NOBA HOLDING AB (PUBL)
YEAR END REPORT JANUARY-DECEMBER 2023

A WORD FROM THE CEO

A BUSINESS CYCLE WITH CONTINUED UNCERTAINTY

The geopolitical landscape is dark and volatile. War and conflict are very present and affect ever more people. Primarily, I of course think of the most immediately affected but this also leads to waves of uncertainty relating to the macroeconomy which has consequences for the entire world and thereby also for the Nordics. We have also during this quarter seen how the swift interest increases earlier during the year have put further demands on household economies and their abilities to adapt. It has also put our proactivity and ability to act at test, but I think that we have managed well in our ambition to be active and in being there for our customers. Our pervasive long-term perspective, with more than 20 years of experience, together with our competence within credit assessment make us resilient and stable also in this phase of the business cycle. Over the years we have built a solid customer base consisting of households with a robust financial situation. This is also confirmed via the increase in adjusted operating profit, as well as by the positive development of operating income on the back of a continued solid growth. With that said, no one can look past the fact that the macroeconomy is tough and that many customers, and Nordic households in general, are more challenged today than a year ago. This is also illustrated by the level of credit losses which are cyclically high and remain in line with the previous quarter.

As a bank, we are of course not immune to the effects of the transition into a higher interest rate environment, but it is important to remember where we are in the business cycle. Against that backdrop, and with respect for a volatile and unpredictable world I have a cautiously positive view on the coming quarters, not at least given the macroeconomic signals that we have seen during the quarter.

HIGH FINANCING ACTIVITY

Also this quarter, NOBA has been highly active on the capital markets. In December, NOBA issued a EUR 40m T2 bond and in the same month NOBA announced the voluntary redemption of all bonds issued by the subsidiary Svensk Hypotekspension Fond 4 AB, comprising a nominal amount of SEK 2.25bn. After the end of the quarter, NOBA also signed a bilateral financing agreement covering EUR 240m with an international bank. Having access to the financial markets in this way is both a sign of strength as well as an important part in our flexible funding base.

SOCIAL RESPONSIBILITY IN CONTINUED FOCUS

To the challenging macroeconomic environment, we can also add other, for us relevant societal challenges such as for example a disturbing and growing level of poor financial health. This development was made obvious when our report on financial health, the “Healthonomics Report”, with insights from Sweden, Norway, Denmark and Finland was released during the end of the quarter. It shows, among other things, that more than every fifth person in the Nordics is worried about their personal finances and that only one out ten seeks help when this worry has become too high. As a responsible lender, we are taking the longer perspective in order to take responsibility both today and tomorrow. We know that money matters, both short and long term. A sound and stable financial situation contributes to increased safety and freedom of choice. An unstable financial situation, however, can lead to stress, anxiety, a feeling of exclusion and in some cases unfortunately also to mental illness. These are all insights that make up an important step in increasing the understanding of financial health and to break the tabu around mental illness in connection with money.

We also see that all of the industry, together with other stakeholders in society and also the government, need to unite in the ambition to fight this poor financial health. Several different constructive initiatives and suggestions are already out there, such as the launch of a national debt registry also in Sweden. This is something we welcome. NOBA has the ambition to continue being an actor that drives the development around financial health in a positive way.

JACOB LUNDBLAD
CEO NOBA

ABOUT THE GROUP

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

In NOBA, there exists a number of subsidiaries of NOBA Bank Group AB (publ) (hereinafter NOBA Bank), among others Svensk Hypotekspension AB (hereinafter ”SHP”) and its subsidiaries. Direct subsidiaries of NOBA Bank are NOBA Sverige AB, Nordax Sverige 5 AB (publ), Nordax Sweden Mortgages 1 AB (publ), NOBA Finland 1 AB (publ), SHP and the Irish company 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 formal name Bank Norwegian, a part of NOBA Bank Group AB (publ).

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

Using a centralized business model and an organization based in Stockholm and Oslo, NOBA conducts 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, under the brands Bank Norwegian and Nordax Bank, lending to the general public in Sweden, Norway, Finland and Denmark. Previously, NOBA also conducted lending in Germany and Spain. Lending consists of unsecured loans up to the equivalent of NOK 800,000, SEK 600,000, DKK 400,000, and EUR 60,000. Since 2018, loans secured against residential property are offered in Sweden and, as of 2019, also in Norway.

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

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

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

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

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

DEVELOPMENT DURING THE FOURTH QUARTER COMPARED TO THE PREVIOUS QUARTER

PORTFOLIO DEVELOPMENT

Total lending as of 31 December 2023 amounted to SEK 110.6 billion (SEK 108.3 billion as of 30 September 2023). All active markets contributed to the increase in volume.

PERSONAL LOANS AND CREDIT CARDS

During the fourth quarter of 2023 the portfolio of personal loans and credit cards showed a good growth. As of 31 December 2023, the total volume of personal loans and credit cards amounted to SEK 93.1 billion (SEK 91.0 billion as of 30 September 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 fourth quarter, been further affected by the continuing general rise of interest rates in society and by the lower activity on the housing market but the portfolio still displayed an increase where the total mortgage portfolio amounted to SEK 7.9 billion as of 31 December 2023 (SEK 7.9 billion as of 30 September 2023).

EQUITY RELEASE MORTGAGES

In line with previous historical periods, the portfolio has continued to develop well during the fourth 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 9.6 billion as of 31 December 2023 (SEK 9.3 billion as of 30 September 2023).

CAPITAL AND LIQUIDITY

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

As of December 31, 2023, Common Equity Tier 1 Capital Ratio amounted to 13.53% (13.75%), the Tier 1 capital ratio amounted to 15.08% (15.34%) and the total capital ratio was 16.49% (16.75%). At the same time, the capital requirements amount to a CET1-capital ratio requirement for the period of 10.22% (9.32%), a Tier 1 requirement of 11.95% (11.06%) and a total capital ratio requirement of 14.26% (13.40%).

On December 21, 2023, NOBA Bank issued EUR 40m of subordinated T2 bonds in a private placement with an investor. The issue is included in the capital base as of the settlement date on January 18, 2024. Had the issue been included by year-end, the total capital ratio would have been 16.88%.

The lower capital ratios were mainly due to that the increase in CET1 capital, as a result of earnings, was lower than the growth in risk exposure amount. The increase in capital requirements is due to NOBA, as of 31 December 2023, being in scope for the requirement relating to the systemic risk buffer of 4.5% of the risk exposure amount relating to Norwegian exposures, which corresponds to 0.98% of the total risk exposure amount.

The CET1 capital increased during the quarter and amounted to SEK 11,860 million (SEK 11,699 million) mostly driven by the positive net profit during the period.

The leverage ratio was 9.67% (9.67%).

The liquidity reserve amounted to SEK 18.3 billion (SEK 19.4 billion) and consists mainly of covered bonds, treasury bills and deposits with central banks and Nordic credit institutions. The liquidity coverage ratio (LCR) was 139.0% (185.6%).

The net stable funding ratio (NSFR) was 118.1% (117.9%). 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 96,788 million as per 31 December 2023 (SEK 93,654 million).

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

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

PORTFOLIO DEVELOPMENT

Total lending as of 31 December 2023 amounted to SEK 110.6 billion (SEK 89.4 billion as of 31 December 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 fourth 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 31 December 2023 amounted to SEK 93.1 billion (SEK 73.7 billion as of 31 December 2022).

MORTGAGE LOANS

New lending has, during the second quarter, been affected by the continuing general rise of interest rates in society and lower activity on the housing market but is displaying a stable growth where the total mortgage portfolio amounted to SEK 7.9 billion as of 31 December 2023 (6.9 billion as of 31 December 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 9.6 billion as of 31 December 2023 (SEK 8.8 billion as of 31 December 2022).

CAPITAL AND LIQUIDITY

As of 31 December 2023, Common Equity Tier 1 Capital Ratio amounted to 13.53% (15.05%), the Tier 1 capital ratio amounted to 15.08% (17.06%) and the total capital ratio was 16.49% (18.88%). The CET1-capital ratio requirement for the period was 10.22% (10.36%), the Tier 1 requirement was 11.95% (12.15%) and the total capital ratio requirement was 14.26% (15.02%). If the above mentioned T2 bond had been included, the total capital ratio would have been 16.88%

The lower capital ratios were mainly because the increase in CET1 capital, as a result of earnings, was lower than the growth in risk exposure amount. The decreased capital requirements are to a large extent a consequence of decreased Pillar 2 requirements.

The lower Pillar 2 requirements are due to the internal capital adequacy assessment process, which was carried out during the first quarter of 2023, where the Swedish Financial Supervisory Authority's assessment methods and requirements have been applied for all risks. On 31 December 2022, NOBA included the Pillar 2 requirements that Bank Norwegian was assigned via the Norwegian Finanstilsynet. This change of method lowered the Pillar 2 requirements from 3.93% to 1.23%.

During the period, the countercyclical buffer requirements in Norway and Denmark increased from 2.0% to 2.5%, in Sweden from 1% to 2% and in Germany from 0% to 0.75%, which increased NOBA's countercyclical buffer requirements to 1.54% (1.04%).

The CET1-capital increased during the year and amounted to SEK 11,860 million (SEK 10,710 million) mostly driven by the positive net profit.

The leverage ratio amounted to 9.67% (10.41%).

The liquidity reserve amounted to SEK 18.3 billion (SEK 20.3 billion) and consists mainly of covered bonds, treasury bills and deposits with central banks and Nordic credit institutions. The liquidity coverage ratio (LCR) was 139.0% (253.2%).

