterly comment as CEO of NOBA Holding AB (publ) – or in short, NOBA. The group is now made up of a bank of banks under one common group name and with a clear vision, to enable healthy finances for more. The name change marks an important milestone on our growth journey following the legal merger between Nordax Bank and Bank Norwegian in 2022. I am very proud of all the employees that have worked together to deliver on such a huge project with a tight timeframe. A proof of our new joint organisation´s efficiency and cross-border capacity. Cooperation, synergies and best practice sharing are something that we see across different business units, not the least within credit scoring and marketing. Under one common umbrella, we now have the size, knowledge and scalability to leverage the full power of our three brands, Bank Norwegian, Nordax and Svensk Hypotekspension and to reach new customers groups. NOBA is in a unique position to tailor financial offerings based on individual needs, and by doing so, to bring value to individuals, owners and society at large.

STRONG QUARTER

In spite of challenging macroeconomics and complex internal projects, we leave behind a strong quarter with industry-leading customer satisfaction and an ever-higher employee satisfaction rate. Our capital position is solid, and we demonstrate stable and profitable growth. And not the least, we are there for our customers when the household finances are under ever greater pressure. We maintain a close dialogue with them and are strengthened in the conviction that our vision to contribute to increased financial health for more people, through accurate, dynamic and data-driven credit assessments, is more important than ever. We also see the power in further integrating and concretizing the ESG-strategy, focusing on new initiatives aimed at both business goals and the company's internal values, thereby making it a natural and central part of NOBA's overall business strategy.

FOCUS ON CREDIT QUALITY

During the quarter, geopolitics and macroeconomics remained high up on the agenda with a natural focus on the war in the Ukraine, NATO discussions as well as stubbornly high inflation and rising interest rates. Although inflation fell slightly during the quarter and the global economy has shown resilience, the macroeconomic situation remains challenging. The increase in interest rates has continued to have a negative impact on the wallets of most families. Our home markets are relatively robust, but we remain humble and responsive to the challenges many people face, although customers thus far have adapted well to the current economic climate.

Given this challenging situation, the level of credit losses becomes an ever more important focus area for us. The level is down from the previous quarter, which is very positive, but it remains high on our agenda and given the challenging macro environment we expect that credit losses will remain on an elevated level during the coming quarters.

MARKET LEADING POSITION

We are the clear market leader among the specialist banks in the Nordics with approximately 2 million customers, and the last quarter reinforces that perception with a strong growth and stable development in several of our business verticals such as credit cards, private loans and mortgages. Compared to the corresponding period in 2022, we have grown our total lending portfolio by over 25 per cent and now have a portfolio of over SEK 100 billion. We have proven that we can grow our lending volume while maintaining a solid credit quality, not the least thanks to knowledge-sharing and collaboration between departments and countries. Particularly worth emphasizing is the solid growth we are seeing within credit cards in Germany. This is a big market with the potential to positively contribute to our growth going forward.

COMPETITIVE CREDIT CARD OFFERING

It takes time to build a competitive credit card offering that is scalable and profitable, and it takes continuous development efforts. During the quarter, we have further finetuned the client offeirng and we reach an all-time-high in terms of our customers' credit card usage, with an increase of nearly 20 per cent compared to Q2 2022. Also, our program for compensating our clients financially in the form of Cashback is increasingly growing in popularity. We see this as a sign of a partly changed customer behavior where the demand for flexibility and the freedom of choice is growing amongst the customers, at the same time as they appreciate an extra contribution to their personal finances.

HIGH TRUST

We operate in an industry where trust is everything, and ultimately everything we do is about how well we succeed in being customer-centric in order to gain the trust for being a positive force in ordinary people's personal finances. Therefore, I am especially happy about an increased inflow of deposits from our savings customers. Our flexible and safe offering and smooth handling of transfers have attracted new customers. Compared to the corresponding period last year, the deposit volume increased by over 20 per cent and totaled approximately SEK 87 billion. The trust from our investors is also a central part and I am happy that we have been able to close a number of financing transactions. During the second quarter NOBA successfully issued subordinated Tier 2 bonds corresponding to NOK 400.5 million and SEK 351 million, and during the year, in April and July, NOBA extended and increased two of our bilateral structured financing facilities with international banks to a total volume of SEK 6.63 billion, after a total increase of SEK 1.25 billion. Having a diversified financing structure is a cornerstone in NOBA's growth strategy as it reduces our liquidity risk and makes it possible to create a larger and even more optimal financing mix over time.

CONFIRMED CREDIT RATING

At the end of the second quarter, NOBA received a confirmed credit rating from Nordic Credit Rating with the rating BBB, stable outlook. This confirmed credit rating further strengthens our opportunities for attractive financing and demonstrates a capacity to raise capital even in a more volatile market. This, too, is a confirmation of the trust that NOBA enjoys within the various stakeholder groups.

WE MAKE A DIFFERENCE

To sum up, the first half of 2023 has been very eventful. We operate in a turbulent environment, but the milestones we have achieved together and the common platform we have built, and will continue to build, makes me confident that our products and our expertise make a difference both today and tomorrow.

JACOB LUNDBLAD
CEO, NOBA

ABOUT THE GROUP

ABOUT THE GROUP

NOBA Holding AB (publ) (formerly Nordax Holding AB (publ)) (Corporate Identity Number 559097-5743) (hereinafter ”NOBA Holding”), 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" ” is approximately 19 per cent owned by Sampo Oyj based in Finland, approximately 41 percent by Cidron Xingu Sarl based in Luxembourg and approximately 33 percent by Cidron Humber Sarl based in Luxembourg. The remaining shares are owned by a few minority owners through NDX Intressenter Invest II AB and NDX Intressenter Invest III AB, both based in Sweden. Nordic Capital Fund VIII, has an indirect ownership in NOBA Holding through its holding in Cidron Humber Sarl and Nordic Capital Fund IX has an indirect ownership in NOBA Holding through its holding in Cidron Xingu Sarl.

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. Other subsidiaries of NOBA Bank include NOBA Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgages 1 AB (publ) and Lilienthal Finance Ltd. 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 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 cross-border 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 lending to the general public in Sweden, Norway, Finland, Denmark, Germany and Spain. Although NOBA previously operated in Germany to a small extent, it was in 2021, through its now merged subsidiary Bank Norwegian ASA, that new lending was launched on these non-Nordic markets. Lending consists of unsecured loans up to the equivalent of SEK 800,000, NOK 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 through the product equity release mortgage. Since November 2021, NOBA also offers credit cards in Sweden, Norway, Finland, Denmark, Germany and Spain through its branch Bank Norwegian.

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 June 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 displayed the highest customer satisfaction in the banking industry.

DEVELOPMENT DURING THE SECOND QUARTER COMPARED TO THE PREVIOUS QUARTER

PORTFOLIO DEVELOPMENT

Total lending as of 30 June 2023 amounted to SEK 102.1 billion (SEK 94.3 billion as of 31 March 2023). All products and markets contributed to the increase in volume with the Norwegian branch Bank Norwegian and sales in Finland strongly contributing to the growth.

PERSONAL LOANS AND CREDIT CARDS

During the second quarter of 2023 the portfolio of personal loans and credit cards showed a good growth. As of 30 June 2023, the total volume of personal loans and credit cards amounted to SEK 85.3 billion (SEK 78.3 billion as of 31 March 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 second 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 7.6 billion as of 30 June 2023 (SEK 7.1 billion as of 31 March 2023).

EQUITY RELEASE MORTGAGES

In line with previous historical periods, the portfolio has continued to develop well during the second 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 9.1 billion as of 30 June 2023 (SEK 9.0 billion as of 31 March 2023).

