

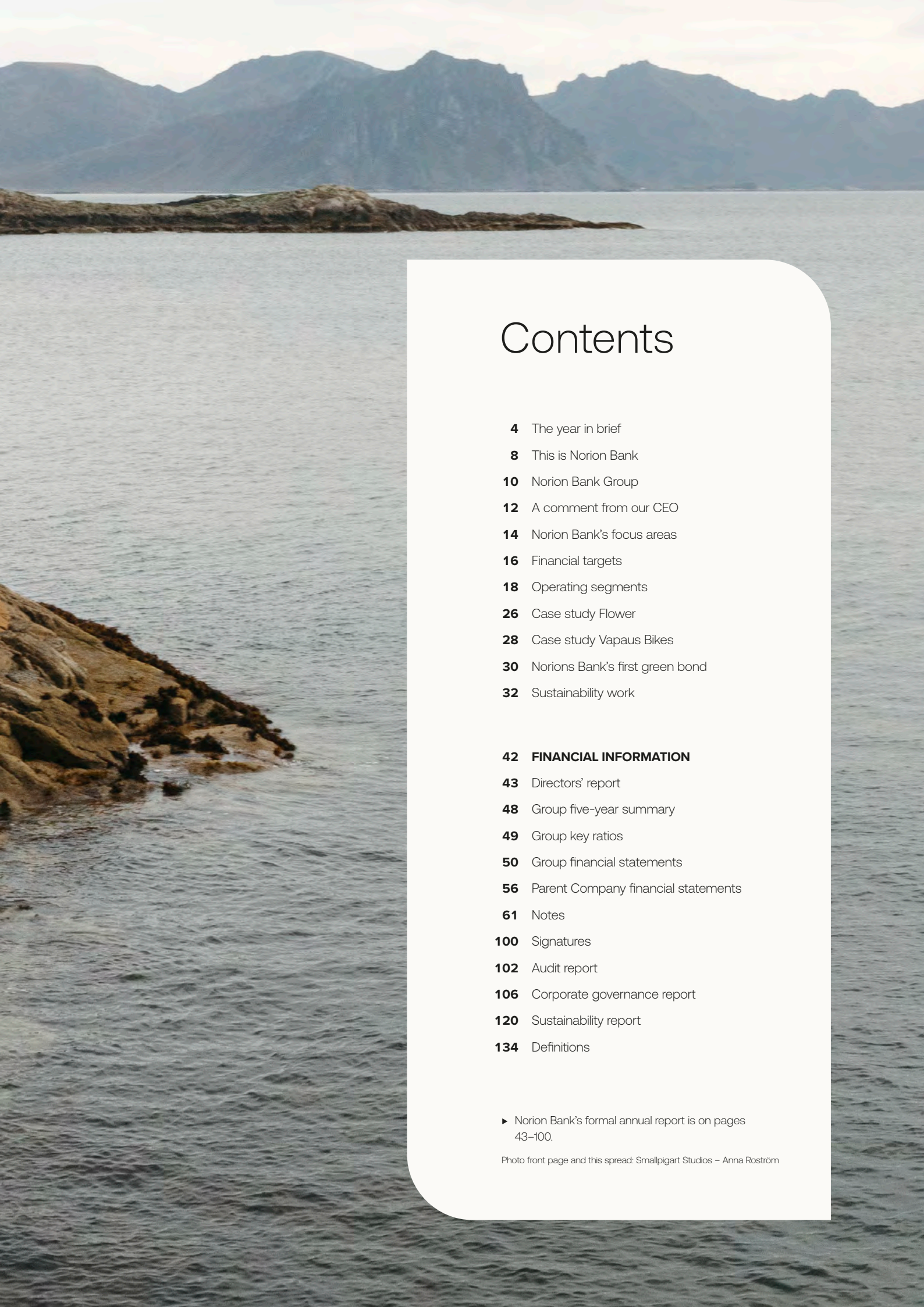
Norion Bank
Group

Annual Report

2024

 **Norion Bank**

walley
collector

The background of the page is a photograph of a coastal landscape. In the foreground, there is a body of water with small ripples. To the left, a rocky shoreline with some seaweed is visible. In the distance, a range of mountains with jagged peaks stretches across the horizon under a pale, overcast sky.

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► Norion Bank's formal annual report is on pages 43–100.

