



Year-end report  
January–December 2023

# Year-end report

## January–December 2023

### Fourth quarter of 2023 (compared to the fourth quarter of 2022)

- The loan portfolio amounted to SEK 45,470m (41,490)
- Total income amounted to SEK 934m (928)
- The C/I ratio amounted to 27.1% (24.9)
- The credit loss level amounted to 2.4% (2.5)
- Operating profit amounted to SEK 414m (437)
- Net profit amounted to SEK 326m (346) and earnings per share<sup>1)</sup> amounted to SEK 1.51 (1.62)
- Return on equity amounted to 16.3% (20.8)
- The CET1 ratio amounted to 15.9% (14.3) and the total capital ratio amounted to 17.0% (15.4)

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

- The loan portfolio amounted to SEK 45,470m (41,490)
- Total income amounted to SEK 3,648m (3,212)
- The C/I ratio amounted to 25.6% (25.9)
- The credit loss level amounted to 2.5% (2.4)
- Operating profit amounted to SEK 1,636m (1,442)
- Net profit amounted to SEK 1,294m (1,141) and earnings per share<sup>1)</sup> amounted to SEK 6.02 (5.34)
- Return on equity amounted to 17.2% (18.3)
- The CET1 ratio amounted to 15.9% (14.3) and the total capital ratio amounted to 17.0% (15.4)
- The Board of Directors proposes that no dividend will be paid for the financial year 2023

### Significant events after the period

On 6 February 2024, a press release regarding Norion Bank's new financial targets was published. Norion Bank's strategy is to maintain good risk adjusted profitability and the company's new financial targets relate to profitability, capital adequacy and dividend policy. For more information, see the press release and page 10 in this year-end report.

<sup>1)</sup> See pages 4–5

# Norion Bank Group

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

45,470 +10%

Loan portfolio (SEKm)

934 +1%

Total income (SEKm)

27.1% +2.2

C/I ratio

percentage points

326 -6%

Net profit (SEKm)

16.3% -4.6

Return on equity

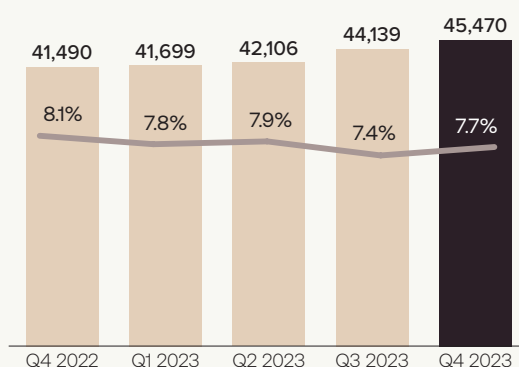
percentage points

15.9% +1.6

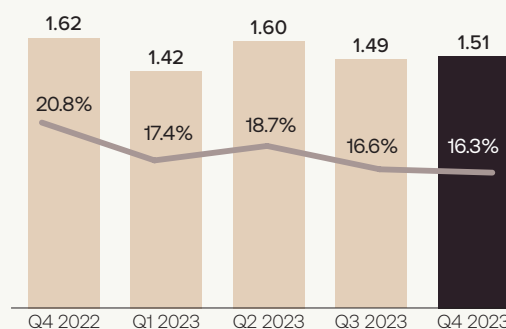
CET1 ratio

percentage points

Loan portfolio (SEKm) and NIM (%)



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



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

# This is Norion Bank

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

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

## Key ratios Group

SEKm	Q4 2023	Q3 2023	Δ	Q4 2022	Δ
<b>Income statement</b>					
Net interest income	864	792	9%	839	3%
Total income	934	906	3%	928	1%
Net profit	326	321	2%	346	-6%
Earnings per share before dilution, SEK	151	149	2%	162	-7%
Earnings per share after dilution, SEK	151	149	2%	162	-7%
<b>Balance sheet</b>					
Loans to the public	45,470	44,139	3%	41,490	10%
Deposits and borrowings from the public	42,663	39,870	7%	36,842	16%
Debt securities in issue	1,248	1,865	-33%	3,337	-63%
Subordinated liabilities	-	-	-	-	-
Total equity (shareholders of Norion Bank AB)	7,803	7,493	4%	6,570	19%
<b>Key ratios<sup>1)</sup></b>					
Net interest margin (NIM) - Period <sup>2)</sup>	7.7%	7.4%		8.1%	
Net interest margin (NIM) - LTM <sup>2)</sup>	7.6%	7.6%		7.5%	
Credit loss level - Period <sup>2)</sup>	2.4%	2.6%		2.5%	
Credit loss level - LTM <sup>2)</sup>	2.5%	2.5%		2.4%	
C/I ratio - Period <sup>2)</sup>	27.1%	24.5%		24.9%	
C/I ratio - LTM <sup>2)</sup>	25.6%	25.1%		25.9%	
Return on equity (RoE) - Period <sup>2)</sup>	16.3%	16.6%		20.8%	
Return on equity (RoE) - LTM <sup>2)</sup>	17.2%	18.3%		18.3%	
CET1 ratio <sup>3)</sup>	15.9%	15.1%		14.3%	
Tier 1 ratio <sup>3)</sup>	17.0%	16.2%		15.4%	
Total capital ratio <sup>3)</sup>	17.0%	16.2%		15.4%	
Average number of full-time employees	357	349	2%	327	9%
<b>Adjusted key ratios<sup>1)</sup></b>					
Net interest margin (NIM) - Period <sup>2)</sup>	7.7%	7.4%		8.1%	
Net interest margin (NIM) - LTM <sup>2)</sup>	7.6%	7.6%		7.5%	
Credit loss level - Period <sup>2)</sup>	2.4%	2.6%		2.5%	
Credit loss level - LTM <sup>2)</sup>	2.5%	2.5%		2.4%	
C/I ratio - Period <sup>2)</sup>	27.1%	24.5%		24.9%	
C/I ratio - LTM <sup>2)</sup>	25.6%	25.1%		25.9%	
Return on equity (RoE) - Period <sup>2)</sup>	16.3%	16.6%		20.8%	
Return on equity (RoE) - LTM <sup>2)</sup>	17.2%	18.3%		18.2%	

<sup>1)</sup> See Definitions, pages 23-24, and [norianbank.se/en-se/investor-relations-en/financial-information/key-financials](https://norianbank.se/en-se/investor-relations-en/financial-information/key-financials) for more information about key ratios

<sup>2)</sup> Key ratios that have not been prepared in accordance with IFRS but are deemed to facilitate the analysis of Norion Bank's development. See Definitions, pages 23-24

<sup>3)</sup> Key ratios according to capital adequacy rules (CRR). See note 12, pages 44-46



## Key ratios Group, cont.

SEKm	Jan-Dec 2023	Jan-Dec 2022	Δ
<b>Income statement</b>			
Net interest income	3,291	2,899	14%
Total income	3,648	3,212	14%
Net profit	1,294	1,141	13%
Earnings per share before dilution, SEK	6.02	5.34	13%
Earnings per share after dilution, SEK	6.02	5.34	13%
<b>Balance sheet</b>			
Loans to the public	45,470	41,490	10%
Deposits and borrowings from the public	42,663	36,842	16%
Debt securities in issue	1,248	3,337	-63%
Subordinated liabilities	-	-	-
Total equity (shareholders of Norion Bank AB)	7,803	6,570	19%
<b>Key ratios<sup>1)</sup></b>			
Net interest margin (NIM) - Period <sup>2)</sup>	76%	75%	
Net interest margin (NIM) - LTM <sup>2)</sup>	76%	75%	
Credit loss level - Period <sup>2)</sup>	2.5%	2.4%	
Credit loss level - LTM <sup>2)</sup>	2.5%	2.4%	
C/I ratio - Period <sup>2)</sup>	25.6%	25.9%	
C/I ratio - LTM <sup>2)</sup>	25.6%	25.9%	
Return on equity (RoE) - Period <sup>2)</sup>	17.2%	18.3%	
Return on equity (RoE) - LTM <sup>2)</sup>	17.2%	18.3%	
CET1 ratio <sup>3)</sup>	15.9%	14.3%	
Tier 1 ratio <sup>3)</sup>	17.0%	15.4%	
Total capital ratio <sup>3)</sup>	17.0%	15.4%	
Average number of full-time employees	343	308	11%
<b>Adjusted key ratios<sup>1)</sup></b>			
Net interest margin (NIM) - Period <sup>2)</sup>	76%	75%	
Net interest margin (NIM) - LTM <sup>2)</sup>	76%	75%	
Credit loss level - Period <sup>2)</sup>	2.5%	2.4%	
Credit loss level - LTM <sup>2)</sup>	2.5%	2.4%	
C/I ratio - Period <sup>2)</sup>	25.6%	25.9%	
C/I ratio - LTM <sup>2)</sup>	25.6%	25.9%	
Return on equity (RoE) - Period <sup>2)</sup>	17.2%	18.2%	
Return on equity (RoE) - LTM <sup>2)</sup>	17.2%	18.2%	