The net stable funding ratio (NSFR) amounted to 118.1 % (122.0%). NOBA has a diversified funding structure with different sources allocated between credit institutions, the capital market and deposits from the public. Deposits from the public is the largest funding source and as per 31 December 2023, amounts to SEK 96,788 million for the period (SEK 77,104 million).

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

OTHER EVENTS DURING 2023

Some uncertainty on the financial markets and in the real economy remained also during the fourth quarter, even though a decreasing rate of inflation contributed to an increased optimism. Hopes on future central bank rate cuts increased but policy rates remained at a tightening level, with corresponding challenges on society. NOBA continues to monitor the effects this has on the company's customers. NOBA, also during the fourth quarter, conducted further adjustments to pricing on both deposits and lending.

On 21 December, NOBA issued a EUR 40m T2 bond. The settlement date was set to 18 January 2024.

On 12 December, NOBA announced the voluntary redemption of all bonds issued by the subsidiary Svensk Hypotekspension Fond 4 AB, corresponding to a nominal amount of SEK 2.25bn.

During December, NOBA repurchased senior unsecured bonds of NOK 976m and SEK 334m.

During November, NOBA, following constructive dialogue with Norwegian Air Shuttle ASA (NAS), reached a settlement in the brand dispute entailing an amount of SEK 171m. Bank Norwegian will continue to use and market the name Bank Norwegian as part of NOBA Bank Group and the joint CashPoint collaboration will continue. The previously communicated graphic redesign of Bank Norwegian continued as planned and has now been finalized. This concluded the strategic review of the collaboration with NAS that was previously announced.

During October, the roll out of the new visual identity for Bank Norwegian was initiated. This took place during a number of months where the graphical profile, which features blue and grey as its primary colors, has now been introduced across all markets.

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

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

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

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

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

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

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 400.5m and SEK 351m respectively.

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

On 14 April, the Norwegian Ministry of Finance announced 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 32bn in REA to NOK 5bn, 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. The Swedish FSA reciprocated the recommendation, whereby NOBA, as per 31 December, was included in the Systemic Risk Buffer for Norwegian exposures. For the consolidated situation, the buffer corresponds to 0.98% of total Risk Exposure Amount.

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 conjunction with this, the existing financing facility of SEK 2.375 billion 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.

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.

During the second 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.

In early 2023, Anna Storåkers stepped down from NOBA's Board of Directors and Ragnhild Wiborg was elected to replace her. In the beginning of the year, it was announced that Klara-Lise Aasen would leave her position as branch manager. In February, Tore Andresen, COO of NOBA's Norwegian branch Bank Norwegian, became a member of the Group Management Team.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 14 February, NOBA called for early redemption of senior preferred bonds corresponding to a nominal amount of NOK 700m and SEK 300m.

On 18 January, NOBA, via NOBA Finland 1 AB, signed a bilateral financing facility over 2 years covering EUR 240m with an international bank.

On 31 January, Tore Andresen, formerly COO of NOBA's Norwegian branch Bank Norwegian, chose to leave NOBA and thereby also left the Group Management Team.

RESULT JANUARY-DECEMBER AND Q4 2023

THE GROUP RESULT FOR THE FULL YEAR 2023 COMPARED TO THE FULL YEAR 2022

Operating profit amounted to SEK 1,344 million (SEK 1,197 million). The increase is explained by an increased lending and an improved net interest income but was negatively affected by increasing credit losses.

Net interest income amounted to SEK 7,872 million (SEK 6,558 million). Net interest income increased by growing lending and higher lending interest rates but also contained higher interest expenses driven by increased deposit rates and other funding costs.

Commission income amounted to SEK 501 million (SEK 414 million) where the increase during the year was driven by growth within payment transactions related to credit cards.

Operational expenses amounted to SEK -1,665 million (SEK -1,827 million). Of the expenses, general administrative expenses made up SEK -1,516 million (SEK -1,521 million) whereof SEK -1,337 million (SEK -1,194 million) related to the underlying business and SEK -179 million (SEK -327 million) 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 SEK -149 million (SEK -306 million). This includes SEK -69 million för 2023 and SEK -201 million for 2022 related to the impairment of intangible assets relating to Lilienthal Finance Ltd.

Other operating expenses are made up of marketing costs, sales costs related to credit cards and other costs and amounted to SEK -1,287 million (SEK -1,249 million). The increase is driven by SEK -171 million related to the settlement towards the airline NAS but also encompasses a decrease due to lower sales and marketing costs.

Depreciation and impairment of intangible assets related to transaction surplus values amounted to SEK -169 million (SEK -176 million) which was according to plan. These costs are purely related to the accounting treatment of allocated surplus values from previous acquisitions, in all material aspects Bank Norwegian, and do not affect neither cash flows nor capital adequacy since the asset is already deducted from the capital base.

Credit losses amounted to SEK -3,909 million (SEK -2,423 million), corresponding to 3.9 per cent (3.0) of average lending. The credit losses were negatively affected by continued high credit losses in Continental Europe and would excluding these have amounted to 3.7 per cent (2.8). The increase in absolute numbers was driven by growing lending portfolios while the relative increase primarily was driven by increased provisions relating to loans in Stage 1, which made up 20 per cent of the total credit losses during 2023 compared to 10 per cent during 2022, but also by increases in stage 3.

The yearly operating profit was negatively affected by the expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. The operating profit from Continental Europe amounted to SEK -385 million (SEK -280 million).

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 are excluded. The adjusted operating profit amounted to SEK 2,317 million (SEK 2,181 million)[1].

The tax on profit amounted to SEK -293 million (SEK -330 million) during the period and contains a positive effect related to a renewed assessment of the applied tax rate for deferred tax. The deferred tax relates to transaction surplus values relating to the acquisition of Bank Norwegian ASA.

[1] Reported operating profit of SEK 1,344 million (SEK 1,197 million) adjusted for transformational expenses of SEK -179 million (SEK -327 million), effect relating to Continental Europe of SEK -385 million (SEK -280 million) and depreciation of transaction related surplus values according to plan of SEK -169 million (SEK -176 million). For 2023 also adjusted for settlement with the airline NAS of SEK -171 million and for impairment of intangible assets relating to Lilienthal Finance Ltd of SEK -69 million. For 2022 also adjusted for impairment of intangible assets relating to Lilienthal Finance Ltd of SEK -201 million.

THE GROUP RESULT FOR THE FOURTH QUARTER 2023 COMPARED TO THE THIRD QUARTER 2023

Operating profit amounted to SEK 202 million (SEK 327 million). The result for the period has been positively affected by increased net interest income but negatively affected by increasing costs.

Net interest income amounted to SEK 2,098 million (SEK 2,038 million). Net interest income primarily increased by growing lending.

Commission income amounted to SEK 110 million (SEK 142 million) and was negatively affected by decreasing payment transactions related to credit cards.

Operational expenses amounted to SEK -414 million (SEK -390 million). Of the expenses, general administrative expenses made up SEK -391 million (SEK -375 million) whereof SEK -326 million (SEK -347 million) related to the underlying business and SEK -65 million (SEK -28 million) 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 SEK -23 million (SEK -15 million).

Other operating expenses are made up of marketing costs sales costs related to credit cards and other costs and amounted to SEK -419 million (SEK -317 million). The increase is driven by SEK -171 million related to the settlement towards the airline NAS but was also positively affected by falling underlying marketing costs.

Depreciation and impairment of intangible assets related to transaction surplus values amounted to SEK -41 million (SEK -43 million) which was according to plan.

Credit losses amounted to SEK -1,138 million (SEK -1,105 million), corresponding to 4.2 per cent (4.2) of average lending. The credit losses were negatively affected by continued high credit losses in Continental Europe and would excluding these have amounted to 4.1 per cent (3.9). The increase was driven by increased provisions relating to loans in Stage 2 and 3 whilst provisions for Stage 1, as in the previous quarters, remained at an elevated level.

The quarterly operating profit was, in line with previous quarters, negatively affected by the expansion in Continental Europe (Germany and Spain), especially given high initial credit losses in these markets. During the preceding quarter, the decision was also taken to halt new lending on these markets including the issuance of credit cards in Spain, which is also visible in a somewhat lower negative operating profit. The operating profit from Continental Europe amounted to SEK -90 million (SEK -127 million).

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 are excluded. The adjusted operating profit amounted to SEK 569 million (SEK 525 million)[1].

The tax on profit amounted to SEK -52 million (SEK -54 million) during the period and contains a positive effect related to a renewed assessment of the applied tax rate for deferred tax. The deferred tax relates to transaction surplus values relating to the acquisition of Bank Norwegian ASA.

PARENT COMPANY RESULT FOR THE FULL YEAR 2023 COMPARED TO THE FULL YEAR 2022

Total net sales amounted to SEK 58 million (SEK 37 million).

Operating expenses amounted to SEK -13 million (SEK -17 million).

Result from financial investments amounted to SEK 65 million (SEK 52 million).

[1] Reported operating profit of SEK 202 million (SEK 327 million) adjusted for transformational expenses of SEK -65 million (SEK -28 million), effect relating to Continental Europe of SEK -90 million (SEK -127 million), depreciation of transaction related surplus values according to plan of SEK -41 million (SEK -43 million) and for Q4 2023 also adjusted for settlement with the airline NAS of SEK -171 million.

RISKS AND INTERNAL CONTROL

RISKS AND UNCERTAINTIES

The tight monetary policy in the world contributes to the continuously lower inflationary outcomes compared to peak levels during 2022. Consumer prices have seen a continued declining growth rate and policy rate hikes are no longer as frequent. In spite of a more positive picture, it is still a challenging economic situation, especially for the households that has a high interest rate sensitivity. Unemployment, which has been surprisingly low during 2023, has started to increase and that trend is expected to continue into 2024. The household economy is sensitive towards increasing unemployment which the bank monitors and accounts for in the provisions for credit losses.