Photo front page and this spread: Smallpigart Studios – Anna Roström

The year in brief

Norion Bank showed another year of stable financial results. The loan book grew in all segments and the bank maintained a C/I ratio at attractive levels. In line with the bank's financial targets, the Board of Directors intends to initiate a share buyback program during the second quarter of 2025¹.

Loan portfolio

50,286
SEKm

+11%

Total income

3,697
SEKm

+1%

C/I ratio

29.1%
+3.5
percentage points

Net profit

1,265
SEKm

-2%

Return on equity

14.8%
-2.4
percentage points

CET1 ratio

15.8%
-0.1
percentage points

¹ Given that the Annual General Meeting on May 6, 2025, authorizes the Board to repurchase its own shares and that the Swedish Financial Supervisory Authority grants permission to repurchase own shares.

Continued work on the new company name and the clarification of the customer offering

In September 2023, Collector Bank AB formally changed its company name to Norion Bank AB to reflect the strategic changes that the company had made in the preceding years. The process involved a significant streamlining of the business, creating three separate brands: Norion Bank, Collector and Walley.

Based on Norion Bank's brand group, customized financing options are offered for the bank's three primary customer groups: medium-sized corporates and real estate companies, merchants and private individuals. The streamlining of the business has been commercially successful and has created a clearer picture of the bank's focus areas. The bank believes that there is great market potential for all businesses areas going forward and continues to remain focused on balanced and profitable growth.

Falling interest rates and continued good loan book growth

In 2024, the global economy gradually moved towards lower inflation and greater stability. The improved inflation outlook paved the way for continuous policy rate cuts by most central banks, leading to a gradual improvement in sentiment and market visibility. The end of 2024 was characterized by increased geopolitical uncertainty, with significant attention directed towards the U.S. presidential election. Global uncertainty has intensified further since then, which has made the outlook more unpredictable. Although it can be stated that market interest rates still are at a lower and more attractive levels than a year ago.

The more attractive market rates create improved market conditions in general and also for Norion Bank's customers. Norion Bank presented financial results characterized by stability and continued strong growth of the loan book. Overall, the bank's loan book increased by 11% in 2024. Credit losses decreased compared with the end of the previous year, totaling 2.1%. At the same time, an attractive C/I ratio of 29.1% has been maintained.

Corporate and Real Estate segments – strategic focus areas with strong growth

Norion Bank's Corporate and Real Estate segments are strategic focus areas and represent an attractive positioning towards medium-sized corporates and real estate companies. The business of both the Corporate and Real Estate segments revolve around offering customized and flexible financing solutions, with the vision of being a leading complement to the traditional large banks.

A more favorable interest rate environment is positive for the customers within the Corporate and Real Estate segments. Interest among both existing and potential customers has been well maintained in 2024, and transaction activity improved gradually during the year. The segments together account for almost 70% of total lending volume and the loan book increased by 19% and 8% respectively in 2024.

Positive development in the Consumer segment

In recent years, Norion Bank has worked intensively to achieve increased profitability and increasingly sound and sustainable lending in the Consumer segment. Following several successfully implemented initiatives, the segment's focus on improving the lending process in new sales has generated good results. In 2024, volume growth has steadily increased, while profitability has been stable. The process of continuing to increase the distribution in own channel is also progressing well. Around 45% of the loan portfolio has been mediated through own channels in 2024, compared to around 40% in 2023 and approximately 25% in 2022.

During the fourth quarter of the year, Norion Bank signed an agreement to acquire DNB Sweden's credit card portfolio, which will result in a strategically improved position in the Swedish consumer finance market. The bank currently manages approximately 24,000 outstanding credit cards through the Consumer segment and after the completion of the acquisition, the total number of credit card clients will increase to a total of approximately 100,000. In addition, the acquisition includes individual active card programs that provide access to attractive partner deals with TUI Sweden AB, one of Sweden's largest travel operators, and Wismo Automotive AB, general agent for several well-known automotive companies in Sweden. The acquisition is expected to be completed during the second quarter of 2025 and is anticipated to contribute positively to the bank's profitability from start.

Strong growth in Payments

Norion Bank's Payment business, Walley, operates in a market with good underlying growth, as a gradually increasing proportion of consumption takes place online (Svensk Handel). The payments sector continued to experience a more challenging market environment during 2024, following the weaker performance in 2023. However, Walley parried the market very well and showed good growth and a strengthened market position during the year. Transaction volumes increased by 20% and amounted to SEK 17,400 million in 2024.