CAPITAL AND LIQUIDITY

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

As of June 30, 2023 Common Equity Tier 1 Capital Ratio amounted to 14.02% (14.57%), the Tier 1 capital ratio amounted to 15.79% (16.47%) and the total capital ratio was 17.71% (18.13%). The CET1-capital ratio requirement for the period was 9.28% (8.88%), Tier 1 requirement was 11.03% (10.61%) and the total capital ratio requirement was 13.36% (12.92%).

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, but also due to that the SEK has weakened in relation to foreign currencies, which has increased the risk exposure amount.

The increase in the capital requirements was mainly due to an increased countercyclical buffer requirement in Sweden from 1% to 2% which has increased NOBA's countercyclical buffer requirements to 1.54% (1.17%).

NOBA's CET1 capital increased during the year and amounted to SEK 11,328 million (SEK 10,861 million) mostly driven by the positive net profit.

The leverage ratio was 10.06% (10.36 %).

NOBA's liquidity reserve amounts to SEK 17.8 billion (SEK 17.6 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 % (223.5 %).

Net stable funding ratio (NSFR) was 118.7 % (119.5 %). 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 87,167 million for the period (SEK 80,054 million).

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

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

PORTFOLIO DEVELOPMENT

Total lending as of 30 June 2023 amounted to SEK 102.1 billion (SEK 79.4 billion as of 30 June 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 second 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 June 2023 amounted to SEK 85.3 billion (SEK 65.0 billion as of 30 June 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 7.6 billion as of 30 June 2023 (6.2 billion as of 30 June 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 9.1 billion as of 30 June 2023 (SEK 8.2 billion as of 30 June 2022).

CAPITAL AND LIQUIDITY

As of June 30, 2023 Common Equity Tier 1 Capital Ratio amounted to 14.02% (15.11%), the Tier 1 capital ratio amounted to 15.79% (17.28%) and the total capital ratio was 17.71% (19.03%).

The CET1-capital ratio requirement for the period was 9.28% (11.89%), Tier 1 requirement was 11.03% (13.74%) and the total capital ratio requirement was 13.36% (16.75%). 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 is to a large extent a consequence of decreased Pillar 2 requirements as well as the Norwegian systemic risk buffer, which 30 June 2022 for NOBA amounted to 1.79%, after the legal merger is no longer applicable. The lower Pillar 2 requirements is 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 June 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 4.03% to 1.32%.

During the period, the countercyclical buffer requirements in Norway increased from 1.5% to 2.5%, in Denmark from 0% to 2.5%, in Sweden from 0% to 2% and in Germany from 0% to 0.75%, which increased NOBA's countercyclical buffer requirements to 1.54% (0.42%).

The CET1-capital increased during the year and amounted to SEK 11,328 million (SEK 9,844 million) mostly driven by the positive net profit.

The leverage ratio amounted to 10.06% (10.32%).

The liquidity reserve amounted to SEK 17.8 billion (SEK 23.3 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% (140.4 %)[1].

Net stable funding ratio (NSFR) amounted to 118.7 % (128.3 %). 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 87,167 million for the period (SEK 70,553 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 352.4% as of 30 June 2022.

OTHER EVENTS

The uncertainty on the financial markets and in the real economy remained also during the second quarter, even though more and more signs signaled that central banks were fruitful in their efforts to lower the ever too high inflation rates. Households and businesses are however still under pressure given the higher interest levels brough on by these efforts. NOBA continuously monitors the effects this has on the company's customers. On the back of the continuously increasing general interest rate levels during the second quarter, NOBA, in line with the increases during the previous quarter, conducted further interest rate hikes on both deposits and lending.

On June 7, Nordax Bank AB (publ) changed its name to NOBA Bank Group AB (publ) following approval from the Swedish Financial Supervisory Authority and registration with the Swedish Companies Registration Office. With this, all three existing brands, Bank Norwegian, Nordax Bank and Svensk Hypotekspension, are gathered under the group name NOBA. The brands, including Nordax Bank, will, as before, continue to operate separately and the customers are not affected by the change of group name.

In June, NOBA received an affirmed investment grade rating from Nordic Credit Rating with the rating BBB, stable outlook.

In June, NOBA successfully issued two tranches of subordinated Tier 2 bonds of NOK 400.5 million and SEK 351 million respectively.

In June, NOBA repurchased senior unsecured bonds for a value of NOK 424 million and SEK 266 million.

In April, SHP, through the subsidiary Svensk Hypotekspension 5 AB (publ), obtained a new bilateral secured financing of SEK 250 million with an international bank. In conjuction with this, the existing financing facility of SEK 2.375 biliion was also extended with 2 years. The total financing facility thereafter amounts to SEK 2.625 billion.

In April, NOBA concluded the sale of an NPL portfolio in Finland with a gross lending volume of SEK 545 million. The sale resulted in a positive impact on operating profit.

The Norwegian Ministry of Finance announced 14 April that it had requested the European Systemic Risk Board, ESRB,to lower their recommended materiality threshold for application of the Norwegian Systemic Risk Buffer from NOK 32 billion in REA to NOK 5 bn, relating to Norwegian exposures, applicable as of 31 December 2023. The request was sent to the ESRB in December 2022 and in March 2023 ESRB followed the Ministry’s request, thus recommending national authorities to reciprocate the new threshold within three months of its publication in the Official Journal of the EU. If the Swedish FSA reciprocates the recommendation, Nordax will thus be required to hold a Systemic Risk Buffer for Norwegian exposures. The Buffer would for NOBA amount to approximately 1% of total Risk Exposure Amount and would come in force 31 December 2023.

On 1 April 2023 Merete Gillund, previously part of the Group management team and head of Innovation and Strategic Projects, replaced Klara-Lise Aasen as branch manager.

As previously announced in NOBA's report for the first quarter, NOBA's Norwegian branch, Bank Norwegian, has, as a precautionary measure to protect its intellectual property, on the 23rd of May filed a lawsuit requesting a declaratory judgement with the Oslo District Court against companies within the Norwegian Air Shuttle group to confirm our right to use the Bank Norwegian brand. The main hearing is scheduled to take place during Q4 2023.

In 2022, Bank Norwegian became part of NOBA. Consequently, according to Norwegian law, Bank Norwegian is required to clearly communicate that it is a part of NOBA. In order to confirm our ability to continue to deliver and develop industry-leading services to our customers under our own brand name, and doing so in continued compliance with Norwegian law, we have initiated the above-mentioned lawsuit. Our brand name is an integral and foundational part of our relationship with our customers, and we are committed to protecting it.

The groups' previously communicated decision to initiate a graphical re-design of the Bank Norwegian brand, across all markets has commenced according to plan. The work on the new design will proceed during the second half of 2023 and during Q2 2023, one-off costs of circa NOK 95 million mainly related to impairment of certain, by Bank Norwegian, pre-paid intangible rights relating to licensing of the current design was incurred. The impairment of the intangible rights will not have any impact on the capital base, as they are already deducted from the capital base. Given the initiated legal proceedings and the ongoing graphical re-design, NOBA has during the second half of 2023, initiated a strategic review of the cooperation with the Norwegian Air Shuttle group relating to credit cards.

During the quarter, the bank decided, on the back of the weak financial performance, to until further notice fully pause the new lending and new card issuance in Spain. The bank continues to, as before, offer competitive services relating to cards being lost or otherwise in need of blocking.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the end of August, it was communicated that Mats Benserud, Branch CFO, is appointed new Branch Manager for Bank Norwegian, a part of NOBA Bank Group AB (publ) on 16 September 2023. 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.

After the balance sheet date, NOBA, through the subsidiary Nordax Sverige 5 AB (publ), obtained an increase and extention of SEK 1 billion, 2 years of an existing SEK 3 billion financing facility with an international bank.