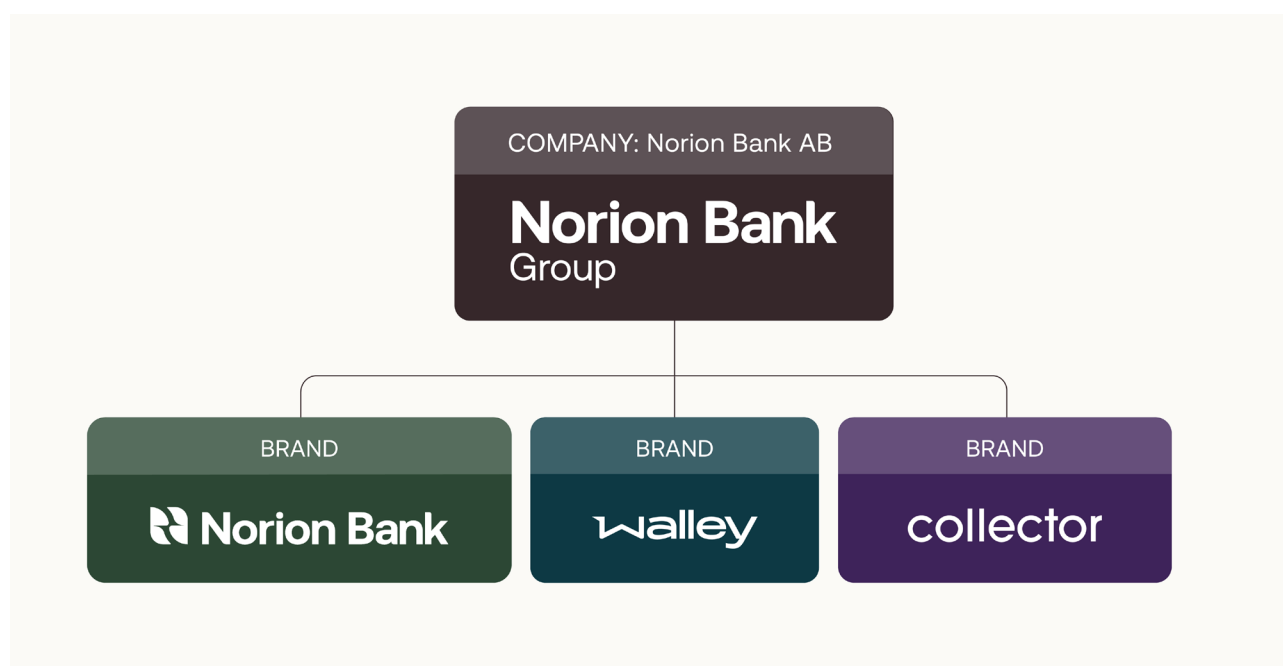
<sup>1)</sup> See Definitions, pages 23-24, and [norianbank.se/en-se/investor-relations-en/financial-information/key-financials](https://norianbank.se/en-se/investor-relations-en/financial-information/key-financials) for more information about key ratios

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# Collector Bank has become Norion Bank

## – One company operating under three brands



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

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

# Norion Bank Group

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



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



Payment and checkout solutions for merchants and private customers.



Personal loans and credit cards for private individuals as well as savings accounts for private individuals and corporates.

# A comment from our CEO

During both 2022 and 2023, we have found ourselves in an uncertain geopolitical and macroeconomic environment characterized by high inflation and interest rate increases. By the end of 2023, we have however seen a stabilization among central banks when it comes to market rate adjustments, and inflation is starting to come down to lower levels. Expectations now include a more stabilized rate path which creates increased visibility. We are still humble towards the future outlook but hope that the somewhat increased clarity creates some comfort among our clients.

## Operating development

2023 has come to an end, and we can conclude that Norion Bank has presented yet another year of stable results, and we also have a strong capital position. Looking forward, we are planning to redeem our AT1 bond of SEK 500 million by the end of March 2024. The bank will however maintain good margins in relation to the regulatory requirements. Over time, we aim to work with an efficient capital planning strategy, which includes issuance of hybrid capital instruments.

Overall, we have had a selective approach towards volume growth. However, we have taken advantage of more opportunities during the second half of the year as we have completed transactions at good risk adjusted returns. Engagement levels among existing and potential clients remain high and during the second half of the year we have seen somewhat increased optimism among our corporate and real estate clients. We have consequently had a good loan book growth during the fourth quarter within the Corporate as well as Real Estate segments.

The Consumer segment also continues to develop well, and our transformation, which includes focus on increased proprietary distribution and customers with sound risk profiles, proceeds according to plan. The Consumer loan book has increased during the fourth quarter as well, however not at the same pace as during the third quarter. Our strategy, focusing on sound and sustainable lending, remains.


Payments shows as stable development. Transaction volumes have increased during the full year, and the fourth quarter shows a customary seasonally strong growth. We continue to develop our partnerships with existing merchants, and by the end of the year we entered into a partnership with XXL, which will be launched later in 2024.

## New financial targets

In the beginning of 2024, we published new financial targets to create enhanced clarity with regards to the expected financial development for the company. Norion Bank's strategy is to maintain good risk adjusted profitability and our new financial targets relate to profitability, capital adequacy and dividend policy. More information about the financial targets is available on page 10 in this year-end report and in the press release that was published on 6 February 2024.

**Martin Nossman**  
CEO





MARTIN NOSSMAN, CEO

“Stabilized  
market rates create  
increased visibility.”

# Financial targets

Norion Bank's strategy is to maintain good risk adjusted profitability. In line with this strategy, the Board of Norion Bank adopted the following financial targets on 6 February 2024:

## Profitability

Norion Bank aims to achieve a sustainable return on equity above 15% over time.

## Capital adequacy

Norion Bank's aim is that all capital ratios shall exceed the regulatory requirement by 200-400 basis points.

## Dividend policy

Norion Bank's policy is to distribute potential surplus capital in relation to the capital adequacy target, subject to the bank's future outlook and capital planning, to its shareholders.







# The Group's development

## Total income for the fourth quarter of 2023

Total income amounted to SEK 934 million (928) corresponding to an increase of 1% compared to last year. Net interest income increased by 3% compared to the previous year and amounted to SEK 864 million (839). Higher market rates have, during a longer period, had a positive impact on interest income. Funding costs have also increased following higher policy rates. The net interest margin amounted to 7.7% (8.1). Net commission income remains unchanged compared to last year and amounted to SEK 73 million (73). Net gains and losses on financial items amounted to SEK -11 million (6). Other income amounted to SEK 8 million (10).

## Total income for the period January-December 2023

Total income amounted to SEK 3,648 million (3,212) during the period January-December 2023, corresponding to an increase of 14% compared to last year. Net interest income amounted to SEK 3,291 million (2,899) during the period January-December 2023, corresponding to an increase of 14%. The net interest margin amounted to 7.6% (7.5) during the period January-December 2023. Net commission income amounted to SEK 295 million (299) during the period January-December 2023, corresponding to a decrease of 1% compared to last year. Net gains and losses on financial items amounted to SEK 24 million (-24). Other income amounted to SEK 38 million (39).

## Total expenses

Total expenses amounted to SEK 934 million (832) during the period January-December 2023, of which SEK 253 million (231) pertain to the fourth quarter of 2023. The C/I ratio for the period January-December 2023 amounted to 25.6% (25.9) and to 27.1% (24.9) in the fourth quarter of 2023. Norion Bank hence continues to prove solid cost control.

## Loan portfolio

The total loan portfolio amounted to SEK 45,470 million (41,490) by the end of the fourth quarter of 2023, corresponding to an increase of 10% compared to last year and an increase of 3% compared to the previous quarter. The Corporate loan portfolio has decreased by 8% compared to the previous year and increased by 2% compared to the previous quarter. The Real Estate loan portfolio has increased by 23% compared to the previous year and increased by 4% compared to the previous quarter. The Consumer loan portfolio has increased by 6% compared to the previous year and increased by 2% compared to the previous quarter. The Payments loan portfolio has increased by 12% compared to the previous year and increased by 5% compared to the previous quarter. Out of the total loan portfolio, Corporate amounted to 21% (25), Real Estate amounted to 47% (42), Consumer amounted to 24% (25), Payments amounted to 6% (6) and Other amounted to 1% (2) by the end of the quarter.

## Credit losses

The credit loss level for the period January-December 2023 amounted to 2.5% (2.4) and to 2.4% (2.5) in the fourth quarter of 2023. The credit loss level for 2023 reflects the global uncertainty driven by the geopolitical and macroeconomic developments during the year.