David Lundqvist, with more than 15 years of experience from the e-commerce market, took over as General Manager of Walley during the year. Furthermore, a number of new, attractive partnerships were launched – for example with XXL, Nordiska Galleriet, Länna Möbler and Bohus. Norion Bank's Payment business has great future potential and constitutes a focus area for 2025.

Progress within sustainability

For the past years, Norion Bank has worked extensively to develop its sustainability work and integrate sustainability aspects into all parts of the bank's operations. As part of this, the bank published its first green bond financing framework in 2024. Through a green framework, a company can issue green bonds to finance sustainable projects and activities. Consequently, based on the framework, two green bonds were issued on the Nasdaq Sustainable Bond Market amounting to SEK 1,200 million. The issuance strengthens the bank's competitiveness and can help accelerate further climate action. Based on the above, Norion Bank is well positioned to continue issuing green bonds to promote the UN Sustainable Development Goals. Read more about the green framework and green bonds on pages 30–31.





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 consumers, 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.

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, with an average loan of approximately SEK 51 million in the loan portfolio. Factoring solutions primarily comprise purchasing of invoices both with and without right of recourse.

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, with an average loan of approximately SEK 130 million in the loan portfolio. Norion Bank offers both junior and senior lending. Financing is provided mainly for residential properties but also for offices and industrial properties.

CONSUMER



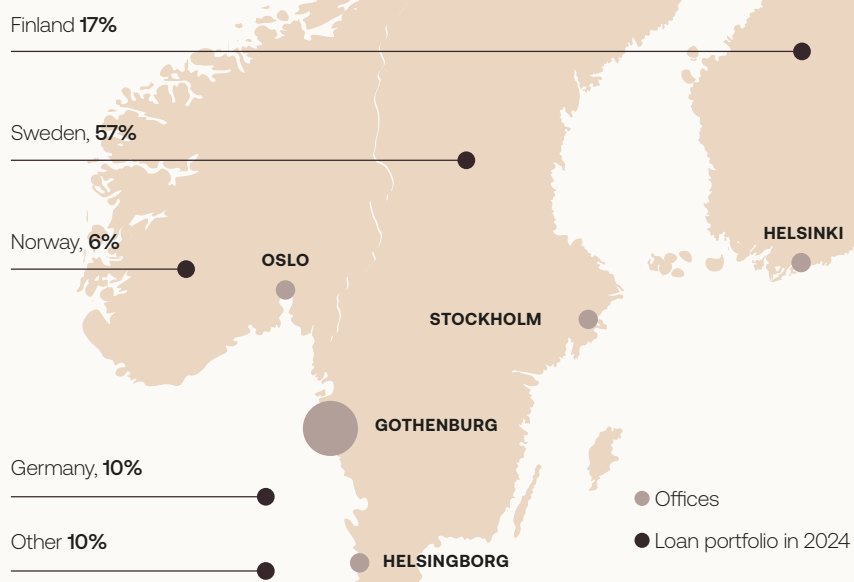
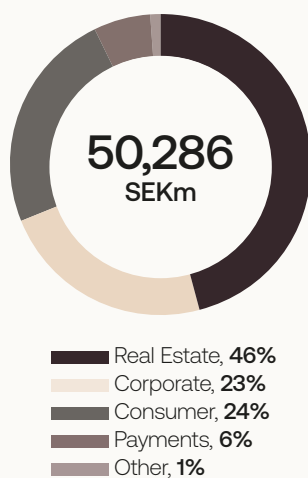
Collector offers unsecured loans to private individuals of up to SEK 500,000 in Sweden and up to EUR 25,000 in Finland, with an average loan of approximately SEK 170,000 in the loan portfolio. Sales is conducted through own channels as well as loan intermediaries. Collector also offers credit cards, with a maximum credit limit of SEK 100,000, and savings accounts.