RESULT APRIL-JUNE 2023

THE GROUP RESULT COMPARED TO THE FIRST QUARTER 2023

Operating profit amounted to MSEK 425 (390). The result for the period has been positively affected by increased income mainly driven by volume growth but has also been negatively affected by the impairment of intangible assets of MSEK -69 relating to Lilienthal Finance Ltd.

Net interest income amounted to MSEK 1,886 (1,802). 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 148 (101). The increase was primarily driven by higher card related income on the back of continued growth in card usage and a positive seasonality.

Operational expenses amounted to MSEK -468 (-393). Of the expenses, general administrative expenses made up MSEK -381 (-369) whereof MSEK -349 (-315) related to the underlying business and MSEK -32 (-54) 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 -87 (-24), where the increase is explained by the impairment of intangible assets relating to Lilienthal Finance Ltd encompassing MSEK -69.

Other operating expenses is made up of marketing costs and sales costs related to credit cards and amounted to MSEK -285 (-266). The increase is primarily driven by higher costs related to credit cards on the back of a high usage of existing cards and a high volume of new issued cards.

Depreciation and impairment of intangible assets related to transaction surplus values amounted to MSEK -42 (-43) 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. Of the depreciation, a little over MSEK -32 relates to the acquisition of Bank Norwegian and the remaining part to the acquisition of Svensk Hypotekspension.

Credit losses amounted to MSEK -841 (-824), corresponding to 3.4 per cent (3.7) 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 -205 (-163) corresponding to 24% (20%) of total credit losses.

ADJUSTED OPERATING PROFIT

The quarterly operating profit was negatively affected by the ongoing expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. The operating profit from Continental Europe amounted to MSEK -88 (-80).

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 656 MSEK (567)[1]

THE GROUP RESULT COMPARED TO THE SECOND QUARTER 2022

Operating profit amounted to MSEK 425 (350). The increase is primarily explained by a continued solid growth and increased net interest income but also through an improved net financial income. The operating profit was also negatively affected by increased credit losses.

Net interest income amounted to MSEK 1,886 (1,597). Net interest income primarily increased by growing lending.

[1] Reported operating profit of MSEK 425 (390) adjusted for transformational expenses and impairment of intangible assets relating to Lilienthal Finance Ltd of MSEK -101 (-54), effect relating to Continental Europe of MSEK -88 (-80) and depreciation of transaction related surplus values according to plan MSEK -42 (-43)

Commission income amounted to MSEK 148 (108). The increase was driven by higher credit card related income.

Operational expenses amounted to MSEK -468 (-429). Of the expenses, general administrative expenses made up MSEK -381 (-403) whereof MSEK -349 (-293) related to the underlying business and MSEK -32 (-110) 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 -87 (-26) where the increase is explained by the impairment of intangible assets relating to Lilienthal Finance Ltd encompassing MSEK -69.

Other operating expenses is made up of marketing costs and sales costs related to credit cards and amounted to MSEK -285 (-357). The decrease is, among other things, driven by lower costs related to Continental Europe.

Depreciation, amortization and impairment of intangible assets related to transactions amounted to MSEK -42 (-44) which was according to plan.

Credit losses amounted to MSEK -841 (-465), corresponding to 3.4 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 -205 (-58). Provisions for Continental Europe amounted to MSEK -83 (-40).

ADJUSTED OPERATING PROFIT

The quarterly operating profit was negatively affected by the ongoing expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. The operating profit from Continental Europe amounted to MSEK -88 (-98).

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 656 MSEK (601)[1].

PARENT COMPANY RESULT COMPARED TO THE SECOND QUARTER 2022

Total net sales for April-June 2023 amounted to MSEK 14 (2).

Operating expenses for April-June 2023 amounted to MSEK -2 (-3).

Result from financial investments for April-June 2023 amounted to MSEK 12 (32).

[1] Reported operating profit of MSEK 425 (350) adjusted for transformational expenses and impairment of intangible assets relating to Lilienthal Finance Ltd of MSEK -101 (-110), effect relating to Continental Europe of MSEK -88 (-97) and depreciation of transaction related surplus values according to plan MSEK -33 (-35).

RISKS AND INTERNAL CONTROL

RISKS AND UNCERTAINTIES

The second quarter has shown some positive signs that inflation is starting to decrease. Unemployment levels and growth have continued to surprise in a positive fashion. However, no broader decline in consumer price levels has been seen and the underlying inflation remains very elevated, which has driven the central banks to further raising policy rates.

This means continued challenges for households and the risk of increased credit losses is considered to remain unchanged. Large, swift and globally synchronised interest rate hikes have also led to new risks, which became evident with the problems surrounding certain banks in the U.S and in Switzerland mid- March. The risk for ripple effects in the whole financial system is deemed to be low but the uncertainty remains. NOBA has, on the back of these events, performed validations and controls in order to assure that the group has a continued solid management, governance and control over the financial risk management.

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. Further, the Group has an independent unit for information security - the Information Security Function. The work is lead and coordinated by the Chief Information Security Officer (CISO).

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

KEY FIGURES

GROUP	APR-JUN 2023	JAN-MAR 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022
Common Equity Tier 1 Capital Ratio in %	14.0	14.6	15.1	14.0	15.1
Return on equity excluding intangible assets in %	10.4	10.9	9.8	10.7	8.4
Return on assets in %	0.9%	1.0%	0.9%	0.9%	0.8%
Net credit loss level %	3.4	3.7	2.4	3.5	2.9
Cost to income ratio % total operating expenses excl. depreciation, amortization and impairment of intangible assets related to transactions	37	34	48	36	45
Cost to income ratio % operational expenses	23	21	26	22	24
Cost to income ratio % operational expenses excl. transformational expenses[1]	18	18	19	18	19
Adjusted operating profit MSEK	656	567	601	1,223	1,004
Operating profit per share SEK	129.4	131.9	110.2	261.3	187.6
Number of employees[2]	623	606	559	623	559

[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	Q2 2023	Q1 2023	Q2 2022	JAN-JUN 2023	JAN-JUN 2022
Operating income						
Interest income	9	2,663	2,408	1,885	5,071	3,684
Interest expense	9	-777	-606	-258	-1,383	-491
Total net interest income		**1,886**	**1,802**	**1,597**	**3,688**	**3,193**
Commission income	8	148	101	108	249	177
Net profit from financial transactions	10	27	13	-60	40	-170
Other operating income		0	0	0	0	0
Total operating income		**2,061**	**1,916**	**1,645**	**3,977**	**3,200**
Operating expenses						
General administrative expenses	8	-381	-369	-403	-750	-724
Depreciation and impairment of property, plant and equipment and other intangible assets	8	-87	-24	-26	-111	-54
Depreciation and impairment of transaction surplus values		-42	-43	-44	-85	-88
Other operating expenses	11	-285	-266	-357	-551	-668
Total operating expenses		**-795**	**-702**	**-830**	**-1,497**	**-1,534**
Profit before credit losses		**1,266**	**1,214**	**815**	**2,480**	**1,666**
Net credit losses	12	-841	-824	-465	-1,665	-1,075
Operating profit		**425**	**390**	**350**	**815**	**591**
Tax on profit for the period		-114	-73	-85	-187	-140
Net profit for the period		**311**	**317**	**265**	**628**	**451**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