## Operating profit, net profit, EPS and RoE

Operating profit amounted to SEK 1,636 million (1,442) during the period January-December 2023 and to SEK 414 million (437) in the fourth quarter of 2023. Net profit amounted to SEK 1,294 million (1,141) during the period January-December 2023 and to SEK 326 million (346) in the fourth quarter of 2023. Earnings per share amounted to SEK 6.02 (5.34) during the period January-December 2023 and to SEK 1.51 (1.62) in the fourth quarter of 2023. Return on equity amounted to 17.2% (18.3) during the period January-December 2023 and to 16.3% (20.8) in the fourth quarter of 2023.

## Non-recurring items

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

### 2023

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

### 2022

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

## Liquidity

Norion Bank's total liquidity amounted to SEK 7,508 million (6,287) as of 31 December 2023. Total liquidity consists of a liquidity portfolio (Bonds and other interest-bearing securities as well as Treasury bills and other bills eligible for refinancing with central banks, etc.) and other liquid assets (Loans to credit institutions). The liquidity portfolio consists of highly liquid assets, e.g. municipal bonds, covered bonds and government issued securities, and amounted to SEK 4,304 million (3,237) as of 31 December 2023. Other liquid assets mainly consist of deposit accounts with Nordic banks and amounted to SEK 3,203 million (3,050) as of 31 December 2023.



## Funding

Deposits and borrowings from the public amounted to approximately 79% (76) of Norion Bank's balance sheet, which by the end of the period amounted to SEK 42,663 million (36,842). This is the primary source of funding for the Group. Senior unsecured bonds issued amounted to SEK 1,248 million (3,287). Commercial papers issued amounted to SEK 0 million (50).

## Capital adequacy

Norion Bank has received permission from the Swedish Financial Supervisory Authority to include net profit for the period in own funds. A review of net profit for the period for Norion Bank AB has been performed by the bank's auditor, and Norion Bank has been allowed to include net profit in the Common Equity Tier 1 capital. Norion Bank AB has received permission by the Swedish Financial Supervisory Authority to use its right to early redemption of the AT1 bond of SEK 500 million, that was issued in 2019, and the bank is planning to redeem the bond at the end of the first quarter of 2024. The Tier 1 ratio and total capital ratio will consequently decrease. The bank will however maintain good margins in relation to the regulatory requirements. Over time, Norion Bank aims to work with an efficient capital planning strategy, which includes issuance of both Additional Tier 1 and Tier 2 instruments. At the end of the period, the risk-weighted exposure amount was SEK 46,862 million (45,244). As of 31 December 2023, the CET1 ratio amounted to 15.9% (14.3), the Tier 1 ratio to 17.0% (15.4) and the total capital ratio to 17.0% (15.4).

In the beginning of the fourth quarter of 2023, the Swedish Financial Supervisory Authority granted Norion Bank AB permission to use the alternative standardised approach for calculating the own funds requirement for operational risk. The permission has strengthened the bank's capital position with approximately 0.8 percentage points.

## The macroeconomic environment

Central Banks all around the world have carried out policy rate increases continuously during 2022 and 2023. The policy rate increases have started to yield results even though inflation remains at a slightly elevated level. Macroeconomic forecasts have been revised down during the last year, but the market now seem to expect a more stabilized interest rate path in the near term.

# Cautious market but increased optimism

The loan portfolio of the Corporate segment amounted to SEK 9,705 million (10,570), corresponding to a decrease of 8% over the previous year and an increase of 2% over the previous quarter. The Corporate segment accounted for 21% (25) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 179 million (210) during the quarter and to SEK 777 million (706) during the period January-December 2023. The net interest margin (NIM) amounted to 7.8% compared to 8.0% in the same quarter last year and 8.0% in the previous quarter. The NIM amounted to 7.6% (7.5) during the period January-December 2023. The total income margin amounted to 7.4% compared to 7.9% in the same quarter last year and 9.1% in the previous quarter. The total income margin amounted to 7.7% (7.6) during the period January-December 2023. The NIM and total income margins can vary between periods dependent on when amortizations and disbursements of new loans are made during respective period.

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

## Norion Bank

### Corporate

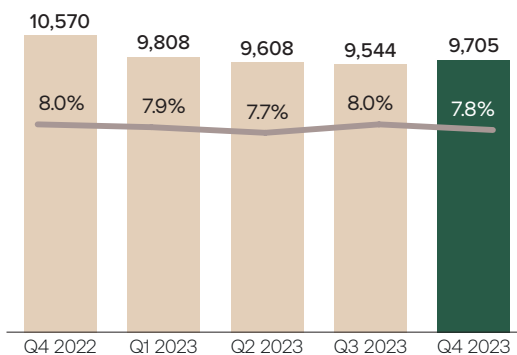
Norion Bank offers corporate loans and factoring solutions with particular focus on medium-sized companies in Sweden, Norway and Finland in a wide range of industries. Corporate loans are issued to companies against collateral. Factoring solutions primarily comprise purchasing of invoices both with and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



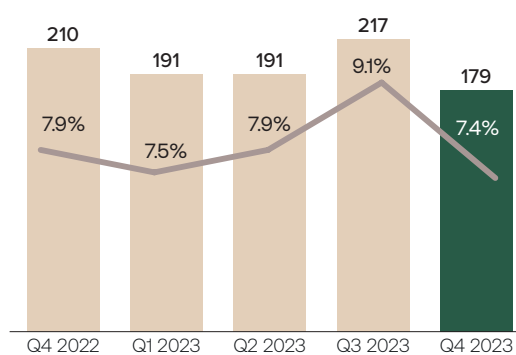
Photo: Anna Roström

## DEVELOPMENT IN THE CORPORATE SEGMENT

Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)



Geographic split <sup>1)</sup>



Sweden, 33%  
Norway, 29%  
Finland, 20%  
Other, 18%

Industry split <sup>1)</sup>



Manufacturing, 25%  
Business services, 20%  
Wholesale & Retail, 20%  
Financial services & Investment companies, 17%  
Information & Communication, 4%  
Other, 13%

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

**14**  
Average remaining maturity (months) <sup>2)</sup>

<sup>1)</sup> Based on the Corporate loan portfolio as of 31 December 2023  
<sup>2)</sup> Corporate lending

# Stable development and enhanced market sentiment

The loan portfolio of the Real Estate segment amounted to SEK 21,432 million (17,411), corresponding to an increase of 23% over the previous year and an increase of 4% over the previous quarter. The Real Estate segment accounted for 47% (42) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 336 million (339) during the quarter and to SEK 1,248 million (1,077) during the period January–December 2023. The net interest margin (NIM) amounted to 6.6% compared to 7.8% in the same quarter last year and 5.6% in the previous quarter. The NIM amounted to 6.5% (6.8) during the period January–December 2023. The total income margin amounted to 6.4% compared to 7.9% in the same quarter last year and 5.3% in the previous quarter. The total income margin amounted to 6.4% (7.0) during the period January–December 2023. The NIM and total income margins can vary between periods dependent on when amortizations and disbursements of new loans are made during respective period.

Despite muted market activity, demand for bank financing remains driven by i.a. lower activity on the bond market. Engagement levels among existing and potential clients remain high, and stabilized market rates have contributed to a somewhat more positive market sentiment. On the back of the macroeconomic developments, Norion Bank has applied a more selective approach with regards to completed transaction. The majority of the Real Estate portfolio still constitutes of senior loans, which amounted to 58% (63) by the end of the quarter. Norion Bank has an attractive position within the Real Estate segment which is one of the company's focus areas going forward.

## Norion Bank

### Real Estate

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

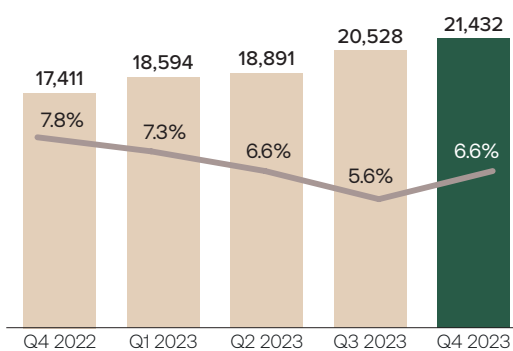


Photo: Anna Roström

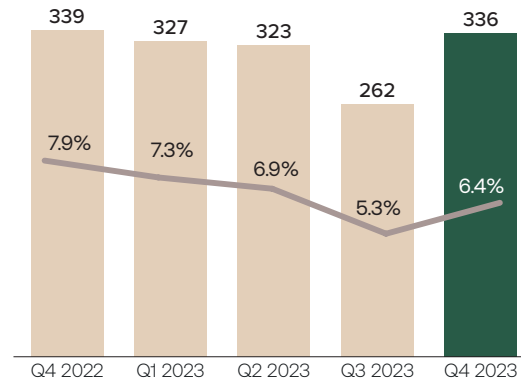


## DEVELOPMENT IN THE REAL ESTATE SEGMENT

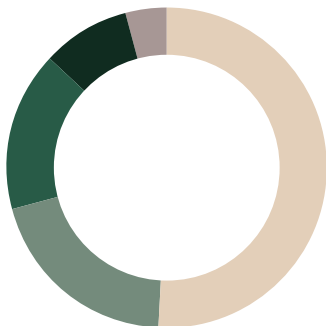
Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)