The war in the Middle East adds to an already uncertain geo-political situation with further human suffering from a growing number of conflicts. The proximity of the Hamas-Israel war towards oil producing countries contributes to the economic unrest and risks diminishing the world's financial and military support of the Ukraine.

The Group's overall policies for steering, risk management and risk appetite framework set the group strategy, 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 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.

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

KEY FIGURES

GROUP MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Common Equity Tier 1 Capital Ratio in %	13.5	13.8	15.1	13.5	15.1
Return on equity excluding intangible assets and Tier 1 capital in %	4.4	8.9	-1.3	8.9	8.2
Return on assets in %	0.4%	0.8%	0.0%	0.8%	0.7%
Net credit loss level %	4.2	4.2	3.9	3.9	3.0
Cost to income ratio % total operating expenses[1]	38	32	50	35	45
Cost to income ratio % total operating expenses[1] excl. transformational costs2	27	31	35	30	37
Adjusted operating profit[3] MSEK	569	525	450	2,317	2,281
Operating profit per share SEK	49.3	99.5	-13.6	388.1	322.8
Number of employees[4]	636	629	594	636	594

[1] Excluding depreciation and impairment of transaction surplus values

[2] For Q4 2023 also adjusted for settlement with the airline NAS of SEK -171 million, for Q3 2023 also adjusted for impairment of immaterial assets relating to Lilienthal Finance Ltd of SEK -69 million and for Q4 2022 also adjusted for impairment of immaterial assets relating to Lilienthal Finance Ltd of SEK -201 million.

[3] For the full year reported operating profit of SEK 1,344 million (SEK 1,197 million) adjusted for transformational expenses of SEK -179 million (SEK -327 million), effect relating to Continental Europe of SEK -385 million (SEK -280) and depreciation of transaction related surplus values according to plan of SEK -169 million (SEK -176 million). For 2023 also adjusted for settlement with the airline NAS of SEK -171 million and for impairment of intangible assets relating to Lilienthal Finance Ltd of SEK -69 million. For 2022 also adjusted for impairment of intangible assets relating to Lilienthal Finance Ltd of SEK -201 million.

[4] Number of employees recalculated to full time employees

CONSOLIDATED INCOME STATEMENT

GROUP MSEK	NOTE	Q4 2023	Q3 2023	Q4 2022	JAN-DEC 2023	JAN-DEC 2022
Operating income						
Interest income	9	3,219	3,049	2,230	11,387	7,834
of which interest income according to the effective interest method		3,066	2,894	2,160	10,842	7,658
Interest expense	9	-1,121	-1,011	-476	-3,515	-1,276
Total net interest income		**2,098**	**2,038**	**1,754**	**7,872**	**6,558**
Commission income	10	181	200	163	727	582
Commission expenses	10	-71	-58	-46	-226	-168
Net profit from financial transactions	11	6	2	39	1	-100
Other operating income	12	0	0	0	0	0
Total operating income		**2,214**	**2,182**	**1,910**	**8,374**	**6,872**
Operating expenses						
General administrative expenses		-391	-375	-439	-1,516	-1,521
Depreciation and impairment of property, plant and equipment and other intangible assets		-23	-15	-226	-149	-306
Depreciation and impairment of transaction surplus values		-41	-43	-44	-169	-176
Other operating expenses	13	-419	-317	-297	-1,287	-1,249
Total operating expenses		**-874**	**-750**	**-1,006**	**-3,121**	**-3,252**
Profit before credit losses		**1,340**	**1,432**	**904**	**5,253**	**3,620**
Net credit losses	14	-1,138	-1,105	-856	-3,909	-2,423
Operating profit	8	**202**	**327**	**48**	**1,344**	**1,197**
Tax on profit for the period		-52	-54	-55	-293	-330
Net profit for the period		**150**	**273**	**-7**	**1,051**	**867**
Attributable to:						
The Parent Company’s shareholders		118	239	-33	933	776
Holders of Tier 1 capital		32	34	26	118	91

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

GROUP MSEK	Q4 2023	Q3 2023	Q4 2022	JAN-DEC 2023	JAN-DEC 2022
Items to be reclassified in the income statement					
Gains and losses on revaluation during the year	-132	-7	-23	-163	203
Tax on gains and losses on revaluation during the year	28	1	5	34	-46
Total cash flow hedges	**-104**	**-6**	**-18**	**-129**	**157**
Debt instruments measured at fair value through other comprehensive income	0	0	-	-1	-
Tax on debt instruments measured at fair value through other comprehensive income	0	0	-	0	-
Total debt instruments measured at fair value through other comprehensive income	**0**	**0**	**-**	**-1**	**-**
Translation of foreign subsidiaries	-546	241	740	-1,214	582
Hedge accounting of net investment before tax	324	-177	-511	675	-912
Tax on hedge accounting	-67	37	105	-139	188
Tax on translation differences	78	-26	18	132	18
Total	**-211**	**75**	**352**	**-546**	**-124**
Items not to be reclassified in the income statement					
Changes in value of shares and participations	-	-	0	-22	4
Equity instruments valued at fair value through other comprehensive income	-	-	-	-	-
Total	**-**	**-**	**0**	**-22**	**4**
Total other comprehensive income	-315	69	334	-698	37
Comprehensive income	**-165**	**342**	**327**	**353**	**904**
Attributable to:					
The Parent Company’s shareholders	-197	308	301	235	813
Holders of Tier 1 capital	32	34	26	118	91

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY MSEK	Q4 2023	Q3 2023	Q4 2022	JAN-DEC 2023	JAN-DEC 2022
Net sales	18	14	20	58	37
Total net sales	**18**	**14**	**20**	**58**	**37**
Operating expenses					
Employee expenses	-1	-2	-2	-7	-11
Other external expenses	-4	-1	-3	-6	-6
Total operating expenses	**-5**	**-3**	**-5**	**-13**	**-17**
Operating profit	**13**	**11**	**15**	**45**	**20**
Result from financial investments					
Profit from shares in group companies	-	-	-	-	-
Interest expenses and similar expenses	-13	-13	-17	-50	-32
Received group contribution	4	0	11	4	11
Dividend received	30	31	22	111	73
Result from financial investments	**21**	**18**	**16**	**65**	**52**
Result after financial items	34	29	31	110	72
Tax on profit for the period	**-**	**-**	**-**	**-**	**-**
Net profit for the period	**34**	**29**	**31**	**110**	**72**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Total profit corresponds to profit for the period.

STATEMENT OF FINANCIAL POSITION

GROUP

MSEK	NOTE	31 DEC 2023	31 DEC 2022
Assets			
Cash and balances with central banks	6,7	1,173	3,723
Treasury bills eligible for repayment etc.	6,7	1,200	-
Lending to credit institutions	6,7	3,302	3,376
Lending to the general public	4,6-7	110,615	89,382
Bonds and other fixed-income securities	6,7	13,172	13,608
Other shares	6,7	150	168
Derivatives	6,7	324	419
Intangible assets		11,647	12,364
Tangible assets		62	77
Current tax assets		5	2
Deferred tax assets		9	-
Other assets	6,7	288	286
Prepaid expenses and accrued income		67	68
Total assets		**142,014**	**123,473**
LIABILITIES, PROVISIONS AND EQUITY			
Liabilities			
Liabilities to credit institutions	6,7	10,995	9,739
Deposits from the general public	6,7	96,788	77,104
Issued securities	6,7	5,581	8,416
Derivatives	6,7	425	307
Current tax liabilities		182	179
Deferred tax liability		843	973
Other liabilities	6,7	1,179	972
Accrued expenses and deferred income		397	461
Subordinated liabilities	6,7	1,717	1,519
Total liabilities		**118,107**	**99,670**
Equity			
Share capital		2	2
Share premium funds		20,917	20,917
Other funds		-536	157
Tier 1 capital instruments		1,354	1,470
Retained earnings		1,119	387
Profit for the year		1,051	870
Total equity		**23,907**	**23,803**
Total liabilities, provisions and equity		**142,014**	**123,473**

STATEMENT OF FINANCIAL POSITION

PARENT COMPANY MSEK	31 DEC 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	653	745
Other assets	16	14
Prepaid expenses and accrued income	2	1
Total short-term assets	**671**	**760**
Cash and bank balances	122	29
Total current assets	**793**	**789**
Total assets	**23,009**	**23,005**
LIABILITIES, PROVISIONS AND EQUITY		
Equity		
Share capital	2	2
Share premium funds	20,917	20,917
Tier 1 capital instruments	1,354	1,338
Retained earnings	-10	45
Profit for the period	110	72
Total equity	**22,373**	**22,374**
Liabilities		
Current tax liabilities	0	1
Accrued expenses and prepaid income	4	1
Liabilities group companies	7	7
Other liabilities	3	2
Subordinated liabilities	622	620
Total current liabilities	**636**	**631**
Total liabilities	**636**	**631**
Total liabilities, provisions and equity	**23,009**	**23,005**