PAYMENTS

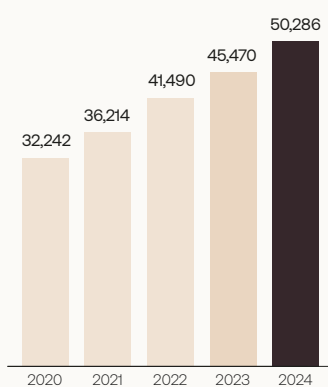


Walley offers payment and checkout solutions to e-commerce and retail chains, primarily in Sweden, Finland and Norway, as well as invoicing and payment by instalment services for private individuals. Walley offers specialized solutions focusing on the merchant's strategy and brand, primarily targeting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

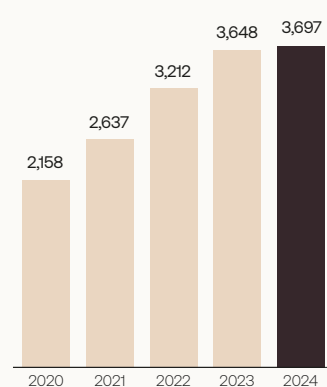
Loan portfolio 2024 By segment



Loan portfolio (SEKm)

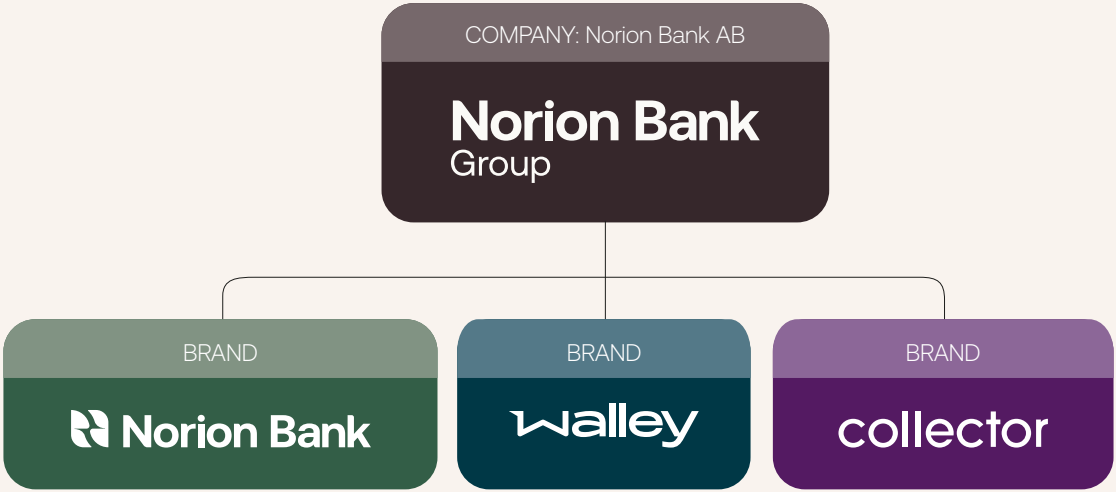


Total income (SEKm)



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 consumers. As a specialist in financial solutions, Norion Bank Group is a leading complement to traditional large banks, and our vision is to be the leading Nordic finance bank in selected segments.



Norion Bank

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

Walley

Payment and checkout solutions for merchants and private customers.

Collector

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



“Good loan book growth and a more favorable market environment”

2024 started with increased optimism and an increasingly positive sentiment as the global economy gradually moved towards lower inflation and greater stability. The improved inflation outlook paved the way for policy rate cuts by most central banks, providing additional visibility and improved market sentiment – especially from the latter part of the year. As a result, we witnessed a gradual increase in transaction activity and willingness to do business among our customers.

At the same time, geopolitical turmoil was a significant risk driver in 2024 and ongoing military conflicts continued to cause significant human suffering. However, the economic impact was relatively limited and economies generally showed good resilience. Geopolitical risks increased further towards the end of the year, as primary focus was on the outcome of the U.S. presidential election. The outcome still remain difficult to assess and analysts are examining several alternative scenarios, such as the imposition of tariffs, taxes and changes in the US global engagement.

Since the end of the year, we have witnessed further increased macroeconomic uncertainty and the outlook is considered more difficult to assess. The actions and statements made by the U.S. administration contributes to market volatility. However, we can conclude that we continue to experience a more favorable interest rate environment, which hopefully continue to create conditions for the recovery of the Swedish economy. As always, we are monitoring the ongoing developments closely and conclude that greater clarity foster increased business confidence both in general and among our customers.