Geographic split <sup>1)</sup>



Sweden, 51%  
Germany, 20%  
Finland, 16%  
Denmark, 9%  
Other, 4%

Industry split <sup>1)</sup>



Residential, 40%  
Office, 25%  
Retail, 8%  
Hotels, 8%  
Warehouse, 6%  
Other, 13%

**114** SEKm  
Average loan in the portfolio

**13**  
Average remaining maturity  
(months)

Share of senior loans ▶ **58%**

Share of junior loans ▶ **42%**

Average LTV – senior loans ▶ **58%**

Average LTV – junior loans ▶ **70%**

<sup>1)</sup> Based on the Real Estate loan portfolio as of 31 December 2023

# The transformation continues according to plan

The loan portfolio of the Consumer segment amounted to SEK 11,005 million (10,367), corresponding to an increase of 6% over the previous year and an increase of 2% over the previous quarter. The Consumer segment accounted for 24% (25) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 205 million (207) during the quarter and to SEK 852 million (879) during the period January–December 2023. The net interest margin (NIM) amounted to 71% compared to 74% in the same quarter last year and 71% in the previous quarter. The NIM amounted to 74% (76) during the period January–December 2023. The total income margin amounted to 75% compared to 79% in the same quarter last year and 77% in the previous quarter. The total income margin amounted to 80% (81) during the period January–December 2023.

Loan book volumes have been declining during the last few years given Norion Bank's focus on increasing risk adjusted profitability within the segment. The third quarter experienced stronger quarterly volume growth following an increase in new sales coupled with less early redemptions, and the fourth quarter has experienced a similar development. The focus on improving credit quality in new sales and increasing sales through own channels have yielded results. Increased profitability and sound and sustainable lending remain prioritized areas for the segment.

## collector

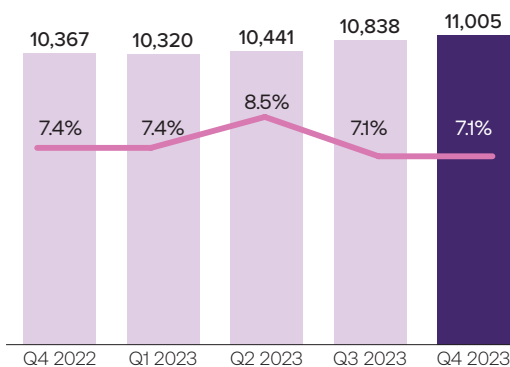
### Consumer

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

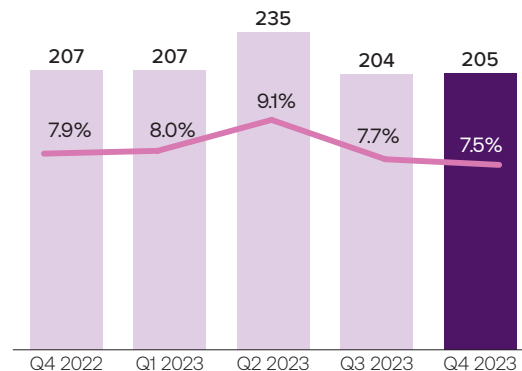


## DEVELOPMENT IN THE CONSUMER SEGMENT

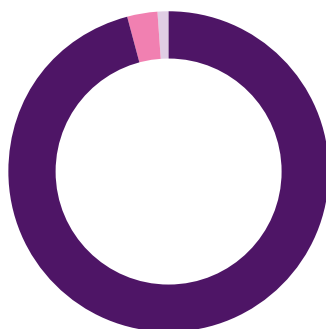
Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)



Geographic split <sup>1)</sup>



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

Average customer

Personal loans



Personal loans

202,000

Average loan new sales  
(SEK, LTM)

159,000

Average loan in the portfolio (SEK)

~40%

New sales through own channels

52,000

Customers

Credit cards

24,000

Cards outstanding

<sup>1)</sup> Based on the Consumer loan portfolio as of 31 December 2023

# Seasonally strong transaction volumes

The loan portfolio of the Payments segment amounted to SEK 2,763 million (2,476), corresponding to an increase of 12% over the previous year and an increase of 5% over the previous quarter. The Payments segment accounted for 6% (6) of Norion Bank's loan portfolio by the end of the quarter. Total income amounted to SEK 113 million (116) during the quarter and to SEK 464 million (481) during the period January–December 2023. The net interest margin (NIM) amounted to 6.8% compared to 8.5% in the same quarter last year and 8.3% in the previous quarter. The NIM amounted to 7.5% (8.8) during the period January–December 2023. The total income margin amounted to 16.7% compared to 19.1% in the same quarter last year and 19.8% in the previous quarter. The total income margin amounted to 17.7% (19.5) during the period January–December 2023.

Transaction volumes amounted to SEK 4,239 million (3,727) during the fourth quarter of 2023, which corresponds to an increase of 14% compared to the same quarter last year. Transaction volumes amounted to SEK 14,531 million (13,642) during the period January–December 2023, which corresponds to an increase of 7% compared to the same period last year. Transaction volumes have increased, despite slightly challenging conditions for the e-commerce market, and have experienced a seasonally strong development during the fourth quarter. Profitable growth, in combination with satisfied merchants and end customers, remain as core focus for the Payments business.

**Walley**

## Payments

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

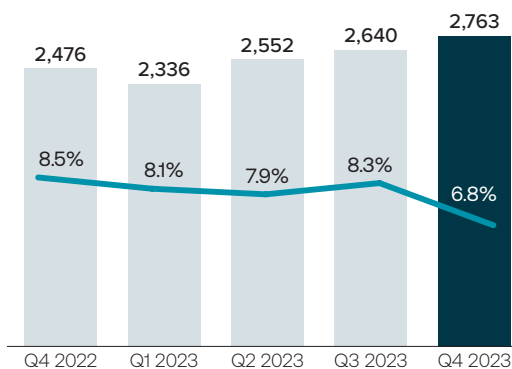


Loan portfolio

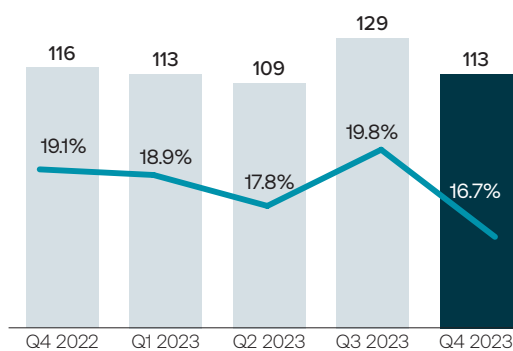


## DEVELOPMENT IN THE PAYMENTS SEGMENT

Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)

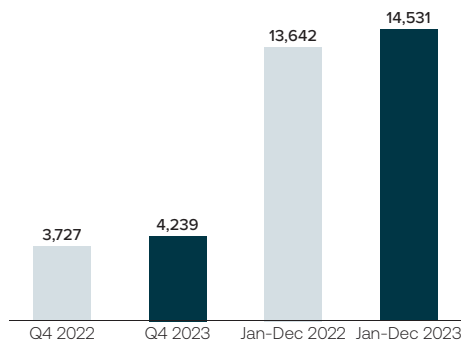


Geographic split <sup>1)</sup>



Sweden, 47%  
Finland, 40%  
Norway, 12%  
Denmark, 1%

Transaction volumes (SEKm)



**Q4 2023**  
(Q4 2022)

**+14%**  
% change

**Jan-Dec 2023**  
(Jan-Dec 2022)

**+7%**  
% change

**4.7 M**  
Active customers  
(LTM)

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

<sup>1)</sup> Based on the Payments loan portfolio as of 31 December 2023

# Other information

## Material risks and uncertainty factors

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

## A company regulated by the Swedish Financial Supervisory Authority

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

## Employees

During the quarter, the average number of full-time employees (FTE) amounted to 357, which corresponds to an increase of 9% compared to the corresponding quarter last year. The number of full-time employees includes employees on fixed-term contracts, but not employees on parental leave or a leave of absence.

## The Norion Bank share

Norion Bank's share ("NORION") is listed on Nasdaq Stockholm. As of 29 December 2023, the closing price for the Norion Bank share was SEK 43.35, corresponding to a market capitalization of SEK 8.9 billion. There were approximately 9,900 shareholders at the end of the period.

## Share capital

As of 31 December 2023, the share capital amounted to SEK 20,538,100, divided into 205,381,004 ordinary shares. The Company has a single share series. Each share entitles the shareholder to one vote at the General Meeting.

## Dividend

Norion Bank's policy is to distribute potential surplus capital in relation to the capital adequacy target, subject to the bank's future outlook and capital planning, to its shareholders.