STATEMENT OF CASH FLOWS

GROUP MSEK	NOTE	31 DEC 2023	31 DEC 2022
Operating activities			
Operating profit		1,344	1,197
Adjustment for non-cash items in profit	15	4,720	4,178
Paid income tax		-337	-704
Cash flow from operating activities before change in operating assets and liabilites		**5,727**	**4,671**
Change in operating assets and liabilites			
Decrease/increase in lending to the genaral public		-27,698	-21,936
Decrease/increase in treasury bills eligible for repayment etc.		-1,200	-
Decrease/increase in deposits from the general public		21,432	9,537
Decrease/increase in bods and other interest-bearing securities		-52	9,799
Decrease/increase in issued securities		-2,656	-2,390
Decrease/increase in liability to credit institutions		1,255	3,124
Change in derivatives, net position		436	-407
Decrease/increase in other assets		-135	30
Decrease/increase in other liabilities		303	240
Cash flow from operating assets and liabilities		**-8,315**	**-2,003**
Total cash flow from operating activities		**-2,588**	**2,668**
Investing activities			
Purchase of shares		0	-19
Shareholder contribution		-	-202
Investment in property, plant and equipment and intangible assets		-75	-43
Cash flow from investing activities		**-75**	**-264**
Financing activities			
Issued subordinated loans		755	-
Repayment of subordinated loans		-561	-218
Paid interest Tier 1 capital instruments		-120	-81
Repayment Tier 1 capital instruments		-129	-311
Cash flow from financing activities		**-55**	**-610**
Cash flow for the year		-2,718	1,794
Cash and cash equivalents at the beginning of the year		7,099	5,182
Exchange rate differences and cash equivalents		94	123
Cash and cash equivalents at the end of the year		**4,475**	**7,099**

Cash and cash equivalents is defined as cash and balances with central banks and lending to credit institutions. Pledged cash and cash equivalents under Note 16 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 CASH FLOWS

PARENT COMPANY MSEK	31 DEC 2023	31 DEC 2022
Operating activities		
Operating profit	110	72
Cash flow from operating activities before change in operating assets and liabilites	**110**	**72**
Change in operating assets and liabilites		
Decrease/increase in other assets	-18	0
Decrease/increase in other assets intercompany	106	62
Decrease/increase in other liabilities	4	-4
Cash flow from operating activities	**202**	**58**
Investing activities		
Shareholder contribution	-	-202
Cash flow from investing activities	**-**	**-202**
Financing activities		
Decrease/increase in subordinated loans	2	6
Paid interest Tier 1 capital instruments	-111	-62
Cash flow from financing activities	**-109**	**-56**
Cash flow for the year	**93**	-128
Cash and cash equivalents at the beginning of the year	**29**	157
Cash and cash equivalents at the end of the year	**122**	**29**

STATEMENT OF CHANGES IN EQUITY

GROUP

MSEK	Share capital	Share premium funds	Translation of foreign operations, net	Fair value reserv	Cash flow hedges	Retained earning incl. profit for the year	Sum	Tier 1 capital instruments	TOTAL
Opening balance 1 January 2022	**2**	**20,917**	**109**	**35**	**3**	**476**	**21,542**	**1,757**	**23,299**
Comprehensive income									
Net profit/loss for the year	-	-	-	-	-	804	804	63	867
Other comprehensive income	-	-	-152	4	158	-	10	28	38
Total comprehensive income	**-**	**-**	**-152**	**4**	**158**	**804**	**814**	**91**	**905**
Paid interest Tier 1 capital instruments	-	-	-	-	-	-	-	-81	-81
Repayment of Tier 1 capital instrument	-	-	-	-	-	-	-	-311	-311
Change in Tier 1 capital instruments	-	-	-	-	-	-23	-23	14	-9
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	-	-	-	-	-	928	928	123	1,051
Other comprehensive income	-	-	-540	-23	-130	-	-693	-5	-698
Total comprehensive income	**-**	**-**	**-540**	**-23**	**-130**	**928**	**235**	**118**	**353**
Paid interest Tier 1 capital instruments	-	-	-	-	-	-	-	-120	-120
Change in Tier 1 capital instruments	-	-	-	-	-	-15	-15	15	-
Repayment of Tier 1 capital instrument	-	-	-	-	-	-	-	-129	-129
Closing balance 31 December 2023	**2**	**20,917**	**-583**	**16**	**31**	**2,170**	**22,553**	**1,354**	**23,907**

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

MSEK	Share capital	Share premium funds	Retained earnings	Sum	Tier 1 capital instruments	TOTAL
	RESTRICTED EQUITY		NON-RESTRICTED EQUITY			
Opening balance 1 January 2022	**2**	**20,917**	**125**	**21,044**	**1,320**	**22,364**
Comprehensive income						
Net profit/loss for the year	-	-	2	2	70	72
Total comprehensive income	**-**	**-**	**2**	**2**	**70**	**72**
Change in Tier 1 capital instrument	-	-	-10	-10	10	0
Paid interest in Tier 1 capital instruments	-	-	-	-	-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	-	-	-7	-7	117	110
Total comprensive income	**-**	**-**	**-7**	**-7**	**117**	**110**
Paid interest in Tier 1 capital instruments	-	-	-	-	-111	-111
Change in Tier 1 capital instruments	-	-	-10	-10	10	-
Closing balance 31 December 2023	**2**	**20,917**	**100**	**21,019**	**1,354**	**22,373**

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 1-12 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 BEEN 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.

The following larger changes have impacted the financial reports for 2023:

In order to achieve a consistent accounting interest earned of financial asstes valued to fair value through profit or loss is since 2023 accounted for within interest income hile the change of fair value and realized result is accounted for within Net profit from financial transactions. This has resulted in a reclassification between Interest income and Net profit frpm financial transactions with MSEK 93 (-79). The notes that have changed for 2023 are note 8, 9, 11. Comparable figures have been updated.

NEW ACCOUNTING POLICIES THAT HAVE BEEN ADDED DURING 2023

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

During 2023 the resolution fee is presented within Net Interest Income. Previously it was included within other costs. Regarding bank charges the remaining part has been moved from Other costs to Net Commission Income in order to have a consistent accounting and earned interest from financial assets classified as fair value through profit and loss is included within Net Interest Income while change in fair value and realized value are included in Net Financial Transactions.

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.

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 prncipal 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 reult 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 14.

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	2023-12-31	2022-12-31
Credit risk exposures relate to the balance sheet as follows:		
Cash and balances with central banks	1,173	3,723
Treasury bills eligible for repayment etc.	1,200	-
Lending to credit institutions	3,302	3,376
Lending to the general public	109,737	89,382
Bonds and other fixed-income securities	13,172	13,608
Total	**128,584**	**110,089**
Unutilized loan commitments	58,193	50,336
Total off balance	**58,193**	**50,336**

LENDING TO THE GENERAL PUBLIC VALUED AT AMORTISED COST, PER COUNTRY

GROUP MSEK

31 DECEMBER 2023	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Sweden	33,026	2,048	4,334	-713	-367	-2,072	36,256
SHP	8,790	28	0	-82	0	0	8,736
Norway	21,959	1,560	3,289	-199	-142	-1,159	25,308
Finland	25,450	2,223	4,805	-528	-420	-1,939	29,591
Germany & Spain	2,565	102	542	-84	-24	-396	2,705
Denmark	6,634	312	722	-118	-47	-362	7,141
Total	**98,424**	**6,273**	**13,692**	**-1,724**	**-1,000**	**-5,928**	**109,737**

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

LENDING TO THE GENERAL PUBLIC VALUED AT AMORTISED COST, PER PRODUCT

GROUP MSEK

31 DECEMBER 2023	GROSS			PROVISIONS			NET
Lending to the general public	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Personal loans	68,485	5,075	12,141	-1,442	-910	-5,441	77,908
Credit Cards	14,268	630	1,066	-195	-86	-459	15,224
Mortgage loans	6,881	540	485	-5	-4	-28	7,869
SHP	8,790	28	0	-82	0	0	8,736
Total	**98,425**	**6,273**	**13,692**	**-1,724**	**-1,000**	**-5,928**	**109,737**

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

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

INFORMATION ON THE CONSOLIDATED SITUATION

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

MERGER WITH BANK NORWEGIAN

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

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

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

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

CAPITAL INSTRUMENTS

The aforementioned capital instruments are included in the consolidated situation's capital base as well as, after deductions for minority interests, Tier 2 capital of SEK 617 million issued by NOBA Bank Group AB. On 21 December, NOBA Bank Group AB issued additional Tier 2 capital of EUR 40 million as a private placement to an investor. This Tier 2 capital instrument is included in the capital base from the settlement date of 18 January.

EXEMPTION AS PER ARTICLE 352.2

On 18 March 2022, the Swedish FSA granted NOBA an exemption for the Consolidated Situation according to article 352.2 in Regulation (EU) No 575/2013, to include goodwill and intangible assets denominated in NOK, resulting from the acquisition of Bank Norwegian, when calculating open FX positions. With this exemption, the corresponding FX swap positions has been terminated, in line with the current risk management strategy.

On 30 December 2022, a similar exemption has been granted for NOBA Bank Group AB regarding goodwill and intangible assets which, after the merger of Bank Norwegian, has become part of NOBA Bank Group's balance sheet. The Swedish FSA decision means a corresponding reduction in NOBA Bank Group's risk exposure amount for the market risk.

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% and to 25% in 2024. From 1 January 2025, no add-back will be madeDuring the quarter, the add-back amount to CET1 capital increased to SEK 542 million (480).

LIQUIDITY RESERVE AND OWN FUNDS

With the exception of Swedish central bank 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 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 0.98% of the total risk exposure amount.