Stable development for Norion Bank

To conclude 2024, we can state that the bank had another year of stable performance. In the early part of the year, transaction activity remained at lower levels, following the more cautious sentiment that characterized 2023. The volumes developed positively from the second quarter of the year, primarily within the Corporate segment, where we have an attractive positioning as a financing bank for small and medium-sized corporates.

Demand from customers has been good and we have been able to execute transactions at good risk-adjusted returns. The bank's loan book grew by 11% compared to the previous year and all business areas contributed to the positive development. The Corporate segment performed particularly strong, with an increase of 19%. The Real Estate segment showed stability and a loan book growth of 8%, while net interest income continued to be negatively affected by high volumes in stage 3. However, the negative stage movements tend to have stalled and we are in close dialogue with our customers to enable them to catch up with their interest payments. During the year, we have maintained a continued selective approach and potential new customers undergo a thorough credit process.

Payments continues to perform very well and increased its transaction volumes by 20% in 2024. Several attractive collaborations were initiated during the year – for example with XXL, Nordiska Galleriet and Länna Möbler. Walley works successfully with both loyalty concepts and customer satisfaction and continues to confirm its position as a leading partner in payment solutions for medium-sized and large e-retailers in the Nordic region.

Our Consumer segment has also performed well and we continue to prioritize increased profitability as well as sound and sustainable lending. The loan book increased by 10% compared to the previous year, while maintaining a stable level of profitability. We continue to focus on increasing the share of new sales through our own channel – an initiative that is progressing according to plan. Around 45% of the loan portfolio was mediated through own channels in 2024, compared to about 40% in the end of 2023. Furthermore, it is very encouraging that the Consumer segment's credit card business will be significantly strengthened by the previously announced acquisition of DNB Sweden's credit card portfolio. The acquisition will result in a large increase in number of credit card customers.



Foto: Anna Roström

Customers will also be offered individual active card programs that provide access to attractive partner deals with TUI Sweden AB, one of Sweden's largest travel operators, and Wismo Automotive AB, general agent for most car companies in Sweden.

Overall, the bank's interest income increased by almost 1% since the end of last year, despite the fact that lower market rates generally have had a negative impact on interest income. We noted a stabilization of the net interest margin in the fourth quarter and believe that the net interest margin should develop in a positive direction in 2025. Furthermore, it is positive that credit losses amounted to a lower level than by the end of 2023 and that the bank's C/I ratio, at 29.1%, continues to be maintained at attractive levels.

Increased shareholder value through buyback program

After the end of the year, Norion Bank announced its intention to initiate a share buyback program of up to about SEK 500 million. This is in line with our dividend policy, adopted by the bank's Board of Directors in 2023, to distribute potential surplus capital in relation to the capital adequacy target back to shareholders. The buyback program is expected to commence during the second quarter of 2025. We are happy to be able to contribute to increased shareholder value for our investors.

Several steps forward within sustainability

With regard to the bank's sustainability work, which we have been working intensively to strategically develop, we were pleased to issue our first green bonds during the year. The issuing was a result of the development of the bank's green bond framework and a clear demonstration of our responsibility towards society by making a measurable contribution to sustainable financing. Through the green bonds, investors have the opportunity to contribute to the development of an environmentally sustainable society which is resilient to climate change. Our long-term sustainability efforts put the bank in a good position to both strengthen our competitiveness and accelerate further climate action through green financing.

Future prospects

In summary, we continue to experience a world characterized by geopolitical uncertainty and also a somewhat more unpredictable macroeconomic outlook. We continue to have an attractive position within our customer segments and have a well-diversified business. We are stable and optimistic but remain humble about future developments.

Martin Nossman
CEO
Norion Bank

Norion Bank's focus areas

Today Norion Bank is a business-oriented Nordic financing bank. As a specialist in financing solutions, Norion Bank is a leading complement to traditional large banks, with a vision of being the leading Nordic financing bank in its chosen segments.

Norion Bank has been a high growth company with a strong entrepreneurial spirit since it was established in 1999. New services and products have gradually been introduced into the company's portfolio, and volumes have increased significantly. In 2019, Norion Bank initiated a number of significant strategic changes to the company's focus. Below is a summary of Norion Bank's key focus areas going forward.

FOCUS ON THE CORE BUSINESS

In order to streamline and focus on the core business, a number of changes have been implemented over the years. The changes mean that, today, Norion Bank is a company with a clear focus on profitability over volume growth to ensure long-term customer benefit and thereby shareholder value. Norion Bank remains a well-diversified company with a good range of products.