<sup>1)</sup> Privately and through wholly owned companies.

Shareholders at 31 December 2023	%
Fastighets AB Balder	44.1%
Erik Selin <sup>1)</sup>	18.0%
Provobis Holding AB	6.9%
State Street Bank and Trust Company	4.6%
Helichrysum Gruppen AB	3.0%
Nordnet Pensionsförsäkring	2.7%
JME Invest AB	2.0%
Brunnudden Kapital AS	1.4%
Vante AB	1.4%
Avanza Pension	1.1%
Other shareholders	14.8%
<b>Total</b>	<b>100.0%</b>

## Presentation for investors and analysts

A conference call will be held on 7 February 2024 at 10:30 a.m. (CET), during which CEO Martin Nossman and CFO Peter Olsson will present the report. The presentation will be held in Swedish and will be broadcasted live on <https://ir.financialhearings.com/norion-bank-q4-2023>. For those who wish to participate in the conference call, please register on the following link: <https://conference.financialhearings.com/teleconference/?id=5006218>. After registration, you will be provided a phone number and a conference ID to access the conference call. The presentation material will be in English and be available prior to the presentation on the website <https://www.norionbank.se/en-se/investor-relations-en/financial-information/reports-and-presentations>.

## Significant events after the period

On 6 February 2024, a press release regarding Norion Bank's new financial targets was published. Norion Bank's strategy is to maintain good risk adjusted profitability and the company's new financial targets relate to profitability, capital adequacy and dividend policy. For more information, see the press release and page 10 in this year-end report.

# Definitions

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

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

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

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

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

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

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

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

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

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

## **C/I ratio**

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

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

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

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

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

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

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

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

## **Credit loss level**

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

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

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

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

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

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

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

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

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

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

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

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

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

<sup>1)</sup> Not alternative performance measures.

# Definitions cont.

## Return on equity (RoE)

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

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

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

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

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

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

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

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

## Total income margin

### **Total income margin - Period**

Total income for the period in relation to average loans to the public for the period.

## Other

### **Adjusted net interest income**

Net interest income adjusted for non-recurring items.

### **Adjusted total income**

Total income adjusted for non-recurring items.

### **Adjusted total expenses**

Total expenses adjusted for non-recurring items.

### **Adjusted operating profit**

Operating profit adjusted for non-recurring items.

### **Adjusted net profit**

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

### **Non-recurring items**

Income and expenses that are not expected to appear on a regular basis. See The Group's development, pages 12-13.

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

Common Equity Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 44-46.

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

Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 44-46.

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

Total own funds in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 12, pages 44-46.

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

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

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







# Income statement

## Group

SEKm	Note	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
Interest income <sup>1)</sup>		1 282	1 162	1 008	4 609	3 385
Interest expense <sup>2)</sup>		-418	-369	-169	-1 318	-486
<b>Net interest income</b>	4	<b>864</b>	<b>792</b>	<b>839</b>	<b>3 291</b>	<b>2 899</b>
Commission income		85	85	83	339	342
Commission expense		-12	-11	-11	-44	-43
<b>Net commission income</b>		<b>73</b>	<b>74</b>	<b>73</b>	<b>295</b>	<b>299</b>
Net gains and losses on financial items		-11	30	6	24	-24
Other income <sup>3)</sup>		8	10	10	38	39
<b>Total income</b>		<b>934</b>	<b>906</b>	<b>928</b>	<b>3 648</b>	<b>3 212</b>
Personnel expenses	5	-96	-79	-92	-357	-321
Other expenses	6	-140	-126	-122	-509	-448
Depreciation/amortization and impairment of tangible and intangible assets		-17	-17	-17	-67	-63
<b>Total expenses</b>		<b>-253</b>	<b>-222</b>	<b>-231</b>	<b>-934</b>	<b>-832</b>
<b>Profit before credit losses</b>		<b>681</b>	<b>684</b>	<b>697</b>	<b>2 714</b>	<b>2 381</b>
Credit losses, net	7	-268	-280	-260	-1 078	-938
<b>Operating profit</b>		<b>414</b>	<b>405</b>	<b>437</b>	<b>1 636</b>	<b>1 442</b>
Tax expense		-87	-84	-91	-342	-302
<b>Net profit for the period</b>		<b>326</b>	<b>321</b>	<b>346</b>	<b>1 294</b>	<b>1 141</b>
<b>Portion of net profit for the period attributable to:</b>						
shareholders of Norion Bank AB		311	305	333	1 236	1 097
additional Tier 1 capital holders		16	15	13	58	44
Earnings per share, before dilution, SEK <sup>3)</sup>		1,51	1,49	1,62	6,02	5,34
Earnings per share, after dilution, SEK <sup>3)</sup>		1,51	1,49	1,62	6,02	5,34

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

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

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



# Statement of comprehensive income

Group

	Note	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm						
<b>Net profit for the period reported via income statement</b>		326	321	346	1 294	1 141
<b>Items that have been or may be reclassified to the income statement</b>						
Exchange rate differences on translation of foreign currency		-1	0	1	-3	2
<b>Other comprehensive income for the period, net of tax</b>		-1	0	1	-3	2
<b>Total comprehensive income for the period</b>		326	321	347	1 291	1 143
<b>Portion of total comprehensive income for the period attributable to:</b>						
shareholders of Norion Bank AB		311	305	334	1 233	1 099
additional Tier 1 capital holders		16	15	13	58	44

# Balance sheet

## Group

		Dec 31 2023	Dec 31 2022
SEKm	Note		
<b>ASSETS</b>			
Treasury bills and other bills eligible for refinancing with central banks, etc.	13	346	267
Loans to credit institutions		3 203	3 050
Loans to the public	8, 9	45 470	41 490
Bonds and other interest-bearing securities	13	3 958	2 970
Shares and participating interests	13	664	533
Intangible assets		104	79
Tangible assets		109	137
Derivatives	13	47	-
Other assets		42	68
Prepaid expenses and accrued income		112	82
<b>Total assets</b>		<b>54 056</b>	<b>48 676</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits and borrowings from the public	10	42 663	36 842
Debt securities in issue	11	1 248	3 337
Derivatives	13	-	7
Other liabilities		799	687
Accrued expenses and prepaid income		1 042	733
<b>Total liabilities</b>		<b>45 753</b>	<b>41 606</b>
Equity attributable to additional Tier 1 capital holders		500	500
Equity attributable to the shareholders of Norion Bank AB		7 803	6 570
<b>Total equity</b>		<b>8 303</b>	<b>7 070</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>54 056</b>	<b>48 676</b>

# Statement of changes in equity

Group

January - December 2023	Equity attributable to the shareholders of Norion Bank AB				Total	Additional Tier 1 instruments holders <sup>1)</sup>	Total equity
	Share capital	Other contributed capital	Exchange differences, subsidiaries and associates	Retained earnings, incl. net profit for the period			
SEKm							
Opening balance 1 January 2023	149	5	-2	6 418	6 570	500	7 070
Comprehensive income for the period							
Profit for the period				1 236	1 236	58	1 294
Other comprehensive income for the period			-3		-3		-3
<b>Total comprehensive income for the period</b>			<b>-3</b>	<b>1 236</b>	<b>1 233</b>	<b>58</b>	<b>1 291</b>
Transactions reported directly in equity							
Additional Tier 1 instruments redeemed						-58	-58
<b>Total transactions reported directly in equity</b>						<b>-58</b>	<b>-58</b>
<b>Closing balance 31 december 2023</b>	<b>149</b>	<b>5</b>	<b>-5</b>	<b>7 654</b>	<b>7 803</b>	<b>500</b>	<b>8 303</b>

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

Group

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

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

# Cash flow statement

Group

	Full year 2023	Full year 2022
SEKm		
<b>Operating activities</b>		
Operating profit	1 636	1 442
Adjustments for non-cash items in operating activities	1 372	862
Income taxes paid	-272	-156
Increase/decrease in assets and liabilities from operating activities	-374	-1 871
<b>Cash flow from operating activities</b>	<b>2 362</b>	<b>277</b>
<b>Investing activities</b>		
Acquisitions/disposals of tangible assets	-1	-1
Acquisitions/disposals of intangible assets	-57	-38
<b>Cash flow from investing activities</b>	<b>-58</b>	<b>-39</b>
<b>Financing activities</b>		
Decrease of liabilities	-33	-31
Additional Tier 1 instruments	-58	-44
Redemption of interest-bearing securities	-2 297	-4 384
Issuance of interest-bearing securities	247	1 970
<b>Cash flow from financing activities</b>	<b>-2 141</b>	<b>-2 489</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>3 050</b>	<b>5 228</b>
Cash flow for the period	163	-2 251
Exchange rate differences in cash and cash equivalents	-10	73
<b>Cash and cash equivalents at the end of the period</b>	<b>3 203</b>	<b>3 050</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>		
Interest paid	1 134	454
Interest received	4 581	3 384