UPCOMING CHANGES IN CRR AND CRD

In December 2023 the final version of the amendments to Regulation (EU) No 575/2013, CRR, and Capital Requirement Directive, CRD, was published. This constitutes the last step of EU's implementation of Basel 3. The regulations are expected to enter into force 1 January 2025, although several amendments have a later date of implementation or a transitional period. The most important change for NOBA with implementation in 2025 is regarding the standardised method for credit risk where risk weights for exposures secured by real estate immovable property will be updated. The change is expected to lower the risk exposure amount for loans issued by SHP.

CAPITAL ADEQUACY - PART 1

MSEK	CONSOLIDATED SITUATION 31 DEC 2023	31 DEC 2022
Own funds		
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	23,028	23,254
Total deduction of regulatory adjustment to CET1 capital	-11,168	-12,544
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	**11,860**	**10,710**
Additional Tier 1 capital1	1,354	1,428
Sum Tier 1 Capital	**13,214**	**12,138**
Tier 2 Capital	1,239	1,296
Total capital	**14,453**	**13,434**
Risk exposure amount, credit risk	81,130	65,183
Risk exposure amount, market risk	-	-
Risk exposure amount, operational risk	6,436	5,782
Risk exposure amount, credit value adjustment (CVA)	77	183
Total risk exposure amount (risk weighted assets)	**87,643**	**71,148**
Capital ratios and buffers		
Common Equity Tier 1 capital ratio	13.53%	15.05%
Tier 1 capital ratio	15.08%	17.06%
Total capital ratio	16.49%	18.88%
Total Common Equity Tier 1 capital requirement including buffer requirement	9.53%	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	0.98%	-
SPECIFICATION OWN FUNDS		
Common Equity Tier 1 capital:		
Capital instruments and related share premium	20,920	20,920
- of which share capital	2	2
- of which other contributed capital	20,917	20,917
- of which other funds	-	-
Retained earnings	1,118	389
Accumulated other comprehensive income	-536	157
Deferred tax liabilities attributable to other intangible assets	475	564
Minority interest	-	-
Independently audited interim results after deductions of foreseeable dividends	1,052	867
Common Equity Tier 1 capital before regulatory adjusted	**23,028**	**22,896**

CAPITAL ADEQUACY - PART 2

MSEK	CONSOLIDATED SITUATION 31 DEC 2023	31 DEC 2022
Regulatory adjustments:		
(+) Other transitional adjustments of Common Equity Tier 1 capital[1]	542	358
(-) Intangible assets	-11,647	-12,364
Additional value adjustments	-64	-180
Total regulatory adjustment to Common Equity Tier 1 capital	**-11,168**	**-12,186**
Common Equity Tier 1 capital	**11,860**	**10,710**
Tier 1 capital		
- Additional Tier 1 capital	1,354	1,338
- Additional Tier 1 capital, contribution from minority	-	90
Total Tier 1 capital	**13,214**	**12,138**
Tier 2 capital		
- Tier 2 capital	622	620
- Tier 2 capital, contribution from minority	617	676
Total capital	**14,452**	**13,434**
Total risk exposure amount	**87,643**	**71,148**
Specification of risk exposure amount		
Exposures to national governments and central banks	22	0
Exposures to regional governments and local authorities	242	179
Exposures to institutions	766	868
Exposures in the form of covered bonds	745	708
Retail exposures	64,298	50,909
Exposures secured by mortgages on immovable property	5,996	5,535
Equity exposures	150	168
Exposures in default	8,132	6,169
Exposures to corporates	-	-
Other items	779	647
Total risk exposure amount for credit risk, Standardized Approach	**81,130**	**65,183**
Foreign exchange risk	-	-
Total risk exposure amount for foreign exchange risk	**-**	**-**
Operational risk according to Alternative Standardized Approach	6,436	5,782
Total risk exposure amount for operational risks	**6,436**	**5,782**
Credit valuation adjustment risk (CVA)	77	183
Total risk exposure amount for credit valuation adjustment risk	**77**	**183**
Total risk exposure amount	**87,643**	**71,148**

[1] 1 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 31 DEC 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	61	69
Exposures in the form of covered bonds	60	57
Retail exposures	5,144	4,073
Exposures secured by mortgages on immovable property	480	443
Equity exposures	12	13
Exposures in default	651	494
Exposures to corporates	-	-
Other items	62	52
Total capital requirement for credit risk	**6,490**	**5,215**
Market risk		
Foreign exchange risk	-	-
Total risk exposure amount for market risk	**-**	**-**
Operational risk		
Operational risk according to Alternative standardized Approach	515	463
Total risk exposure amount for operational risk	**515**	**463**
Credit valuation adjustment risk (CVA)		
Credit valuation adjustment risk (CVA)	6	15
Total capital requirement for CVA risk	**6**	**15**
Total Capital Requirement	**7,011**	**5,693**
Capital Requirement, percent of REA		
Pillar 1	8.00%	8.00%
Pillar 2	1.23%	3.48%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical buffer	1.54%	1.04%
Systemic risk buffer - Norway	0.98%	-
Total Capital Requirement	**14.26%**	**15.02%**
Capital Requirement		
Pillar 1	7,011	5,692
Pillar 2	1,078	2,475
Capital conservation buffer	2,191	1,779
Institution-specific countercyclical buffer	1,351	738
Systemic risk buffer - Norway	863	-
Total Capital Requirement	**12,494**	**10,683**
LEVERAGE RATIO		
Total exposure measure for calculating leverage ratio	**136,603**	**116,650**
Tier 1 capital	**13,214**	**12,138**
Leverage ratio	**9.67%**	**10.41%**
Overall leverage ratio requirements	**4,098**	**3,500**
Overall leverage ratio requirements, percentage	**3%**	**3%**

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

CONSOLIDATED SITUATION PART 1

MSEK		A 20231231	B 20230930	C 20230630	D 20230331	E 20221231
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	11,860	11,699	11,328	10,861	10,710
2	Tier 1 capital	13,214	13,049	12,758	12,279	12,138
3	Total capital	14,453	14,249	14,313	13,512	13,434
	Risk-weighted exposure amounts					
4	Total risk exposure amounts	87,643	85,086	80,815	74,536	71,148
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.53%	13.75%	14.02%	14.57%	15.05%
6	Tier 1 ratio (%)	15.08%	15.34%	15.79%	16.47%	17.06%
7	Total capital ratio (%)	16.49%	16.75%	17.71%	18.13%	18.88%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	3.48%
EU 7b	of which: to be made up of CET1 capital (%)	0.00%	0.00%	0.00%	0.00%	2.33%
EU 7c	of which: to be made up of Tier 1 capital (%)	0.00%	0.00%	0.00%	0.00%	2.61%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	11.48%
	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%	1.55%	1.54%	1.17%	1.04%
EU 9a	Systemic risk buffer (%)	0.98%	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	5.03%	4.05%	4.04%	3.67%	3.54%
EU 11a	Overall capital requirements (%) [1]	13.03%	12.05%	12.04%	11.67%	15.02%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.49%	8.75%	9.52%	10.07%	8.23%
	Leverage ratio					
13	Leverage ratio total exposure measure (amounts)	136,603	134,991	126,772	118,493	116,650
14	Leverage ratio (%)	9.67%	9.67%	10.06%	10.36%	10.41%

[1] The Swedish FSA have not performed a Supervisory Review and Evaluation Process (SREP) of NOBA, thus Pillar 2 capital requirement is not included in the overall capital requirement under 11a.

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

CONSOLIDATED SITUATION PART 2

MSEK		A 20231231	B 20230930	C 20230630	D 20230331	E 20221231
	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 (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
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)	15,065	14,782	12,631	11,123	9,532
EU 16a	Cash outflows - Total weighted value	11,204	10,536	10,189	10,155	10,216
EU 16b	Cash inflows - Total weighted value	3,870	3,800	3,847	4,351	4,550
16	Total net cash outflows (adjusted value)	7,334	6,736	6,342	5,804	5,666
17	Liquidity coverage ratio (%)	205.42%	219.44%	199.17%	191.63%	168.24%
	Net Stable Funding Ratio					
18	Total available stable funding	123,974	123,760	118,626	111,786	108,873
19	Total required stable funding	105,074	105,018	99,926	93,571	89,268
20	NSFR ratio (%)	117.99%	117.85%	118.71%	119.47%	121.96%

[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 disclosure 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 20231231	T1 20230930	T2 20230630	T3 20230331	T4 20221231
	Capital					
1	Common Equity Tier 1 (CET1) capital	11,860	11,699	11,328	10,861	10,710
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,314	11,219	10,982	10,629	10,352
3	Tier 1 capital	13,214	13,049	12,758	12,279	12,138
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,672	12,569	12,412	12,047	11,780
5	Total capital	14,453	14,249	14,313	13,512	13,434
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13,910	13,769	13,967	13,280	13,076
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	87,643	85,086	80,815	74,536	71,148
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	87,101	84,606	80,469	74,304	70,790
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.53%	13.75%	14.02%	14.57%	15.05%
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	12.99%	13.26%	13.65%	14.30%	14.62%
11	Tier 1 (as a percentage of risk exposure amount)	15.08%	15.34%	15.79%	16.47%	17.06%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.55%	14.86%	15.42%	16.21%	16.64%
13	Total capital (as a percentage of risk exposure amount)	16.49%	16.75%	17.71%	18.13%	18.88%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been app- lied	15.97%	16.27%	17.36%	17.87%	18.47%
	Leverage ratio					
15	Leverage ratio total exposure measure	136,603	134,991	126,772	118,493	116,650
16	Leverage ratio	9.67%	9.67%	10.06%	10.36%	10.41%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.28%	9.31%	9.79%	10.17%	10.10%

NOTE 5: CAPITAL ADEQUACY ANALYSIS

INTERNAL CAPITAL REQUIREMENT

As at 31 December 2023, the internally assessed capital requirement for Consolidated Situation amounted to SEK 1,078 million (1,155 million). The decrease in capital requirements was mainly due to market risk. 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, including combined buffers, for the period amounts to SEK 12,495 million (SEK 11,404 million). The increase is mainly driven by the Norwegian systemic risk buffer of SEK 863 million, applicable from 31 December.