GROUP MSEK	NOTE	Q2 2023	Q1 2023	Q2 2022	JAN-JUN 2023	JAN-JUN 2022
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		2	-26	87	-24	203
Tax on gains and losses on revaluation during the year		0	5	-21	5	-46
Total cash flow hedges		**2**	**-21**	**66**	**-19**	**157**
Debt instruments measured at fair value through other comprehensive income		-1	-	-	-1	-
Tax on debt instruments measured at fair value through other comprehensive income		0	-	-	0	-
Total debt instruments measured at fair value through other comprehensive income		**-1**	**-**	**-**	**-1**	**-**
Translation of foreign subsidiaries		336	-1,245	-534	-909	216
Hedge accounting of net investment before tax		-214	742	280	528	-613
Tax on hedge accounting		44	-153	-56	-109	126
Tax on translation differences		-49	129	-	80	-
Total		**117**	**-527**	**-310**	**-410**	**-271**
Items not to be reclassified in the income statement						
Equity instruments valued at fair value through other comprehensive income		-22	-	4	-22	4
Total		**-22**	**-**	**4**	**-22**	**4**
Total other comprehensive income		85	-548	-240	-452	-110
Comprehensive income		**410**	**-231**	**25**	**176**	**341**
Attributable to:						
The Parent Company’s shareholders		454	-234	41	173	324
Holders of Tier 1 capital		-44	3	-16	3	17

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY MSEK	NOTE	Q2 2023	Q1 2023	Q2 2022	JAN-JUN 2023	JAN-JUN 2022
Net sales		14	12	2	26	10
total net sales		**14**	**12**	**2**	**26**	**10**
Operating expenses						
Employee expenses		-2	-2	-1	-4	-7
Other external expenses		0	-1	-2	-1	-3
Total operating expenses		**-2**	**-3**	**-3**	**-5**	**-10**
Operating profit		**12**	**9**	**-1**	**21**	**0**
Result from financial investments						
Profit from shares in group companies		-	-	-	-	-
Interest expenses and similar expenses		-14	-10	-1	-24	-8
Received group contribution		-	-	-	-	-
Dividend received		26	24	33	50	33
Result from financial investments		**12**	**14**	**32**	**26**	**25**
Result after financial items		24	23	31	47	25
Tax on profit for the period		**-**	**-**	**-**	**-**	**-**
Net profit for the period		**24**	**23**	**31**	**47**	**25**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Total profit corresponds to profit for the period.

STATEMENT OF FINANCIAL POSITION

GROUP

MSEK	NOTE	30 JUN 2023	31 DEC 2022
Assets			
Lending to central banks	6,7	1,577	3,723
Lending to credit institutions	6,7	2,404	3,376
Lending to the general public	4,6-7	102,057	89,382
Bonds and other fixed-income securities	6,7	14,305	13,608
Other shares	6,7	150	168
Shares in subsidiaries		-	-
Derivatives	6,7	546	419
Intangible assets		11,832	12,364
Tangible assets		68	77
Current tax assets		3	2
Deferred tax assets		9	-
Other assets	6,7	425	286
Prepaid expenses and accrued income		94	68
Total assets		**133,470**	**123,473**
LIABILITIES, PROVISIONS AND EQUITY			
Liabilities			
Liabilities to credit institutions	6,7	9,993	9,739
Deposits from the general public	6,7	87,167	77,104
Issued securities	6,7	7,303	8,416
Liabilities to securitization firms[1]		-	-
Derivatives	6,7	378	307
Current tax liabilities		-	179
Deferred tax liability		907	973
Other liabilities	6,7	954	972
Accrued expenses and deferred income		555	461
Subordinated liabilities	6,7	2,286	1,519
Total liabilities		**109,543**	**99,670**
Equity			
Share capital		2	2
Other reserves		20,917	20,917
Other funds		-	-
Fair value reserve		16	39
Cash flow hedges		142	161
Tier 1 capital instruments		1,471	1,470
Translation of foreign operations, net		-433	-43
Retained earnings		1,184	387
Profit for the year		628	870
Total equity		**23,927**	**23,803**
Total liabilities, provisions and equity		**133,470**	**123,473**

[1] Liabilities to securitization firms refer in their entirety to liabilities to subsidiaries for the securitized loans, which are reported by NOBA Bank Group AB, since the derecognition rules according to IFRS 9 have not been met.

STATEMENT OF FINANCIAL POSITION

PARENT COMPANY

MSEK	NOTE	30 JUN 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		682	745
Other assets		15	14
Prepaid expenses and accrued income		2	1
Total short-term assets		**699**	**760**
Cash and bank balances		81	29
Total current assets		**780**	**789**
Total assets		**22,996**	**23,005**
LIABILITIES, PROVISIONS AND EQUITY			
Equity			
Share capital		2	2
Other reserves		20,917	20,917
Tier 1 capital instruments		1,345	1,338
Retained earnings		60	72
Profit for the period		47	45
Total equity		**22,371**	**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		617	620
Total current liabilities		**625**	**631**
Total liabilities		**625**	**631**
Total liabilities, provisions and equity		**22,996**	**23,005**

STATEMENT OF CASH FLOWS

GROUP MSEK	JAN-JUN 2023	JAN-JUN 2022
Operating activities		
Operating profit [1]	815	591
Adjustment for non-cash items	2,163	656
Income tax paid	-392	-592
Change in operating assets and liabilities		
Decrease/Increase in lending to the general public	-19,494	-8,288
Decrease/Increase in other assets	-902	-29
Decrease/Increase in deposits from the general public	13,440	1,572
Decrease/Increase in other liabilities	1,975	-495
Cash flow from operating activities	**-2,395**	**-6,585**
Investing activities		
Purchase of shares	-	-24
Value change of shares	-	4
Investment in property, plant and equipment and intangible assets	-24	-16
Investment in bonds and other interest-bearing securities	-20,959	-20,181
Sale/disposal of bonds and other fixed income securities	20,117	26,316
Cash flow from investing activities	**-866**	**6,099**
Financing activities		
Change to liability to credit institutions	249	1,181
Change issued securities	-914	-86
Change subordinated liabilities	759	-229
Tier 1 capital instruments issued, net[2]	-52	-36
Tier 1 capital dividend[2]	-	-311
Cash flow from financing activities	**42**	**519**
Cash flow for the period	**-3,219**	**33**
Cash and cash equivalents at the beginning of the period	**7,099**	**5,182**
Exchange rate differences and cash equivalents	**101**	**72**
Cash and cash equivalents at the end of the period	**3,981**	**5,287**

[1] Whereof received interest 4,590 MSEK (3,182 MSEK) and paid interest 955 MSEK (330 MSEK).

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 13 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	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	-	-	-	-	-	605	605	23	628
Other comprehensive income	-	-	-390	-23	-19	-	-432	-20	-452
Total comprehensive income	**-**	**-**	**-390**	**-23**	**-19**	**605**	**173**	**3**	**176**
Paid interest Tier 1 capital instruments	-	-	-	-	-	-52	-52	-	-52
Change in Tier 1 capital instruments	-	-	-	-	-	2	2	-2	0
Transactions with shareholders									
Shareholder contribution	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-
Closing balance 30 June 2023	**2**	**20,917**	**-433**	**16**	**142**	**1,812**	**22,456**	**1,471**	**23,927**

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	-	-	27	27	20	47
Total comprensive income	**-**	**-**	**27**	**27**	**20**	**47**
Paid interest in Tier 1 capital instruments	-	-	-50	-50	-	-50
Change in Tier 1 capital instruments	-	-	13	13	-13	0
Closing balance 30 June 2023	**2**	**20 917**	**107**	**21 026**	**1 345**	**22 371**

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.

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 12.