- ▶ On September 5, 2023, the bank changed its corporate name from Collector Bank to Norion Bank. The aim was to clarify the strategic change journey that the bank has undergone since 2019 – from a digital niche bank to a stable Nordic finance bank. The name change also clarified the customer offering and gives the bank's three brands the best possible conditions for growth and development.
- ▶ An intra-Group merger between Norion Bank AB (formerly Collector Bank AB) and the former parent company Collector AB was completed in 2022. This simplified the Group structure, made the utilization of internal resources more efficient, and enabled a more optimized capital structure. Norion Bank AB is the remaining listed parent company.
- ▶ The divestment of the Swedish contract debt collection business Colligent Inkasso AB was completed in the fourth quarter of 2019, and all Swedish debt collection activities were outsourced to external agents in 2022.
- ▶ The divestment of Collector Ventures, the company's investment business focused on fintech, was completed during the first quarter of 2021.
- ▶ The mortgage business has been discontinued and unprofitable apps have been withdrawn.

FOCUS ON PROFITABILITY

Norion Bank has gone from being a strong growth company to focusing on profitability and thereby creating long-term value for shareholders.

- ▶ Profitability growth is prioritized over volume growth.
- ▶ Clear focus on maintaining and/or improving risk-adjusted margins.
- ▶ Continued cost efficiency and focus on economies of scale in operations.
- ▶ Clear focus on maintaining high risk-adjusted return.

GOOD PROSPECTS IN ALL SEGMENTS

Norion Bank sees attractive opportunities and is well-positioned within the Corporate and Real Estate segments. Norion Bank has a particular focus on medium-sized corporates, which is a large market with long-term growth potential. Norion Bank is a complement to the larger banks and is one of only a few niche players offering corporate and real estate loans of a size requested by medium-sized corporates.

- ▶ The Consumer segment has undergone large changes in recent years; stabilizing its operations, redesigning the lending and strengthening its own distribution capabilities. This has resulted in that the segment returned to good growth in 2023 and 2024. In 2024, the acquisition of DNB Sweden's credit card portfolio was announced as part of an increased focus on the product area going forward.
- ▶ Payments is a strategically interesting business with good future prospects, where Norion Bank sees continued attractive structural growth for Nordic e-commerce. Through the Walley brand, the bank is focusing on developing the business and further investments will be made in 2025 to strengthen the market position and to clarify the offering.

TRANSPARENCY

Norion Bank strives to operate a business that is sustainable in the long term and is transparent in its dealings with all stakeholders. This is an ongoing process in which the bank is constantly evolving.

- ▶ More detailed and transparent information about Norion Bank's business areas was published in 2020 and 2021.
- ▶ A new segment breakdown was published in 2021.
- ▶ Updated financial targets were published in 2024.
- ▶ Continuous efforts to publish transparent and informative financial information.

FUNDING

Norion Bank currently uses deposits from the public as its main source of funding. In order to create a more stable long-term funding base with balanced risk and maintained cost efficiency, the company aims to diversify its funding further.

- ▶ Higher inflation, rising interest rates and volatile financial markets contributed to a significantly lower appetite for risk in the financial markets since 2022. This meant that the bank's market-based funding was temporarily halted. However, the long-term strategy remains.
- ▶ Continued work on multiple funding sources and currencies. In 2023 and 2024, deposits were launched in Norway, the Netherlands and Spain. Deposits through own channel have also been strengthened.
- ▶ Longer maturities and matched financing.

COMPLIANCE

Norion Bank operates in a regulated sector with high standards and extensive regulations. Well-functioning internal procedures and processes are essential to ensure good regulatory compliance and that new regulations and guidelines can be followed in an adequate manner.

- ▶ Norion Bank is constantly working to develop and ensure sound internal procedures and processes.
- ▶ Continued focus and continuous work on maintaining sound internal controls and regulatory compliance.

PRUDENT BALANCE SHEET MANAGEMENT

Norion Bank is focused on prudent balance sheet management with the aim of generating additional capital surplus over the long term.

- ▶ Balanced growth with a focus on risk-adjusted returns.
- ▶ Long-term capital generation.
- ▶ Sound risk control.
- ▶ A self-financing company whose objective is to generate value for shareholders.