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 31 December 2023, the Consolidated Situation’s leverage ratio was 9.67% (9.67%), which is well in excess of the 3% requirement.

INFORMATION ON LIQUIDITY RISK

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

The goal is to use funding sources that meet the following criteria:

- Provide a high degree of matching of currencies and interest periods as well as maturities between assets and liabilities.

- Offer diversification in terms of markets, investors, instruments, maturities, currencies, counterparties, and geography.

- Give a low liquidity risk and offer a strong possibility of refinancing at maturity, as evidenced by price stability, regularity of issuance and a broad investor base.

- Provide access to relatively large volumes, to meet the funding requirements of a growing balance sheet.

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

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

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

As of 31 December 2023, NOBA Consolidated Situation’s Liquidity Coverage Ratio (LCR) was 139.0% (185.6%). The net stable funding ratio (NSFR) was 118.1% (117.9%), calculated in accordance with the definition in Regulation (EU) No. 575/2013.

The Consolidated Situation’s liquidity reserves as of 31 December 2023 amounts to SEK 18.3 billion (SEK 19.4 billion). Of these investments, 37.5% (43.4%) are invested in covered bonds, 15.0% (12.3%) in Nordic credit institutions and 6.6 % (11.9 %) invested with central banks. The remaining balances are invested in interest bearing securities issued by central governments, municipalities and supra nationals. The credit assessment of these investments is generally high and therefore have high credit rating, between AAA and AA, from leading credit rating agencies. Norwegian municipalities do not have a credit rating but are considered from risk management and risk measurement view as AA assets, in line with the Norwegian FSA recommendation, which corresponds to a credit rating one grade lower than the Norwegian government. The average maturity of the liquidity reserve amounts to 438 (460) days and has an interest duration of 0.18 (0.23).

As of 31 December 2023, NOBA Consolidation Situation’s funding sources comprises of SEK 2,196 (2,196) million financing via the asset backed securities market (securitization), SEK 3,385 (4,782) million in corporate bonds, SEK 10,995 (10,994) million financing against pledges with international banks, and SEK 96,788 (93,654) million of retail deposits.

NOTE 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

VALUATION GROUP MSEK MSEK

31 DECEMBER 2023	FAIR VALUE THROUGH PROFIT OR LOSS					
	Mandatory	Fair value option	Derivatives identified as hedge instruments	Fair value through other comprehensive income	Amortised cost	TOTAL
Assets						
Cash and balances with central banks	-	-	-	-	1,173	1,173
Treasury bills eligible for repayment etc.	-	-	-	-	1,200	1,200
Lending to credit institutions	-	-	-	-	3,302	3,302
Lending to the general public	878	-	-	-	109,737	110,615
Bonds and other fixed-income securities	11,429	-	-	1,743	-	13,172
Other shares	23	-	-	127	-	150
Derivatives	41	-	283	-	-	324
Other assets	-	-	-	-	135	135
Total assets	**12,371**	**-**	**283**	**1,870**	**115,547**	**130,071**
Liabilities						
Liabilities to credit institutions	-	-	-	-	10,995	10,995
Deposits from the general public	-	-	-	-	96,788	96,788
Issued securities	-	-	-	-	5,581	5,581
Derivatives	331	-	94	-	-	425
Other liabilities	-	-	-	-	230	230
Subordinated liabilities	-	-	-	-	1,717	1,717
Total liabilities	**331**	**-**	**94**	**-**	**115,311**	**115,736**

31 DECEMBER 2022						
Assets						
Cash and balances with 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	159	-	260	-	-	419
Other assets	-	-	-	-	142	142
Total assets	**13,785**	**-**	**260**	**150**	**96,623**	**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	192	-	115	-	-	307
Other liabilities	-	-	-	-	434	434
Subordinated liabilities	-	-	-	-	1,519	1,519
Total liabilities	**192**	**-**	**115**	**-**	**97,212**	**97,519**

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

GROUP MSEK 31 DECEMBER 2023	CARRYING AMOUNT	FAIR VALUE	DELTA
Assets			
Cash and balances with central banks	1,173	1,173	-
Treasury bills eligible for repayment etc. [1]	1,200	1,200	-
Lending to credit institutions [1]	3,302	3,302	-
Lending to the general public [2]	110,615	124,055	13,440
Bonds and other fixed-income securities	13,172	13,172	-
Other shares	150	150	-
Derivatives	324	324	-
Other assets	135	135	-
Total assets	**130,071**	**143,511**	**13,440**
Liabilities			
Liabilities to credit institutions [1]	10,995	10,995	-
Deposits from the general public [1]	96,788	96,788	-
Issued securities [3]	5,581	5,551	-30
Derivatives	425	425	-
Other liabilities	230	230	-
Subordinated liabilities [3]	1,717	1,661	-56
Total liabilities	**115,736**	**115,650**	**-86**
31 DECEMBER 2022			
Assets			
Cash and balances with central banks	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	-
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	-
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 3 unlisted shares in Stabelo AB, Vipps AB and VN Norge AS that is valued at fair value based on unobservable inputs. As of 31 December 2023 no re-evalution has been made. As of 30 June 2023, the value on shares in Stabelo AB has been re-evaluated to MSEK 127.2 which corresponds to an impairment of MSEK 22.5 (-15%). This is due to a macro-environment including rapid increasing interest rates. Fair value on shares in VN Norge AS has as per 2023-12-31 been calculated based on the shares price for Visa Inc, foreign exchange USD/NOK, a liquidity discount as well as a conversion rate.

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

TRANSFERS BETWWEN THEL LEVELS

There have been no transfers of financial instruments between the different levels.

SENSITIVITY ANALYSIS FOR LENDING TO THE PUBLIC MEASURED AT FAIR VALUE WITHIN LEVEL 3

A sensitivity analysis of lending to the public measured at fair value within level 3 has been made by changing the assumptions of non-observable data in the valuation model. The sensitivity analysis is made in two parts, one parallel shift of the interest rate curve with 1 percentage point and a decrease in the housing price index of 10 percentage points.

An upwards parallel shift of the interest rate curve with 1 percentage point would result in a negative change in the fair value of MSEK 7m (-) and a downwards parallel shift of the interest rate curve with 1 percentage point would result in a positive change in the fair value of MSEK 1 (-). An immediate positive change in the housing price index of + 10 percentage points would result in a positive change in the fair value of MSEK 2m (-) and a negative change in the housing price index of - 10 percentage points would result in a negative change in the fair value of MSEK 6 (-).

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

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

CHANGE IN FINANCIAL INSTRUMENTS IN LEVEL 3 MSEK	TOTAL
Opening balance 1 January 2023	**168**
Acquisitions	-
New lending to the general public	878
Currency change	2
Recognized in income statement	2
Sales	-
Losses (-) recognized in other comprehensive income	-22
Profits (+) recognized in other comprehensive income	-
Closing balance 31 December 2023	**1,028**
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**

FINANCIAL INSTRUMENTS AT FAIR VALUE GROUP MSEK

31 DECEMBER 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Lending to the general public	-	-	878	878
Bonds and other fixed income securities	10,390	2,782	-	13,172
Other shares	-	-	150	150
Derivatives	-	324	-	324
Total assets	**10,390**	**3,106**	**1,028**	**14,524**
Liabilities				
Derivatives	-	425	-	425
Total liabilities	**-**	**425**	**-**	**425**
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**

NOTE 7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE OF FINANCIAL INSTRUMENTS AT AMORTISED COST

KONCERNEN MSEK

31 DECEMBER 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Cash and balances with central banks	1,173	-	-	1,173
Treasury bills eligible for repayment etc.	1,200	-	-	1,200
Lending to credit institutions	-	3,302	-	3,302
Lending to the general public	-	-	109,737	109,737
Other assets	-		135	135
Total assets	**2,373**	**3,302**	**109,872**	**115,547**
Liabilities				
Liabilities to credit institutions	-	-	10,995	10,995
Deposit from the general public	-	-	96,788	96,788
Issued securities	-	5,581	-	5,581
Other liabilities	-	-	230	230
Subordinated liabilities	-	1,717	-	1,717
Total liabilities	**-**	**7,298**	**108,013**	**115,311**

31 DECEMBER 2022				
Assets				
Cash and balances with central banks	3,723	-	-	3,723
Lending to credit institutions	-	3,376	-	3,376
Lending to the general public	-	-	89,382	89,382
Other assets	-	-	142	142
Total assets	**3,723**	**3,376**	**89,524**	**96,623**
Liabilities				
Liabilities to credit institutions	-	-	9,739	9,739
Deposit from the general public	-	-	77,104	77,104
Issued sercurities	-	8,416	-	8,416
Other liabilities	-	-	434	434
Subordinated liabilities	-	1,519	-	1,519
Total liabilities	**-**	**9,935**	**87,277**	**97,212**

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.