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	2023-06-30	2022-12-31
Credit risk exposures relate to the balance sheet as follows:		
Lending to central banks	1,577	3,723
Lending to credit institutions	2,404	3,376
Lending to the general public	102,057	89,382
Bonds and other fixed-income securities	14,305	13,608
Total	**120,343**	**110,089**

GROUP MSEK

30 JUNE 2023	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
Lending to the general public	GROSS			PROVISIONS			
Sweden	29,470	2,522	3,109	-602	-362	-1,460	32,677
SHP	9,189	17	0	-62	0	0	9,144
Norway	20,145	1,487	3,137	-139	-112	-1,127	23,391
Finland	24,318	1,787	4,067	-397	-302	-1,609	27,864
Germany & Spain	1,663	162	526	-58	-35	-385	1,873
Denmark	6,625	292	702	-100	-44	-367	7,108
Total	**91,410**	**6,267**	**11,541**	**-1,358**	**-855**	**-4,948**	**102,057**

31 DECEMBER 2022	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
Lending to the general public	GROSS			PROVISIONS			
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 JUNE 2023	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
Lending to the general public	GROSS			PROVISIONS			
Personal loans	63,863	4,908	10,273	-1,162	-785	-4,550	72,547
Credit Cards	11,895	550	895	-132	-68	-374	12,766
Mortgage loans	6,463	792	373	-2	-2	-24	7,600
SHP	9,189	17	0	-62	0	0	9,144
Total	**91,410**	**6,267**	**11,541**	**-1,358**	**-855**	**-4,948**	**102,057**

31 DECEMBER 2022	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
Lending to the general public	GROSS			PROVISIONS			
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) 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, 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 Nordax Bank AB (after the name change NOBA Bank Group AB) and Bank Norwegian ASA has been completed. The merger was implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian being continued through Nordax's Norwegian branch, the legal name of which is Bank Norwegian, a branch of Nordax Bank AB (publ) (after the namechange Bank Norwegian en filial av NOBA Bank Group AB) (the "Branch").

The capital requirements for the consolidated situation did not change as result of merger, however, the capital requirement for Nordax Bank AB has increased due to replacing Nordax Bank AB shares in Bank Norwegian by the assets of Bank Norwegian, as well as the excess value of lending portfolio that arose in connection with the acquisition.

The acquisition of Bank Norwegian ASA was financed by Nordax Holding AB (publ) (after the name change NOBA Holding AB) 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. Nordax Group AB (publ) (after the name change NOBA Group AB (publ)) issued corresponding instruments and amounts which was invested by Nordax Holding AB (publ). Nordax Bank AB (publ) (after the name change NOBA Bank Group AB (publ)) issued the corresponding amounts and instruments which was invested by Nordax 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 Nordax 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 Nordax Holding, including accrued interest, was also converted to unconditional shareholder contributions of SEK 203 million.

CAPITAL INSTRUMENTS

The consolidated situation's own funds include the above-mentioned capital instruments as well as, after deductions for minority interests, Additional Tier 1 capital of SEK 85 million and Tier 2 capital of SEK 938 million issued by NOBA Bank Group AB.

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 346 million (232).

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.

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

NOTE 5: CAPITAL ADEQUACY ANALYSIS

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 JUN 2023	31 DEC 2022
Own funds		
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	22,981	23,254
Total deduction of regulatory adjustment to CET1 capital	-11,653	-12,544
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	11,328	10,710
Additional Tier 1 capital1	1,430	1,428
Sum Tier 1 Capital	12,758	12,138
Tier 2 Capital2 [2]	1,555	1,296
Total capital	**14,313**	**13,434**
Risk exposure amount, credit risk	74,375	65,183
Risk exposure amount, market risk	568	-
Risk exposure amount, operational risk	5,782	5,782
Risk exposure amount, credit value adjustment (CVA)	90	183
Total risk exposure amount (risk weighted assets)	**80,815**	**71,148**
Capital ratios and buffers		
Common Equity Tier 1 capital ratio	14.02%	15.05%
Tier 1 capital ratio	15.79%	17.06%
Total capital ratio	17.71%	18.88%
Total Common Equity Tier 1 capital requirement including buffer requirement	8.54%	8.04%
- of which, capital conservation buffer requirement	2.50%	2.50%
- of which, countercyclical capital buffers	1.54%	1.04%
-of which systemic risk buffer	-	-
Common Equity Tier 1 capital available as buffer [3]	7.02%	8.05%
SPECIFICATION OWN FUNDS		
Common Equity Tier 1 capital:		
Capital instruments and related share premium	20,019	20,920
-of which share capital	2	2
- of which other contributed capital	20,917	20,917
-of which other funds	-	-
Retained earnings	1,184	389
Accumulated other comprehensive income	-	-
Deferred tax liabilities attributable to other intangible assets	524	564
Minority interest	-	-
Independently audited interim results after deductions of foreseeable dividends	354	1,024
Common Equity Tier 1 capital before regulatory adjusted	**22,981**	**22,896**

[1] In November 2021, NOBA Bank Group AB, NOBA Group AB and NOBA Holding AB issued Additional Tier 1 capital instrument amounting SEK 1,400 million. At the time of the merger the bank has taken over Bank Norwegian's Additional Tier 1 capital previously issued on solo-level amounting NOK 125 million. During the period, SEK 85 million of these were qualified to be included in the capital base of the Consolidated Situation

[2] NOBA Bank has issued Tier 2 capital, and during the merger the bank has taken over Bank Norwegian's subordinated loan. These may only be included in the capital base of the Consolidated Situation with the part required to cover the bank's capital requirements. As of 30 June 2023, the eligible amount of Tier 2 capital to be included amounted to SEK 938 million. During October and November 2021, NOBA Bank Group AB, NOBA Group AB and NOBA Holding AB has issued additional amount of Tier 2 capital of SEK 650 million.

[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 JUN 2023	31 DEC 2022
Regulatory adjustments:		
(+) Other transition adj. of common equity Tier 1 capital [4]	346	358
(-) Intangible assets	-11,832	-12,364
Additional value adjustments	-167	-180
Total regulatory adjustment to Common Equity Tier 1 capital	-11,653	-12,186
Common Equity Tier 1 capital	**11,328**	**10,710**
Additional Tier 1 capital		
-AT1 capital instrument, directly issued	1,345	1,338
-AT1capitalinstrument, issued by subsidiaries that are given recognition AT1Capital	85	90
Tier 1 capital, total	**12,758**	**12,138**
Tier 2 capital instrument		
Tier 2 capital instrument, directly issued	617	620
- Tier2capital instrument, issued by subsidiaries that are given recognition T2 Capital	938	676
Total capital	**14,313**	**13,434**
Total risk exposure amount	**80,815**	**71,148**
Specification of risk exposure amount		
Exposures to national governments and central banks	22	0
Exposures to regional governments and local authorities	243	179
Exposures to institutions	603	868
Exposures in the form of covered bonds	813	708
Retail exposures	59,223	50,909
Exposures secured by mortgages on immovable property	5,800	5,535
Equity exposures	150	168
Exposures in default	6,905	6,169
Exposures to corporates	-	-
Other items	616	647
Total risk exposure amount for credit risk, Standardized Approach	**74,375**	**65,183**
Foreign exchange risk	568	0
Total risk exposure amount for foreign exchange risk	**568**	**0**
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)	90	183
Total risk exposure amount for credit valuation adjustment risk	90	183
Total risk exposure amount	**80,815**	**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 JUN 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	19	14
Exposures to institutions	48	69
Exposures in the form of covered bonds	65	57
Retail exposures	4,739	4,073
Exposures secured by mortgages on immovable property	464	443
Equity exposures	12	13
Exposures in default	552	494
Exposures to corporates	-	-
Other items	49	52
Total capital requirement for credit risk	**5,950**	**5,215**
Market risk		
Foreign exchange risk	45	0
Total risk exposure amount for market risk	**45**	**0**
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)	7	15
Total capital requirement for CVA risk	**7**	**15**
Total Capital Requirement	**6,465**	**5,693**
Capital Requirement, percent of REA		
Pillar 1	8.00%	8.00%
Pillar 2	1.32%	3.48%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical buffer	1.54%	1.04%
Systemic risk buffer - Norway	-	-
Total Capital Requirement	**13.36%**	**15.02%**
Capital Requirement		
Pillar 1	6,465	5,692
Pillar 2	1,066	2,475
Capital conservation buffer	2,021	1,779
Institution-specific countercyclical buffer	1,242	738
Systemic risk buffer - Norway	-	-
Total Capital Requirement	**10,794**	**10,683**
LEVERAGE RATIO		
Total exposure measure for calculating leverage ratio, MSEK	**126,772**	**116,650**
Tier 1 capital, MSEK	**12,758**	**12,138**
Leverage ratio	**10.06%**	**10.41%**
Overall leverage ratio requirements, MSEK	**3,803**	**3,500**
Overall leverage ratio requirements, percentage	**3%**	**3%**