# Income statement

## Norion Bank AB

SEKm	Note	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
Interest income <sup>1)</sup>		1 282	1 162	1 008	4 609	3 385
Interest expense <sup>2)</sup>		-418	-369	-169	-1 318	-486
<b>Net interest income</b>	4	<b>864</b>	<b>792</b>	<b>839</b>	<b>3 291</b>	<b>2 899</b>
Commission income		85	85	83	339	342
Commission expense		-12	-11	-11	-44	-43
<b>Net commission income</b>		<b>73</b>	<b>74</b>	<b>73</b>	<b>295</b>	<b>299</b>
Net gains and losses on financial items		-11	30	6	24	-24
Other income		8	10	10	38	40
<b>Total income</b>		<b>934</b>	<b>906</b>	<b>928</b>	<b>3 648</b>	<b>3 213</b>
Personnel expenses	5	-96	-79	-92	-357	-321
Other expenses	6	-140	-126	-122	-509	-448
Depreciation/amortization and impairment of tangible and intangible assets		-17	-17	-17	-67	-63
<b>Total expenses</b>		<b>-253</b>	<b>-222</b>	<b>-231</b>	<b>-934</b>	<b>-832</b>
<b>Profit before credit losses</b>		<b>681</b>	<b>684</b>	<b>697</b>	<b>2 714</b>	<b>2 382</b>
Credit losses, net	7	-268	-280	-260	-1 078	-938
<b>Operating profit</b>		<b>414</b>	<b>405</b>	<b>437</b>	<b>1 636</b>	<b>1 443</b>
Appropriations		-288	-	-277	-288	-277
Tax expense		-30	-84	-35	-285	-246
<b>Net profit for the period</b>		<b>95</b>	<b>321</b>	<b>125</b>	<b>1 063</b>	<b>920</b>
<b>Portion of net profit for the period attributable to:</b>						
shareholders of Norion Bank AB		80	305	112	1 005	876
additional Tier 1 capital holders		16	15	13	58	44

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

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



# Statement of comprehensive income

Norion Bank AB

SEKm	Note	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
<b>Net profit for the period reported via income statement</b>		95	321	125	1 063	920
<b>Items that have been or may be reclassified to the income statement</b>						
Exchange rate differences on translation of foreign currency		-1	0	1	-3	1
<b>Other comprehensive income for the period, net of tax</b>		<b>-1</b>	<b>0</b>	<b>1</b>	<b>-3</b>	<b>1</b>
<b>Total comprehensive income for the period</b>		<b>95</b>	<b>321</b>	<b>126</b>	<b>1 060</b>	<b>921</b>
<b>Portion of total comprehensive income for the period attributable to:</b>						
shareholders of Norion Bank AB		79	305	113	1 002	877
additional Tier 1 capital holders		16	15	13	58	44

# Balance sheet

Norion Bank AB

		Dec 31 2023	Dec 31 2022
SEKm	Note		
<b>ASSETS</b>			
Treasury bills and other bills eligible for refinancing with central banks, etc.	13	346	267
Loans to credit institutions		3 203	3 050
Loans to the public	8,9	45 470	41 490
Bonds and other interest-bearing securities	13	3 958	2 970
Shares and participating interests	13	664	533
Shares and participating interests in group entities		0	0
Intangible assets		104	79
Tangible assets		109	137
Derivatives	13	47	-
Other assets		42	68
Prepaid expenses and accrued income		112	82
<b>Total assets</b>		<b>54 056</b>	<b>48 676</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits and borrowings from the public	10	42 663	36 842
Debt securities in issue	11	1 248	3 337
Derivatives	13	-	7
Other liabilities		524	470
Accrued expenses and prepaid income		1 042	733
<b>Total liabilities</b>		<b>45 478</b>	<b>41 388</b>
Tax allocation reserve		1 320	1 032
<b>Total liabilities</b>		<b>1 320</b>	<b>1 032</b>
Equity attributable to additional Tier 1 capital holders		500	500
Equity attributable to the shareholders of Norion Bank AB		6 757	5 756
<b>Total equity</b>		<b>7 257</b>	<b>6 256</b>
<b>Total liabilities and equity</b>		<b>54 056</b>	<b>48 676</b>

# Statement of changes in equity

Norion Bank AB

January - December 2023	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 instruments <sup>1)</sup>	Retained earnings, incl. net profit for the period	
SEKm						
<b>Opening balance 1 January 2023</b>	<b>149</b>	<b>6</b>	<b>79</b>	<b>500</b>	<b>5 521</b>	<b>6 256</b>
Transfer of development expenses			23		-23	-
Cost additional Tier 1 instruments					-58	-58
Profit for the period					1 063	1 063
Other comprehensive income for the period		-3				-3
<b>Closing balance 31 December 2023</b>	<b>149</b>	<b>3</b>	<b>102</b>	<b>500</b>	<b>6 503</b>	<b>7 257</b>

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

Norion Bank AB

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

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

# Cash flow statement

Norion Bank AB

SEKm	Full year 2023	Full year 2022
<b>Operating activities</b>		
Operating profit	1 636	1 443
Adjustments for non-cash items in operating activities	1 372	861
Income taxes paid	-272	-156
Increase/decrease in assets and liabilities from operating activities	-374	-1 851
<b>Cash flow from operating activities</b>	<b>2 362</b>	<b>297</b>
<b>Investing activities</b>		
Acquisitions/disposals of tangible assets	-1	-1
Acquisitions/disposals of intangible assets	-57	-38
<b>Cash flow from investing activities</b>	<b>-58</b>	<b>-39</b>
<b>Financing activities</b>		
Decrease of liabilities	-33	-31
Additional Tier 1 instruments	-58	-44
Redemption of interest-bearing securities	-2 297	-4 384
Issuance of interest-bearing securities	247	1 970
Group contributions paid/received	0	-6
<b>Cash flow from financing activities</b>	<b>-2 141</b>	<b>-2 495</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>3 050</b>	<b>5 214</b>
Cash flow for the period	163	-2 237
Exchange rate differences in cash and cash equivalents	-10	73
<b>Cash and cash equivalents at the end of the period</b>	<b>3 203</b>	<b>3 050</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>		
Interest paid	1 134	454
Interest received	4 581	3 384



# Notes

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

## Note 1. General information

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

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

## Note 2. Accounting policies

### Accounting policies

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

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

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

### Changes in IFRS

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

## Note 3. Operating segments

Group

	Q4 2023					
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	Group
SEKm						
Net interest income	188	345	193	46	91	864
Net commission income	2	0	11	59	0	73
Net gains and losses on financial items	-12	-10	0	1	9	-11
Other income	0	0	0	7	1	8
<b>Total income</b>	<b>179</b>	<b>336</b>	<b>205</b>	<b>113</b>	<b>101</b>	<b>934</b>
Net interest margin (NIM)	7.8%	6.6%	7.1%	6.8%	-	7.7%
Total income margin	7.4%	6.4%	7.5%	16.7%	-	8.3%
Loans to the public	9 705	21 432	11 005	2 763	566	45 470

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

## NOTES

### Note 3. Operating segments, cont.

#### Group

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

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

#### Group

SEKm	Q4 2022					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	212	337	194	51	44	839
Net commission income	2	-	14	57	0	73
Net gains and losses on financial items	-5	2	-1	-1	12	6
Other income	0	0	0	9	0	10
<b>Total income</b>	<b>210</b>	<b>339</b>	<b>207</b>	<b>116</b>	<b>56</b>	<b>928</b>
Net interest margin (NIM)	8.0%	7.8%	7.4%	8.5%	-	8.1%
Total income margin	7.9%	7.9%	7.9%	19.1%	-	8.9%
Loans to the public	10 570	17 411	10 367	2 476	667	41 490

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

#### Group

SEKm	Full year 2023					Group
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	
Net interest income	766	1 260	795	197	274	3 291
Net commission income	15	0	55	225	0	295
Net gains and losses on financial items	-5	-12	2	6	32	24
Other income	1	0	0	36	1	38
<b>Total income</b>	<b>777</b>	<b>1 248</b>	<b>852</b>	<b>464</b>	<b>307</b>	<b>3 648</b>
Net interest margin (NIM)	7.6%	6.5%	7.4%	7.5%	-	7.6%
Total income margin	7.7%	6.4%	8.0%	17.7%	-	8.4%
Loans to the public	9 705	21 432	11 005	2 763	566	45 470

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

## NOTES

### Note 3. Operating segments, cont.

#### Group

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

Loans to the public	10 570	17 411	10 367	2 476	667	41 490
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<sup>1)</sup> Including eliminations.