Q4 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	995	227	746	969	42	240	3,219
Interest expenses	-402	-119	-227	-291	-24	-58	-1,121
Total net interest income	**593**	**108**	**519**	**678**	**18**	**182**	**2,098**
Commission income	75	3	76	32	-5	0	181
Commission expenses	-29	-1	-30	-12	2	0	-71
Net profit from financial transactions[1]	-25	6	18	1	0	1	6
Total operating income	**613**	**116**	**583**	**698**	**15**	**183**	**2,214**
General administrative expenses	-104	-10	-160	-68	-32	-17	-391
Depreciation and impairment of property, plant and equipment and other intangible assets	-5	0	-6	-2	-9	-1	-23
Depreciation and impairment of transaction surplus values	-11	0	-8	-11	0	-11	-41
Other operating expenses[2]	-47	-9	-100	-47	-17	-28	-419
Total operating expenses	**-167**	**-19**	**-274**	**-128**	**-58**	**-57**	**-874**
Profit before credit losses	**446**	**97**	**309**	**570**	**-43**	**126**	**1,340**
Net credit losses	-376	-1	-196	-431	-47	-88	-1,138
Operating profit	**70**	**96**	**114**	**139**	**-90**	**38**	**202**
Balance sheet							
Lending to the general public	**36,256**	**9,614**	**25,308**	**29,591**	**2,705**	**7,141**	**110,615**

[1] FX effects that is not allocated amounts to SEK 5 million for Q4 2023 (24).

[2] Other operating expenses that is not allocated amounts to SEK -171 million for Q4 2023 (0).

NOT 8 OPERATING SEGMENTS

Q3 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	925	209	717	920	43	235	3,049
Interest expenses	-366	-108	-211	-258	-18	-50	-1,011
Total net interest income	**559**	**101**	**506**	**662**	**25**	**185**	**2,038**
Commission income	72	0	93	28	0	7	200
Commission expenses	-21	0	-27	-8	0	-2	-58
Net profit from financial transactions[1]	2	-3	0	11	0	1	2
Total operating income	**612**	**98**	**572**	**693**	**25**	**191**	**2,182**
General administrative expenses	-111	-7	-148	-66	-28	-15	-375
Depreciation and impairment of property, plant and equipment and other intangible assets	-5	0	-6	-2	-1	-1	-15
Depreciation and impairment of transaction surplus values	-11	0	-9	-12	0	-11	-43
Other operating expenses	-60	-10	-115	-69	-28	-35	-317
Total operating expenses	**-187**	**-17**	**-278**	**-149**	**-57**	**-62**	**-750**
Profit before credit losses	**425**	**81**	**294**	**544**	**-32**	**129**	**1,432**
Net credit losses	-405	-20	-131	-377	-95	-77	-1,105
Operating profit	**20**	**61**	**163**	**167**	**-127**	**52**	**327**
Balance sheet							
Lending to the general public	**35,196**	**9,340**	**25,251**	**29,167**	**2,197**	**7,133**	**108,284**

[1] FX effects that is not allocated amounts to SEK -9 million for Q3 2023 (-6)

NOT 8 OPERATING SEGMENTS

Q4 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	644	143	629	590	45	179	2,230
Interest expenses	-171	-58	-135	-74	-9	-29	-476
Total net interest income	**473**	**85**	**494**	**516**	**36**	**150**	**1,754**
Commission income	61	3	67	21	0	11	163
Commission expenses	-17	-1	-19	-6	0	-3	-46
Net profit from financial transactions	2	0	7	7	0	-1	39
Total operating income	**519**	**87**	**549**	**538**	**36**	**157**	**1,910**
General administrative expenses	-160	-9	-173	-69	-18	-11	-439
Depreciation and impairment of property, plant and equipment and other intangible assets	-5	0	-217	-2	-1	-1	-226
Depreciation and impairment of transaction surplus values	-11	0	-10	-12	0	-11	-44
Other operating expenses	-59	-11	-123	-60	-8	-35	-297
Total operating expenses	**-236**	**-20**	**-523**	**-143**	**-27**	**-57**	**-1,006**
Profit before credit losses	**283**	**67**	**26**	**395**	**9**	**100**	**904**
Net credit losses	-351	-6	-138	-234	-71	-56	-856
Operating profit	**-68**	**61**	**-112**	**161**	**-62**	**44**	**48**
Balance sheet							
Lending to the general public	**28,556**	**8,798**	**22,165**	**22,002**	**1,760**	**6,101**	**89,382**

NOT 8 OPERATING SEGMENTS

Q1-4 2023 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	3,488	789	2,679	3,369	177	885	11,387
Interest expenses	-1,289	-394	-728	-861	-63	-180	-3,515
Total net interest income	**2,199**	**395**	**1,951**	**2,508**	**114**	**705**	**7,872**
Commission income	262	3	325	111	-4	29	727
Commission expenses	-83	-1	-101	-35	2	-8	-226
Net profit from financial transactions[1]	-17	-2	-5	36	-2	4	1
Total operating income	**2,361**	**395**	**2,170**	**2,620**	**110**	**730**	**8,374**
General administrative expenses	-466	-31	-601	-263	-96	-59	-1,516
Depreciation and impairment of property, plant and equipment and other intangible assets[2]	-18	-1	-37	-8	-12	-4	-149
Depreciation and impairment of transaction surplus values	-44	0	-35	-46	0	-44	-169
Other operating expenses[3]	-219	-39	-407	-239	-83	-129	-1,287
Total operating expenses	**-747**	**-71**	**-1,080**	**-556**	**-191**	**-236**	**-3,121**
Profit before credit losses	**1,614**	**324**	**1,090**	**2,064**	**-81**	**494**	**5,253**
Net credit losses	-1,485	-52	-449	-1,357	-304	-263	-3,909
Operating profit	**129**	**272**	**642**	**707**	**-385**	**231**	**1,344**
Balance sheet							
Lending to the general public	**36,256**	**9,614**	**25,308**	**29,591**	**2,705**	**7,141**	**110,615**

[1] FX effects that is not allocated amounts to SEK -13 million for Q1 - Q4 2023 (0)

[2] Depreciation that is not allocated amounts to SEK -69 million for Q1 - Q4 2023 (0)

[3] Other operating expenses that is not allocated amounts to SEK -171 million for Q4 2023 (0)

NOT 8 OPERATING SEGMENTS

Q1-4 2022 MSEK	SWEDEN	SHP	NORWAY	FINLAND	GERMANY SPAIN	DENMARK	TOTAL
Income statement							
Interest income	2,179	425	2,430	2,043	131	626	7,834
Interest expenses	-450	-154	-416	-182	-21	-53	-1,276
Total net interest income	**1,729**	**271**	**2,014**	**1,861**	**110**	**573**	**6,558**
Commission income	208	3	253	82	-1	37	582
Commission expenses	-59	-1	-73	-24	0	-11	-168
Net profit from financial transactions[1]	-8	0	-40	16	0	-8	-100
Total operating income	**1,870**	**273**	**2,154**	**1,935**	**109**	**591**	**6,872**
General administrative expenses	-567	-31	-566	-240	-66	-51	-1,521
Depreciation and impairment of property, plant and equipment and other intangible assets	-19	0	-265	-11	-4	-7	-306
Depreciation and impairment of transaction surplus values	-46	0	-41	-45	0	-44	-176
Other operating expenses	-225	-41	-459	-260	-126	-138	-1,249
Total operating expenses	**-857**	**-72**	**-1,331**	**-556**	**-196**	**-240**	**-3,252**
Profit before credit losses	**1,013**	**201**	**823**	**1,379**	**-87**	**351**	**3,620**
Net credit losses	-924	-22	-540	-608	-193	-136	-2,423
Operating profit	**89**	**179**	**283**	**771**	**-280**	**215**	**1,197**
Balance sheet							
Lending to the general public	**28,556**	**8,798**	**22,165**	**22,002**	**1,760**	**6,101**	**89,382**

NOTE 9 NET INTEREST INCOME

GROUP MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Interest income from credit institutions and central banks	36	40	22	124	28
Interest income from treasury bills eligible for repayment etc.	5	2	-	7	-
Interest income from the general public	3,023	2,856	2,138	10,721	7,630
Interest income from fixed-income securities	155	150	70	534	176
Other	0	1	0	1	-
Total interest income	**3,219**	**3,049**	**2,230**	**11,387**	**7,834**
of which interest income according to the effective interest method	3,066	2,894	2,160	10,842	7,658
Interest expenses to the general public	-878	-762	-394	-2,645	-957
Interest expenses to credit institutions	-150	-139	-57	-498	0
Interest expenses from fixed income securities	-71	-85	-23	-311	-238
Interest expenses from subordinated debts	-41	-51	-20	-145	-79
Interest expenses leasing	0	0	1	0	-2
Other	19	26	17	85	0
Total interest expenses	**-1,121**	**-1,011**	**-476**	**-3,515**	**-1,276**
of which interest expenses according to the effective interest method and interest on derivatives in hedge accounting	-1,121	-1,011	-476	-3,515	-1,276
Net interest income	**2,098**	**2,038**	**1,754**	**7,872**	**6,558**

NOTE 10 COMMISSION INCOME AND COMMISSION EXPENSES

GROUP MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Income					
Payments	150	170	126	615	473
Insurance mediation and other insurance	18	20	29	73	76
Other	13	10	8	39	33
Total commission income	**181**	**200**	**163**	**727**	**582**
Expenses					
Payments	-64	-51	-40	-199	-143
Other	-7	-7	-6	-27	-25
Total commission expenses	**-71**	**-58**	**-46**	**-226**	**-168**
Total commission income, net	**110**	**142**	**117**	**501**	**414**