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

CONSOLIDATED SITUATION PART 1

		A	B	C	D	E
MSEK		230630	20230331	20221231	20220930	20220630
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	11,328	10,861	10,710	10,270	9,844
2	Tier 1 capital	12,758	12,279	12,138	11,691	11,262
3	Total capital	14,313	13,512	13,434	12,827	12,397
	Risk-weighted exposure amounts					
4	Total risk exposure amounts	80,815	74,536	71,148	67,485	65,162
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	14.02%	14.57%	15.05%	15.22%	15.11%
6	Tier 1 ratio (%)	15.79%	16.47%	17.06%	17.32%	17.28%
7	Total capital ratio (%)	17.71%	18.13%	18.88%	19.01%	19.03%
	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%	3.48%	3.46%	3.46%
EU 7b	of which: to be made up of CET1 capital (%)	0.00%	0.00%	2.33%	2.35%	2.35%
EU 7c	of which: to be made up of Tier 1 capital (%)	0.00%	0.00%	2.61%	2.59%	2.59%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%	11.48%	11.46%	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 identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	1.54%	1.17%	1.04%	0.85%	0.42%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	1.79%	1.79%
11	Combined buffer requirement (%)	4.04%	3.67%	3.54%	5.14%	4.71%
EU 11a	Overall capital requirements (%)	13.36%	12.92%	15.02%	17.07%	16.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.52%	10.07%	8.23%	8.37%	8.26%
	Leverage ratio					
13	Leverage ratio total exposure measure (amounts)	126,772	118,493	116,650	109,848	109,165
14	Leverage ratio (%)	10.06%	10.36%	10.41%	10.64%	10.32%

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

CONSOLIDATED SITUATION PART 2		A	B	C	D	E
MSEK		230630	20230331	20221231	20220930	20220630
	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)	12,631	11,123	9,532	8,060	7,830
EU 16a	Cash outflows - Total weighted value	10,189	10,155	10,216	9,451	7,622
EU 16b	Cash inflows - Total weighted value	3,847	4,351	4,550	4,514	4,029
16	Total net cash outflows (adjusted value)	6,342	5,804	5,666	4,937	3,593
17	Liquidity coverage ratio (%)	199.17%	191.63%	168.24%	163.26%	217.94%
	Net Stable Funding Ratio					
18	Total available stable funding	118,626	111,786	108,873	104,763	104,949
19	Total required stable funding	99,926	93,571	89,268	85,342	81,800
20	NSFR ratio (%)	118.71%	119.47%	121.96%	122.76%	128.30%

[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 230630	T1 20230331	T2 20221231	T3 20220930	T4 20220630
	Capital					
1	Common Equity Tier 1 (CET1) capital	11,328	10,861	10,710	10,270	9,844
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,982	10,629	10,352	10,096	9,706
3	Tier 1 capital	12,758	12,279	12,138	11,691	11,262
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,412	12,047	11,780	11,517	11,124
5	Total capital	14,313	13,512	13,434	12,827	12,397
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13,967	13,280	13,076	12,653	12,260
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	80,815	74,536	71,148	67,485	65,162
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	80,469	74,304	70,790	67,311	65,025
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	14.02%	14.57%	15.05%	15.22%	15.11%
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	13.65%	14.30%	14.62%	15.00%	14.93%
11	Tier 1 (as a percentage of risk exposure amount)	15.79%	16.47%	17.06%	17.32%	17.28%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.42%	16.21%	16.64%	17.11%	17.11%
13	Total capital (as a percentage of risk exposure amount)	17.71%	18.13%	18.88%	19.01%	19.03%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been app- lied	17.36%	17.87%	18.47%	18.80%	18.85%
	Leverage ratio					
15	Leverage ratio total exposure measure	126,772	118,493	116,650	109,848	109,165
16	Leverage ratio	10.06%	10.36%	10.41%	10.64%	10.32%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.79%	10.17%	10.10%	10.48%	10.19%

NOTE 5: CAPITAL ADEQUACY ANALYSIS

INTERNAL CAPITAL REQUIREMENT

As at 30 June 2023, the internally assessed capital requirement for Consolidated Situation amounted to SEK 1,066 million (928 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 10,794 million (SEK 9 630 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 June 2023, the Consolidated Situation's leverage ratio was 10.06% (10.36%), 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.

NOBA has an independent liquidity risk control function. The function reports directly to the Board of Directors and CEO. Liquidity risk is reported at each meeting of the Board of Directors. Cash flows that are expected to arise from the liquidation of all assets, liabilities and off-balance sheet items are calculated. Key ratios from the Balance Sheet (such as liquidity coverage ratio, net stable funding ratio and survival horizon) are calculated and monitored over time to illustrate the financial structure and the Bank's liquidity risk. Liquidity risk is measured monthly under various scenarios and events (such as changes in market interests and changed cash flows) and specified separately and collectively. NOBA Treasury is responsible for the liquidity risk management, including daily measurement and reporting of liquidity risk. NOBA Treasury also manages part of the liquidity reserve, while a part is managed on a discretionary basis by Storebrand Asset Management.

During the second quarter of 2023, a new assessment has been made of IFRS9 business model for the part of the liquidity reserve that is managed by NOBA Treasury. This means that new holdings are reported at fair value through other comprehensive income. Existing holdings are still reported at fair value through profit and loss.

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 June 2023 amounts to SEK 17.8 billion (SEK 17.6 billion). Of these investments, 45.8% (43.3%) are invested in covered bonds, 10.5% (13.9%) in Nordic credit institutions and 8.9 % (8.0 %) 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 490 (478) days and has an interest duration of 0.26 (0.25).

As of 30 June 2023, NOBA Consolidated Situation's Liquidity Coverage Ratio (LCR) was 185.6% (223.5%). The net stable funding ratio (NSFR) was 118.7% (119.5%), calculated in accordance with the definition in Regulation (EU) No. 575/2013.

As of 30 June 2023, NOBA Consolidation Situation's funding sources comprises of SEK 2,197 (2,197) million financing via the asset backed securities market (securitization), SEK 5,106 (5,733) million in corporate bonds, SEK 9,993 (9,741) million financing against pledges with international banks, and SEK 87,167 (80,054) million of retail deposits.