Financial targets

Norion Bank’s strategy is to maintain good risk adjusted profitability. The Board of Norion Bank has therefore adopted the following financial targets:

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.



CORPORATE SEGMENT

Strong loan book growth

Summary of the year

The Corporate segment loan portfolio amounted to SEK 11,582 million (9,705) at the end of the year, representing an increase of 19% from the previous year. The Corporate segment accounted for 23% (21) of Norion Bank's loan portfolio at year-end. Total income for the year amounted to SEK 766 million (777). The net interest margin (NIM) amounted to 6.8% (7.6) and the total income margin was 7.2% (7.7).

Interest among existing and potential customers has been well maintained in 2024. After a more cautious sentiment, due to higher interest rates, the interest rate cuts implemented in 2024 have contributed to increased optimism and a gradual improvement in activity levels, especially within the Corporate segment. The loan book continues to show strong growth, while Norion Bank has remained selective in its choice of transactions during the year.

Positioning and focus going forward

The factoring and corporate loan market is large and Norion Bank intends to act as an attractive complement to the traditional large banks. The bank plays an important role for medium-sized clients, who often value long-term relationships and customized solutions. Profitability is stable and the focus on profitable growth continues. The business is geographically well diversified, and Norion Bank's long-term ambition is to continue to grow in all regions.

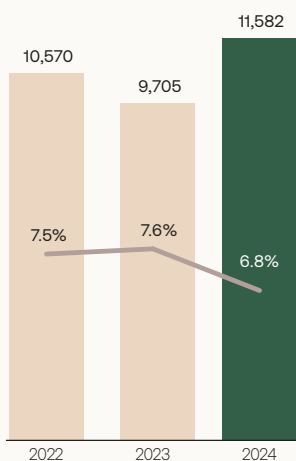
Norion Bank

Corporate

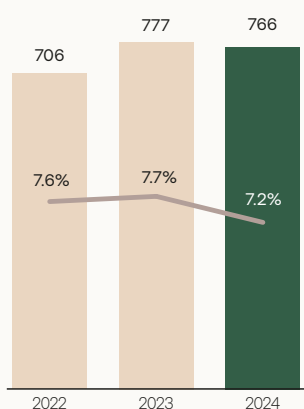
Norion Bank offers corporate loans and factoring solutions with particular focus on medium-sized enterprises in Sweden, Norway and Finland in a wide range of industries. Corporate loans are issued to companies against collateral. Factoring solutions primarily comprise purchasing of invoices both with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



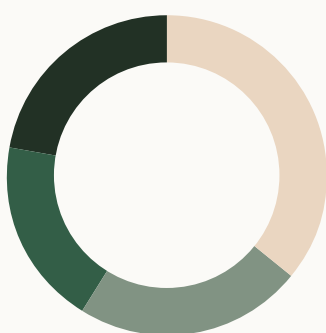
Loan portfolio (SEKm)
and NIM (%)



Total income (SEKm) and
margin (%)

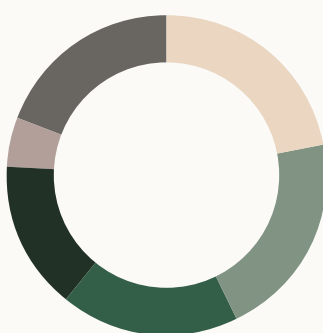


Geographic split ¹⁾



Sweden, 36%
Norway, 23%
Finland, 19%
Other, 22%

Industry split ¹⁾



Wholesale & Retail, 22%
Manufacturing, 21%
Business services, 18%
Financial services & Investment companies, 15%
Information & Communication, 5%
Other, 19%

51 SEK million
Average loan in the portfolio ²⁾

18 months
Average remaining maturity ²⁾

¹⁾ Based on the Corporate loan portfolio as of December 31, 2024

²⁾ Corporate lending

REAL ESTATE SEGMENT

Improved activity in a stabilized market

Summary of the year

The Real Estate segment loan portfolio amounted to SEK 23,073 million (21,432) at the end of the year, representing an increase of 8% from the previous year. The Real Estate segment thus accounted for 46% (47) of Norion Bank's loan portfolio at the end of the period. Total income for the year totaled SEK 1,148 million (1,248). The net interest margin (NIM) was 5.1% (6.5) and continues to be negatively impacted by the high volumes in stage 3, although the movements in negative direction tended to have slowed down towards the end of the year. The operating income margin was 5.2% (6.4).