NOTE 11 NET PROFIT FROM FINANCIAL TRANSACTIONS

GROUP MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Fx effect	5	-9	35	-13	-35
Financial assets valued at amortised cost	-2	-	-	-2	-
Financial assets through other comprehensive income	0	0	-	0	-
Fair value through profit or loss	3	11	4	16	-65
-of which derivativies	*0*	-	-	*7*	*-3*
-of which lending to the general public	*-3*	*-1*	-	*-3*	*0*
-of which interest bearing securities	*5*	*13*	*-8*	*7*	*-74*
-of which shares	*1*	*-1*	*12*	*5*	*12*
Net profit from financial transactions	**6**	**2**	**39**	**1**	**-100**

NOTE 12 OTHER OPERATING INCOME

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

NOTE 13 OTHER OPERATING EXPENSES

GROUP MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Marketing expenses	-134	-209	-182	-727	-819
External expenses related to credit cards/selling expenses	-114	-108	-115	-389	-430
Other services	-171	0	0	-171	0
Total other operating expenses	**-419**	**-317**	**-297**	**-1,287**	**-1,249**

NOTE 14 CREDIT LOSSES, NET

GROUP

MSEK	OCT-DEC 2023	JUL-SEP 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Provision Stage 1[1]	-88	-315	-119	-787	-251
Provision Stage 2[1]	-125	-53	-167	-232	-324
Provision Stage 3[1]	-805	-674	-157	-2,610	-985
Total	**-1,018**	**-1,042**	**-443**	**-3,629**	**-1,560**
Write-offs	-124	-67	-418	-292	-892
Recoveries	4	4	5	12	29
Total	**-120**	**-63**	**-413**	**-280**	**-863**
Total credit losses, net	**-1,138**	**-1,105**	**-856**	**-3,909**	**-2,423**

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

NOTE 14 CREDIT LOSSES, NET

COLLATERAL RECEIVED

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

NOBA's policies for received collateral have not significantly changed during the period and there has been no significant change in the quality of collateral. As of December 31, 2023, NOBA had 227 (85 per December 31, 2022) mortgages with a total volume of SEK 461 million (149) and 1 (3) equity release mortgages with a total volume of SEK 0 million (3) that were classified as being in Stage 3.

SENSITIVITY ANALYSIS

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

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

The sensitivity analysis is based on analysis of the combined sensitivity of the ECL models applied within the Group. For loans on the Nordax-platform the Negative scenario entails increasing the likelihood of the Negative macro scenario from a base assumption of 5% to 30%. Currently 6% is applied (25% per December 31, 2022). For loans on the Bank Norwegian-platform the Negative scenario is based on applying 100% weighting of the pessimistic scenario. Currently weighting is 32.5% Base, 30% optimistic and 37.5% pessimistic (same as 22-12-31). For loans on the Nordax-platform the Positive scenario entails reducing the likelihood of the Negative macro scenario to 1% and for loans on the Bank Norwegian-platform applying 100% weighting of the optimistic scenario. Out of the ECL impact from the Negative scenario of MSEK 264 (192), MSEK 197 (91) relate to loans on the Nordax-platform and MSEK 67 (101) to loans on the Bank Norwegian-platform.

SENSITIVITY ANALYSIS MSEK

31 DECEMBER 2023	PROBABILITY-WEIGHTED	NEGATIVE SCENARIO	POSITIVE SCENARIO	NEGATIVE SCENARIO	POSITIVE SCENARIO
	LOAN LOSS RESERVES			DIFFERENCE COMPARED WITH PROBABILITY-WEIGHTED %	
Group	8,652	264	-92	3,1%	-1,1%
31 DECEMBER 2022					
Group	5,903	192	-115	3.2%	-1.9%

NOTE 14 CREDIT LOSSES, NET

GROUP MSEK

30 SEPTEMBER 2023			GROSS			PROVISIONS	NET
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Opening balance 1 January 2023	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**
Stage transfers							
Transfer to/from Stage 1	-4,409	0	0	25	0	0	-4,384
Transfer to/from Stage 2	0	-32	0	0	22	0	-10
Transfer to/from Stage 3	0	0	4,721	0	0	-1,905	2,816
Origination of new loans	34,414	1,832	876	-573	-311	-296	35,942
Derecognition	-10,892	-580	-1,117	99	60	457	-11,973
Changes in risk components	0	0	0	-359	-34	-203	-596
Changes in model methodologies	-	-	-	0	0	0	0
Fx effects etc.	-894	-299	-516	21	31	217	-1,440
Closing balance 31 December 2023	**98,424**	**6,273**	**13,692**	**-1,724**	**-1,000**	**-5,928**	**109,737**

31 DECEMBER 2022			GROSS			PROVISIONS	NET
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Opening balance 1 January 2022	**61,327**	**3,829**	**12,970**	**-686**	**-444**	**-5,605**	**71,391**
Stage transfers							
Transfer to/from Stage 1	-2,431	-	-	67	-	-	-2,364
Transfer to/from Stage 2	-	272	-	-	-158	-	114
Transfer to/from Stage 3	-	-	2,159	-	-	-839	1,320
Origination of new loans	29,115	1,268	403	-316	-206	-269	29,995
Derecognition	-8,537	-679	-5,837	104	97	2,668	-12,184
Changes in risk components	-	-	-	-92	-14	-263	-369
Changes in model methodologies	-	-	-	32	-10	-36	-14
Fx effects etc.	731	662	33	-46	-33	146	1,493
Closing balance 31 December 2022	**80,205**	**5,352**	**9,728**	**-937**	**-768**	**-4,198**	**89,382**

NOTE 15 DISCLOSURES ON THE CASH FLOW STATEMENT

GROUP

MSEK	2023	2022
Adjustment for non-cash items in profit:		
FX effects	-605	-280
Depreciation and impairment of property, plant and equipment and other intangible assets	149	306
Depreciation and impairment of transaction surplus values	169	176
Periodization of financing costs	13	22
Reversal acquired surplus value lending to the public	320	296
Unrealized value changes on bonds and other interest-bearing securities	-25	-10
Change in value shares and participations	-5	4
Unrealised value changes on derivatives	290	32
Change in fair value lending to the general public	3	-
Credit losses, net	4,411	3,632
Total	**4,720**	**4,178**

Interest received and paid

MSEK	2023	2022
The cash flow from current operations includes interest received and paid in the following amounts		
Interest received	10,090	6,913
Interest paid	3,039	1,121

NOTE 16 PLEDGED ASSETS AND COMMITMENTS

PLEDGED ASSETS FOR OWN LIABILITIES	GROUP	
MSEK	2023-12-31	2022-12-31
Lending to the general public	15,447	13,455
Lending to credit institutions	551	581
Cash collateral for derivatives	135	142
Total	**16,133**	**14,178**

COMMITMENTS	GROUP	
MSEK (Nominal amounts)	2023-12-31	2022-12-31
Granted but unpaid loans	86	140
Granted but unutilized credit cards	58,107	50,196
Summa	**58,193**	**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 expires at December 31 2023.

NOTE 17 TRANSACTIONS WITH RELATED PARTIES

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

At the time of the acquisition of Bank Norwegian ASA, NOBA Holding AB (publ) issued SEK 650 million in Tier 2 capital, which were subscribed for by external investors. Thereafter, NOBA Group AB (at the time of the merger called Nordax Group AB) issued corresponding instruments and amounts, which were subscribed by NOBA Holding AB (publ).

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

INTRA-GROUP	ASSETS		LIABILITIES		INCOME		COSTS	
MSEK	23-12-31	22-12-31	23-12-31	22-12-31	23-12-31	22-12-31	23-12-31	22-12-31
NOBA Bank Group AB (publ)	19	16	-5	-5	-	2	-	-
NOBA Group AB	634	724	-2	-2	49	36	-	-
Svensk Hypotekspension AB	-	1	-	-	-	0	-	-
Summa	**653**	**741**	**-7**	**-7**	**49**	**38**	**-**	**-**

NOTE 18 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 14 February, NOBA called for early redemption of senior preferred bonds corresponding to a nominal amount of NOK 700 million and SEK 300 million.

On 18 January, NOBA, via NOBA Finland 1 AB, signed a bilateral financing facility over 2 years covering EUR 240 million with an international bank.

On 31 January, Tore Andresen, formerly COO of NOBA's Norwegian branch Bank Norwegian, chose to leave NOBA and thereby also left the Group Management Team.

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.

Average number of employees
The sum av the amount of worked hours divided by a normal full-time equivalent.

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 % total operating expenses excl. depreciation and impairment of intangible assets related to transaction surplus values excl. transformational expenses
Total operating expenses excluding depreciation of intangible assets related to the accounting treatment of allocated surplus values from previous acquisitions and 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 attributable to shareholders 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.

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

DEFINITIONS

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

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

Return on equity excl. intangible assets and Tier 1 capital
Net profit for the period after deduction of profit attributable to holders of Tier 1 capital in relation to total equity after deduction of intangible assets and Tier 1 capital.

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.

[1] These are reported with respect to the Swedish Financial Supervisory Authority's Regulations and General Guidelines. See Note 5, Capital adequacy analysis.

SIGNATURE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer declares that this financial report for the period 1 January 2023 through 31 December 2023 provides a fair overview of the parent company's and the group's operations, their financial position and results and describes material risks and uncertainties facing the parent company and the group.

Stockholm February 22 2024

JACOB LUNDBLAD
CHIEF EXECUTIVE DIRECTOR

The Swedish year end report has been reviewed by the company's auditors.

AUDITORS' REVIEW REPORT

Introduction
We have reviewed the year-end report for NOBA Holding AB (publ) for the period 1 January to 31 December 2023. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this year-end report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not, in all material aspects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies, and for the Parent Company in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.
Stockholm 22 February, 2024
Deloitte AB

Signature on Swedish original
Malin Lüning
Authorised Public Accountant