### Note 4. Net interest income

#### Group

SEKm	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
Loans to the public <sup>1)</sup>	1 211	1 089	983	4 393	3 333
Interest-bearing securities	44	38	14	138	38
Loans to credit institutions	27	34	11	78	14
<b>Total interest income</b>	<b>1 282</b>	<b>1 162</b>	<b>1 008</b>	<b>4 609</b>	<b>3 385</b>
Deposits and borrowings from the public	-394	-335	-141	-1 188	-396
Subordinated liabilities	-	-	-	-	-11
Debt securities in issue	-24	-34	-28	-129	-78
Amounts owed to credit institutions	0	0	0	-1	-1
<b>Total interest expense</b>	<b>-418</b>	<b>-369</b>	<b>-169</b>	<b>-1 318</b>	<b>-486</b>
<b>Net interest income</b>	<b>864</b>	<b>792</b>	<b>839</b>	<b>3 291</b>	<b>2 899</b>

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

## NOTES

### Norion Bank AB

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
Loans to the public <sup>1)</sup>	1 211	1 089	983	4 393	3 333
Interest-bearing securities	44	38	14	138	38
Loans to credit institutions	27	34	11	78	14
<b>Total interest income</b>	<b>1 282</b>	<b>1 162</b>	<b>1 008</b>	<b>4 609</b>	<b>3 385</b>
Deposits and borrowings from the public	-394	-335	-141	-1 188	-396
Subordinated liabilities	-	-	-	-	-11
Debt securities in issue	-24	-34	-28	-129	-78
Amounts owed to credit institutions	0	0	0	-1	-1
<b>Total interest expense</b>	<b>-418</b>	<b>-369</b>	<b>-169</b>	<b>-1 318</b>	<b>-486</b>
<b>Net interest income</b>	<b>864</b>	<b>792</b>	<b>839</b>	<b>3 291</b>	<b>2 899</b>

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

## Note 5. Personnel expenses

### Group

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
Salaries and other remuneration	-63	-51	-63	-240	-219
Pension costs	-23	-18	-20	-82	-69
Social security costs	-8	-8	-7	-31	-27
Other staff related costs	-2	-1	-1	-4	-6
<b>Total personnel expenses</b>	<b>-96</b>	<b>-79</b>	<b>-92</b>	<b>-357</b>	<b>-321</b>

### Norion Bank AB

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
Salaries and other remuneration	-63	-51	-63	-240	-219
Pension costs	-23	-18	-20	-82	-69
Social security costs	-8	-8	-7	-31	-27
Other staff related costs	-2	-1	-1	-4	-6
<b>Total personnel expenses</b>	<b>-96</b>	<b>-79</b>	<b>-92</b>	<b>-357</b>	<b>-321</b>



## NOTES

### Note 6. Other expenses

#### Group

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
Consultancy expenses	-43	-40	-46	-174	-161
IT expenses	-25	-22	-19	-87	-73
Other purchased services	-38	-33	-29	-125	-101
Postage expenses	-7	-7	-7	-33	-32
Other operating expenses	-26	-24	-21	-90	-82
<b>Total other expenses</b>	<b>-140</b>	<b>-126</b>	<b>-122</b>	<b>-509</b>	<b>-448</b>

#### Norion Bank AB

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
Consultancy expenses	-43	-40	-46	-174	-161
IT expenses	-25	-22	-19	-87	-73
Other purchased services	-38	-33	-29	-125	-101
Postage expenses	-7	-7	-7	-33	-32
Other operating expenses	-26	-24	-21	-90	-82
<b>Total other expenses</b>	<b>-140</b>	<b>-126</b>	<b>-122</b>	<b>-509</b>	<b>-448</b>

### Note 7. Credit losses, net

#### Group and Norion Bank AB

	Q4 2023	Q3 2023	Q4 2022	Full year 2023	Full year 2022
SEKm					
<b>Loans at amortized cost</b>					
Credit impairment provisions - Stage 1	23	-30	-1	-69	3
Credit impairment provisions - Stage 2	13	-38	-91	-96	-146
Credit impairment provisions - Stage 3	-170	-167	-135	-629	-533
<b>Total</b>	<b>-134</b>	<b>-236</b>	<b>-227</b>	<b>-794</b>	<b>-676</b>
Portfolio revaluation - POCI	-	-	0	-	-51
<b>Impairment gains and losses - POCI</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-51</b>
Write-offs	-133	-44	-33	-284	-212
Recoveries	-	-	-	-	-
<b>Total</b>	<b>-133</b>	<b>-44</b>	<b>-33</b>	<b>-284</b>	<b>-212</b>
<b>Total credit impairment</b>	<b>-268</b>	<b>-280</b>	<b>-260</b>	<b>-1 078</b>	<b>-938</b>

## NOTES

### Note 8. Loans to the public

Group and Norion Bank AB

SEKm	Dec 31 2023	Dec 31 2022
<b>PRIVATE CUSTOMERS <sup>3)</sup></b>		
<b>Total gross carrying amount</b>	<b>18 438</b>	<b>17 077</b>
of which Stage 1	10 617	9 836
of which Stage 2	743	536
of which Stage 3	6 549	6 087
of which Stage 3 - POCI <sup>1)</sup>	529	618
<b>Total credit impairment provisions</b>	<b>-4 134</b>	<b>-3 594</b>
of which Stage 1	-271	-214
of which Stage 2	-235	-133
of which Stage 3	-3 628	-3 247
of which Stage 3 - POCI <sup>1)</sup>	-	-
<b>Total carrying amount, private customers</b>	<b>14 303</b>	<b>13 483</b>
<b>Private customers</b>		
Provision ratio for loans Stage 1	2.5%	2.2%
Provision ratio for loans Stage 2	31.7%	24.8%
Provision ratio for loans Stage 3	55.4%	53.3%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>	0.0 %	0.0 %
Total provision ratio, private customers <sup>2)</sup>	23.1%	21.8%
<b>CORPORATE CUSTOMERS <sup>4)</sup></b>		
<b>Total gross carrying amount</b>	<b>32 282</b>	<b>28 905</b>
of which Stage 1	25 118	24 939
of which Stage 2	5 330	3 107
of which Stage 3	1 834	859
<b>Total credit impairment provisions</b>	<b>-1 115</b>	<b>-898</b>
of which Stage 1	-152	-141
of which Stage 2	-219	-229
of which Stage 3	-744	-528
<b>Total carrying amount, corporate customers</b>	<b>31 167</b>	<b>28 007</b>
<b>Corporate customers</b>		
Provision ratio for loans Stage 1	0.6%	0.6%
Provision ratio for loans Stage 2	4.1%	7.4%
Provision ratio for loans Stage 3	40.6%	61.4%
Total provision ratio, corporate customers	3.5%	3.1%
<b>TOTAL</b>		
<b>Total gross carrying amount</b>	<b>50 720</b>	<b>45 982</b>
of which Stage 1	35 734	34 775
of which Stage 2	6 074	3 642
of which Stage 3	8 383	6 947
of which Stage 3 - POCI <sup>1)</sup>	529	618

## NOTES

Note 8. Loans to the public, cont.

Group and Norion Bank AB

SEKm	Dec 31 2023	Dec 31 2022
<b>Total credit impairment provisions</b>	<b>-5 249</b>	<b>-4 492</b>
of which Stage 1	-423	-355
of which Stage 2	-454	-362
of which Stage 3	-4 372	-3 775
of which Stage 3 - POCI <sup>1)</sup>	-	-
<b>Total carrying amount, Total</b>	<b>45 470</b>	<b>41 490</b>
Stage 3 loans / Total loans, gross, % <sup>2)</sup>	16.7%	15.3%
Stage 3 loans / Total loans, net, % <sup>2)</sup>	8.9%	7.8%
<b>Total</b>		
Provision ratio for loans Stage 1	1.2%	1.0%
Provision ratio for loans Stage 2	7.5%	9.9%
Provision ratio for loans Stage 3	52.2%	54.3%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>	0.0%	0.0%
Total provision ratio <sup>2)</sup>	10.5%	9.9%

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

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

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

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

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

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

Group and Norion Bank AB

SEKm	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance 1 January 2023</b>	<b>355</b>	<b>362</b>	<b>3 775</b>	<b>4 492</b>
New and derecognized financial assets, net	41	-51	256	247
Changes due to changed credit judgement	-	-	-	-
Changes due to change in credit risk	28	146	373	547
Other adjustments <sup>1)</sup>	-1	-4	-32	-37
<b>Closing balance 31 December 2023</b>	<b>423</b>	<b>454</b>	<b>4 372</b>	<b>5 249</b>

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

## NOTES

Note 8. Loans to the public, cont.