NOTE 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

VALUATION GROUP MSEK 30 JUNE 2023	FAIR VALUE THROUGH PROFIT AND LOSS	VALUED AT AMORTIZED COST	FAIR VALUE VIA OTHER COMPR. INCOME	TOTAL
Assets				
Lending to central banks	-	1,577	-	1,577
Lending to credit institutions	-	2,404	-	2,404
Lending to the general public	-	102,057	-	102,057
Bonds and other fixed-income securities	14,085	-	220	14,305
Other shares	23	-	127	150
Derivatives	546	-	-	546
Receivable to group companies	-	-	-	-
Other assets	-	269	-	269
Total assets	**14,654**	**106,307**	**347**	**121,308**
Liabilities				
Liabilities to credit institutions	-	9,993	-	9,993
Deposits from the general public	-	87,167	-	87,167
Issued securities	-	7,303	-	7,303
Derivatives	378	-	-	378
Liabilities to group companies	-	-	-	-
Other liabilities	-	615	-	615
Subordinated liabilities	-	2,286	-	2,286
Total liabilities	**378**	**107,364**	**-**	**107,742**
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**

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE

GROUP MSEK

30 JUNE 2023	CARRYING AMOUNT	FAIR VALUE	DELTA
Assets			
Lending to central banks [1]	1,577	1,577	-
Lending to credit institutions [1]	2,404	2,404	-
Lending to the general public [2]	102,057	111,944	9,887
Bonds and other fixed-income securities	14,305	14,305	-
Other shares	150	150	-
Derivatives	546	546	-
Receivable to group companies	-	-	-
Other assets	269	269	-
Total assets	**121,308**	**131,195**	**9,887**
Liabilities			
Liabilities to credit institutions [1]	9,993	9,993	-
Deposits from the general public [1]	87,167	87,167	-
Issued securities [3]	7,303	7,195	-108
Derivatives	378	378	-
Liabilities to group companies	-	-	-
Other liabilities	615	615	-
Subordinated liabilities [3]	2,286	2,223	-63
Total liabilities	**107,742**	**107,751**	**-171**

30 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 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 2023-06-30 been calculated based on the shares price for Visa Inc, foreign exchange USD/NOK, a liquidity discount as well as a conversion rate.

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

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.

LEVEL 3 MSEK	TOTAL
Opening balance 1 January 2023	**168**
Acquisitions	-
Currency change	-1
Recognized in income statement	5
Sales	-
Losses (-) recognized in other comprehensive income	-22
Profits (+) recognized in other comprehensive income	-
Closing balance 30 June 2023	**150**
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 JUNE 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Bonds and other fixed income securities1	11,821	2,484	-	14,305
Other shares	-	-	150	150
Derivatives	-	546	-	546
Total assets	**11,821**	**3,030**	**150**	**15,001**
Liabilities				
Derivatives	-	378	-	378
Total liabilities	**-**	**378**	**-**	**378**

31 DECEMBER 2022				
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.

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	14
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 MSEK 7 for Q2 2023 (MSEK -1).

[2] Impairment that is not allocated amounts to MSEK 69 for Q2 2023 (MSEK 0).

NOT 8 OPERATING SEGMENTS

Q1 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	733	163	596	676	45	195	2,408
Interest expenses	-229	-75	-135	-127	-9	-31	-606
Total net interest income	**504**	**88**	**461**	**549**	**36**	**164**	**1,802**
Net commission income	34	0	44	16	0	7	101
Net profit from financial transactions[1]	2	0	-11	13	0	2	13
Total operating income	**540**	**88**	**494**	**578**	**36**	**173**	**1,916**
General administrative expenses	-135	-7	-131	-64	-18	-14	-369
Depreciation and impairment of property, plant and equipment and other intangible assets	-4	-1	-15	-2	-1	-1	-24
Depreciation and impairment of transaction surplus values	-11	0	-9	-12	-	-11	-43
Other operating expenses	-52	-10	-91	-63	-18	-33	-266
Total operating expenses	**-202**	**-18**	**-246**	**-141**	**-37**	**-59**	**-702**
Profit before credit losses	**338**	**70**	**248**	**437**	**-1**	**114**	**1,213**
Net credit losses	-346	-27	-69	-266	-79	-37	-824
Operating profit	**-8**	**43**	**179**	**171**	**-80**	**77**	**390**
Balance sheet							
Lending to the general public	**30,723**	**8,965**	**21,858**	**24,562**	**1,718**	**6,495**	**94,321**

[1] FX effects that is not allocated amounts to MSEK 7 for Q1 2023 (MSEK -62).

NOT 8 OPERATING SEGMENTS

Q2 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	510	90	600	480	28	147	1,855
Interest expenses	-88	-30	-92	-34	-4	-10	-258
Total net interest income	**422**	**60**	**508**	**446**	**24**	**137**	**1,597**
Net commission income	42	0	46	13	-1	7	108
Net profit from financial transactions[1]	-16	1	-36	-4	0	-5	-60
Total operating income	**448**	**61**	**518**	**456**	**24**	**139**	**1,645**
General administrative expenses	-151	-8	-143	-71	-17	-13	-403
Depreciation and impairment of property, plant and equipment and other intangible assets	-4	0	-16	-3	-1	-2	-26
Depreciation and impairment of transaction surplus values	-12	0	-10	-11	0	-11	-44
Other operating expenses	-59	-8	-115	-70	-63	-42	-357
Total operating expenses	**-226**	**-16**	**-284**	**-155**	**-81**	**-68**	**-830**
Profit before credit losses	**222**	**45**	**234**	**301**	**-57**	**71**	**815**
Net credit losses	-199	-9	-196	18	-40	-39	-465
Operating profit	**23**	**36**	**38**	**319**	**-97**	**32**	**350**
Balance sheet							
Lending to the general public	**24,440**	**8,226**	**21,315**	**18,456**	**1,476**	**5,472**	**79,385**

NOT 8 OPERATING SEGMENTS

Q1-2 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	1,551	348	1,207	1,468	90	407	5,071
Interest expenses	-522	-167	-290	-312	-21	-71	-1,383
Total net interest income	**1,029**	**181**	**917**	**1,156**	**69**	**336**	**3,688**
Net commission income	83	0	112	37	1	16	249
Net profit from financial transactions[1]	17	0	-13	19	0	4	40
Total operating income	**1,129**	**181**	**1,016**	**1,212**	**70**	**356**	**3,977**
General administrative expenses	-249	-14	-294	-130	-36	-27	-750
Depreciation and impairment of property, plant and equipment and other intangible assets [2]	-7	-1	-26	-4	-2	-2	-111
Depreciation and impairment of transaction surplus values	-23	0	-17	-23	0	-22	-85
Other operating expenses	-109	-20	-194	-124	-38	-66	-551
Total operating expenses	**-365**	**-35**	**-514**	**-258**	**-76**	**-95**	**-1,497**
Profit before credit losses	**764**	**146**	**502**	**954**	**-6**	**261**	**2,480**
Net credit losses	-702	-31	-122	-550	-162	-98	-1,665
Operating profit	**62**	**115**	**380**	**404**	**-168**	**163**	**815**
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 MSEK 14 for Q1 -Q2 2023 (MSEK -63).

[2] Impairment that is not allocated amounts to MSEK 69 for Q1-Q2 2023 (MSEK 0).

NOT 8 OPERATING SEGMENTS

Q1-2 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	1,003	173	1,218	972	35	283	3,684
Interest expenses	-165	-57	-177	-68	-7	-17	-491
Total net interest income	**838**	**116**	**1,041**	**904**	**28**	**266**	**3,193**
Net commission income	69	0	73	24	-1	11	177
Net profit from financial transactions[1]	-26	1	-62	-14	0	-7	-170
Total operating income	**881**	**117**	**1,052**	**915**	**28**	**270**	**3,200**
General administrative expenses	-272	-16	-264	-116	-31	-25	-724
Depreciation and impairment of property, plant and equipment and other intangible assets	-10	0	-32	-6	-2	-4	-54
Depreciation and impairment of transaction surplus values	-23	-1	-21	-21	0	-22	-88
Other operating expenses	-117	-21	-208	-143	-100	-79	-668
Total operating expenses	**-399**	**-37**	**-504**	**-265**	**-133**	**-108**	**-1,534**
Profit before credit losses	**482**	**80**	**548**	**650**	**-105**	**162**	**1,666**
Net credit losses	-377	-11	-316	-268	-54	-49	-1,075
Operating profit	**105**	**69**	**232**	**382**	**-159**	**113**	**591**
Balance sheet							
Lending to the general public	**24,440**	**8,226**	**21,315**	**18,456**	**1,476**	**5,472**	**79,385**

NOTE 9 NET INTEREST INCOME

GROUP MSEK	APR-JUN 2023	JAN-MAR 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022
Interest income from the general public	2,540	2,302	1,793	4,842	3,561
Interest income from credit institutions	26	22	1	48	3
Interest income from fixed-income securities	97	84	61	181	120
Total interest income	**2,663**	**2,408**	**1,855**	**5,071**	**3,684**
Interest expenses to the general public	-574	-431	-146	-1,005	-279
Interest expenses to credit institutions	-116	-93	-26	-209	-45
Interest expenses from fixed income securities	-79	-76	-62	-155	-119
Interest expenses from subordinated debts	-30	-23	-17	-53	-32
Interest expenses leasing	-1	0	-1	-1	-1
Other	23	17	-6	40	-15
Total interest expenses	**-777**	**-606**	**-258**	**-1,383**	**-491**
Net interest income	**1,886**	**1,802**	**1,597**	**3,688**	**3,193**

NOTE 10 NET PROFIT FROM FINANCIAL TRANSACTIONS

GROUP MSEK	APR-JUN 2023	JAN-MAR 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022
Fx effect	-8	-1	0	-9	-64
Fair value through profit or loss, fair value through other comprehensive income	35	14	-60	49	-106
-of which interest bearing securities	32	12	-60	44	-106
-of which shares	3	2	0	5	0
Net profit from financial transactions	**27**	**13**	**-60**	**40**	**-170**

NOTE 11 OTHER OPERATING EXPENSES

GROUP MSEK	APR-JUN 2023	JAN-MAR 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022
Marketing	-194	-191	-256	-385	-475
Sales cost	-92	-75	-101	-167	-194
Other services	-	-	-	-	-
Total other operating expenses	**-286**	**-266**	**-357**	**-552**	**-669**

NOTE 12 CREDIT LOSSES, NET

GROUP MSEK	APR-JUN 2023	JAN-MAR 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022
Credit losses					
Stage 1	-205	-163	-58	-368	-56
Stage 2	-52	-28	-49	-80	-61
Stage 3	-584	-633	-358	-1,217	-958
Credit losses, net	**-841**	**-824**	**-465**	**-1,665**	**-1 075**

NOTE 12 CREDIT LOSSES, NET

COLLATERAL RECEIVED

Part of NOBA's loan portfolio includes mortgages and equity release mortgages (via the subsidiary SHP), and 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 June 30, 2023, NOBA had 159 (85 per December 31, 2022) mortgages with a total volume of SEK 352 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 sce- narios 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 NOBA loans 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 Bank Norwegian loans 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 NOBA loans the Positive scenario entails reducing the likelihood of the negative macro scenario to 1% and for Bank Norwegian applying 100% weighting of the optimistic scenario. Out of the ECL impact from the negative scenario of 231 MSEK (192), 139 MSEK (91) relate to NOBA loans and 92 MSEK (101) to Bank Norwegian loans.

SENSITIVITY ANALYSIS MSEK

30 JUNE 2023	PROBABILITY-WEIGHTED	NEGATIVE SCENARIO	POSITIVE SCENARIO	NEGATIVE SCENARIO	POSITIVE SCENARIO
	LOAN LOSS RESERVES			DIFFERENCE COMPARED WITH PROBABILITY-WEIGHTED %	
Group	7,161	231	-113	3.2%	-1.6%
31 DECEMBER 2022					
Group	5,903	192	-115	3.2%	-1.9%
30 JUNE 2022					
Group	6,247	181	-120	2.9%	-1.9%

NOTE 12 CREDIT LOSSES, NET

GROUP MSEK

30 JUNE 2023	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
	GROSS			PROVISIONS			
Opening balance 1 January 2023	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**
Stage transfers							
Transfer to/from Stage 1	-3,396	-	-	44	-	-	-3,352
Transfer to/from Stage 2	-	733	-	-	-19	-	714
Transfer to/from Stage 3	-	-	2,663	-	-	-903	1,760
Origination of new loans	18,902	708	84	-265	-95	-23	19,311
Derecognition	-5,752	-301	-759	53	29	315	-6,415
Changes in risk components	-	-	-	-238	-39	-198	-475
Changes in model methodologies	-	-	-	-	-	-	-
Fx effects	624	55	92	-16	-14	-46	695
Other	827	-280	-267	1	51	105	437
Closing balance 30 June 2023	**91,410**	**6,267**	**11,541**	**-1,358**	**-855**	**-4,948**	**102,057**

31 DECEMBER 2022	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	NET
	GROSS			PROVISIONS			
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 13 PLEDGED ASSETS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

PLEDGED ASSETS FOR OWN LIABILITIES

MSEK	GROUP 2023-06-30	GROUP 2022-12-31
Lending to the general public	13,756	13,455
Lending to credit institutions	535	581
Cash collateral for derivatives	269	142
Total	**14,560**	**14,178**

OTHER COMMITMENTS

MSEK	GROUP 2023-06-30	GROUP 2022-12-31
Granted but unpaid loans	149	140
Granted but unutilized credit cards	52,845	50,196
Summa	**52,994**	**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 14 TRANSACTIONS WITH RELATED PARTIES

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

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

INTRA-GROUP

MSEK	ASSETS 23-06-30	ASSETS 22-12-31	LIABILITIES 23-06-30	LIABILITIES 22-12-31	INCOME 23-06-30	INCOME 22-12-31	COSTS 23-06-30	COSTS 22-12-31
NOBA Bank Group AB	16	16	-5	-5	-	2	-	-
NOBA Group AB	672	724	-2	-2	25	36	-	-
Svensk Hypotekspension AB	-	1	-	-	-	0	-	-
Summa	**688**	**741**	**-7**	**-7**	**25**	**38**	**-**	**-**

NOTE 15 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the end of August, it was communicated that Mats Benserud, Branch CFO, is appointed new Branch Manager for Bank Norwegian, a part of NOBA Bank Group AB (publ) on 16 September 2023. 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.

After the balance sheet date, NOBA, through the subsidiary Nordax Sverige 5 AB (publ), obtained an increase and extention of SEK 1 billion, 2 years of an existing SEK 3 billion financing facility with an international bank.

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.

BOARD OF DIRECTORS' AFFIRMATION

The Board of Directors declares that the interim report for January-June 2023 provides a fair overview of the Parent Company's and the Group's operations, financial position and results and describes material risks and uncertainties facing the Parent Company and the Group.

Stockholm August 24 2023

HANS-OLE JOCHUMSEN
CHAIRMAN

VILLE TALASMÄKI
NON-EXECUTIVE DIRECTOR

CHRISTOPHER EKDAHL
NON-EXECUTIVE DIRECTOR

RICARD WENNERKLINT
NON-EXECUTIVE DIRECTOR

CHRISTIAN FRICK
NON-EXECUTIVE DIRECTOR

JACOB LUNDBLAD
NON-EXECUTIVE DIRECTOR

HENRIK KÄLLÉN
NON-EXECUTIVE DIRECTOR

RAGNHILD WIBORG
NON-EXECUTIVE DIRECTOR