Group and Norion Bank AB

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

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

## Note 10. Deposits and borrowings from the public

Group and Norion Bank AB

SEKm	Dec 31 2023	Dec 31 2022
EUR	16 707	14 641
SEK	25 659	21 673
NOK	297	527
<b>Total</b>	<b>42 663</b>	<b>36 842</b>

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

DEBT SECURITIES IN ISSUE

Group and Norion Bank AB

SEKm	Dec 31 2023		Dec 31 2022	
	Carrying amount	Nominal amount	Carrying amount	Nominal amount
ISIN				
SE0013104577	-	-	550	550
SE0013360427	-	-	1 000	1 000
SE0015811112	750	750	750	750
SE0013105137	498	500	300	300
NO0011152449	-	-	687	688
Commercial papers	-	-	50	50
<b>Total</b>	<b>1 248</b>	<b>1 250</b>	<b>3 337</b>	<b>3 338</b>

## NOTES

### Note 12. Capital adequacy

Norion Bank AB

	Dec 31 2023	
	Amount	Percentage of risk exposure amount
SEKm		
Common Equity Tier 1 capital requirement (Pillar 1)	2 109	4,5%
Other Common Equity Tier 1 capital requirement (Pillar 2)	282	0,6%
Buffer requirements	1 913	4,1%
<b>Total Common Equity Tier 1 (CET1) capital requirement</b>	<b>4 304</b>	<b>9,2%</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>7 453</b>	<b>15,9%</b>
Tier 1 capital requirement (Pillar 1)	2 812	6,0%
Other tier 1 capital requirement (Pillar 2)	376	0,8%
Buffer requirements	1 913	4,1%
<b>Total Tier 1 capital requirement</b>	<b>5 101</b>	<b>10,9%</b>
<b>Tier 1 capital</b>	<b>7 953</b>	<b>17,0%</b>
Capital requirements (Pillar 1)	3 749	8,0%
Other capital requirement (Pillar 2)	501	1,1%
Buffer requirements	1 913	4,1%
<b>Total capital requirement</b>	<b>6 163</b>	<b>13,2%</b>
<b>Own funds</b>	<b>7 953</b>	<b>17,0%</b>

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
OWN FUNDS, SEKm		
Capital instruments and the related share premium accounts: Equity	149	149
Retained earnings	6 590	5 500
Net profit for the period after deductions related to the consolidated situation and other foreseeable charges	1 063	920
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>7 803</b>	<b>6 570</b>
Deduction:		
Additional value adjustments	-241	-70
Intangible assets	-104	-79
Deferred tax assets	-4	-3
Application of the transitional rules IFRS9	-	43
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-350</b>	<b>-109</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>7 453</b>	<b>6 461</b>
Perpetual subordinated loan	500	500
<b>Additional Tier 1 instruments</b>	<b>500</b>	<b>500</b>
<b>Tier 1 capital</b>	<b>7 953</b>	<b>6 961</b>



## NOTES

Note 12. Capital adequacy, cont.

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
OWN FUNDS, SEKm		
Supplementary capital	-	-
<b>Tier 2 capital</b>	-	-
<b>Total own funds</b>	<b>7 953</b>	<b>6 961</b>

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
RISK EXPOSURE AMOUNT, SEKm		
<b>Credit risks, using the standardized approach</b>		
Central government or central banks exposures	-	-
Municipalities and other associations	-	-
Institutional exposures	684	689
Funds units exposures	844	692
Corporate exposures	28 316	25 719
Retail exposures	8 780	8 212
Exposures with mortgage in residential property	13	17
Exposures in default	4 565	3 790
Items associated with particularly high risk	-	543
Exposures in the form of covered bonds	230	207
Other exposures	360	330
<b>Total</b>	<b>43 792</b>	<b>40 199</b>
Risk exposure amount credit valuation adjustment risk (CVA)	31	27
Risk exposure amount market risk	35	28
Risk exposure amount operational risk	3 005	4 989
<b>Total risk exposure amount</b>	<b>46 862</b>	<b>45 244</b>

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
CAPITAL REQUIREMENTS, SEKm		
<b>Capital requirement for credit risk using the standardized approach</b>		
Central government or central banks exposures	-	-
Municipalities and other associations	-	-
Institutional exposures	55	55
Funds units exposures	67	55
Corporate exposures	2 265	2 058
Retail exposures	702	657
Exposures with mortgage in residential property	1	1
Exposures in default	365	303
Items associated with particularly high risk	-	43
Exposures in the form of covered bonds	18	17
Other exposures	29	26
<b>Total capital requirement for credit risk</b>	<b>3 503</b>	<b>3 216</b>

## NOTES

Note 12. Capital adequacy, cont.

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
CAPITAL REQUIREMENTS, SEKm		
Risk exposure amount credit valuation adjustment risk (CVA)	2	2
Risk exposure amount market risk	3	2
Risk exposure amount operational risk	240	399
<b>Total Pillar 1 capital requirement</b>	<b>3 749</b>	<b>3 619</b>
Concentration risk	306	274
Interest rate risk for the banking book	194	179
<b>Total Pillar 2 capital requirement</b>	<b>501</b>	<b>453</b>
Capital buffers		
Capital conservation buffer	1 172	1 131
Countercyclical capital buffer	742	395
<b>Total capital requirement - Capital buffers</b>	<b>1 913</b>	<b>1 526</b>
<b>Total capital requirement</b>	<b>6 163</b>	<b>5 599</b>

	Norion Bank AB	
	Dec 31 2023	Dec 31 2022
CAPITAL REQUIREMENT		
<b>Capital ratios and capital buffers</b>		
CET1 ratio	15,9%	14,3%
Tier 1 ratio	17,0%	15,4%
Total capital ratio	17,0%	15,4%
Institution specific buffert requirement	4,1%	3,4%
of which capital conservation buffer	2,5%	2,5%
of which countercyclical capital buffer	1,6%	0,9%
CET1 available to meet buffers	9,0%	7,4%

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

## Note 13. Financial instruments at fair value

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

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

#### Level 1: Quoted market values

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

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

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

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

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

### Significant transfers and reclassifications between levels

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

#### Group and Norion Bank AB

SEKm	Dec 31 2023			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Derivative instruments	-	47	-	47
Treasury bills and other bills eligible for refinancing with central banks, etc.	230	-	-	230
Bonds and other interest-bearing securities	3 210	-	-	3 210
Shares and participating interests	-	5	659	664
<b>Total financial assets</b>	<b>3 440</b>	<b>52</b>	<b>659</b>	<b>4 151</b>
<b>LIABILITIES</b>				
Derivative instruments	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## NOTES

Note 13. Financial instruments at fair value, cont.

Group and Norion Bank AB

Changes in level 3	Dec 31 2023	Dec 31 2022
	Assets Equity instruments	Assets Equity instruments
SEKm		
<b>Opening balance for the period</b>	<b>528</b>	<b>396</b>
Acquisition	157	100
Divestment	-	-
Changes in unrealised gains or losses for items held at closing day	-27	32
<b>Closing balance for the period</b>	<b>659</b>	<b>528</b>

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

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

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

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



## NOTES

### Note 14. Financial assets and liabilities

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

Group and Norion Bank AB

	Dec 31 2023		Dec 31 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
SEKm				
Loans <sup>1)</sup>	48 673	48 673	44 540	44 540
Debt securities	4 304	4 304	3 237	3 236
Equity instruments	659	659	528	528
Derivatives	47	47	-	-
Other	5	5	30	30
<b>Financial assets</b>	<b>53 688</b>	<b>53 688</b>	<b>48 335</b>	<b>48 334</b>

Group and Norion Bank AB

	Dec 31 2023		Dec 31 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
SEKm				
Deposits	42 663	42 663	36 842	36 842
Debt securities issued	1 248	1 248	3 337	3 337
Derivatives	-	-	7	7
Other	292	292	109	109
<b>Financial liabilities</b>	<b>44 203</b>	<b>44 203</b>	<b>40 295</b>	<b>40 295</b>

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

### Note 15. Related parties

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

## NOTES

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

#### PLEDGED ASSETS

Group and Norion Bank AB

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

#### CONTINGENT LIABILITIES

Group and Norion Bank AB

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

#### COMMITMENTS

Group and Norion Bank AB

	Dec 31 2023	Dec 31 2022
SEKm		
Unutilized credit limits	4 685	5 800
Other commitments	158	158
<b>Total</b>	<b>4 843</b>	<b>5 958</b>

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

On 6 February 2024, a press release regarding Norion Bank's new financial targets was published. Norion Bank's strategy is to maintain good risk adjusted profitability and the company's new financial targets relate to profitability, capital adequacy and dividend policy. For more information, see the press release and page 10 in this year-end report.

# Assurance by the Board of Directors and the CEO

The Board of Directors and the CEO hereby certify that the year-end report provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group. This year-end report has not been reviewed by the company's auditors.

Gothenburg, february 7, 2023

**Board of Directors & CEO**

**Erik Selin**  
Chairman of the Board

**Christoffer Lundström**  
Board member

**Charlotte Hybinette**  
Board member

**Ulf Croona**  
Board member

**Marie Osberg**  
Board member

**Bengt Edholm**  
Board member

**Martin Nossman**  
CEO

# Forthcoming corporate events

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

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This is information that Norion Bank AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on February 7, 2024 at 7.30 a.m. CET.