Interest among existing and potential customers has been well maintained and the interest rate cuts contributed to a more positive market sentiment and an increased activity, especially towards the end of the year. Norion Bank has continued to be selective in its choice of completed transactions, while at the same time being committed to continuing to develop both existing and new customer relationships. The portfolio mainly consists of senior loans, which accounted for 63% (58) of the total at year-end.

Positioning and focus going forward

The real estate lending market is large, and Norion Bank acts as a complement to larger banks within this market. Norion Bank has a unique position as one of only a few players offering loans in its size, and has a complete offering including both senior and junior lending. The loan portfolio is diversified with exposure to different geographical markets, where the ambition is continued long-term growth in all of them. Demand is expected to remain good, both from existing and new customers. Profitability is stable and the efforts to ensure profitable growth continue.

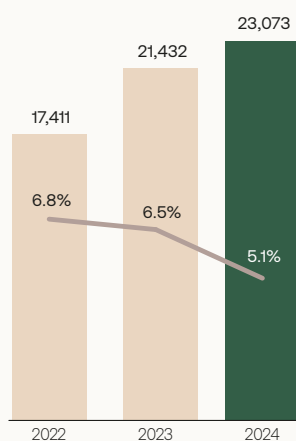
Norion Bank

Real estate

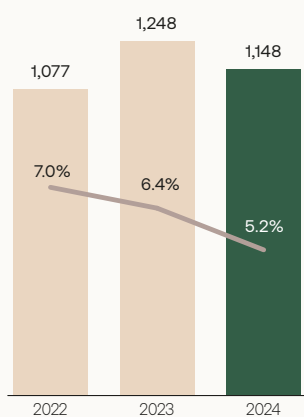
Norion Bank offers real estate loans with focus on metropolitan areas and university cities in the Nordic region and Germany. Real estate loans are issued to companies against collateral. Norion Bank offers both junior and senior real estate lending. Financing is provided mainly for residential properties,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



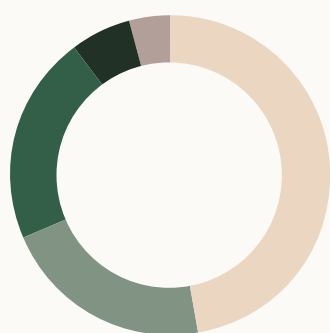
Loan portfolio (SEKm)
and NIM (%)



Total income (SEKm) and
margin (%)

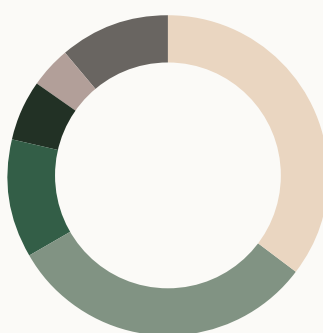


Geographic split ¹⁾



Sweden, 47%
Germany, 21%
Finland, 21%
Denmark, 6%
Others, 4%

Industry split ¹⁾



Office, 35%
Residential, 31%
Retail, 12%
Hotel, 6%
Warehouse, 4%
Other, 11%

130 SEKm
Average loan in the portfolio

14 months
Average remaining maturity

Share of senior loans ▶ **63%**

Share of junior loans ▶ **37%**

Average LTV – senior loans ▶ **58%**

Average LTV – junior loans ▶ **76%**

¹⁾ Based on the Real Estate loan portfolio as of December 31, 2024

CONSUMER SEGMENT

Positive development and strategic acquisition within credit cards

Summary of the year

The Consumer segment loan portfolio amounted to SEK 12,152 million (11,005) at the end of the year, up 10% from the previous year. The Consumer segment accounted for 24% (24) of Norion Bank's loan portfolio at year-end. Total income for the year amounted to SEK 908 million (852). The net interest margin (NIM) amounted to 7.4% (7.4) and the total income margin was 7.8% (8.0).

Loan book volumes have been declining during the last few years given Norion Bank's focus on increasing the risk adjusted profitability within the segment. However, in 2024, volume developments have shown stronger growth. The ambition to increase the share of new sales in own channels is yielding good results. Around 45% of the loan portfolio were mediated through own channels at year-end, compared to around 40% in 2023 and approximately 25% in 2022.

During the fourth quarter of the year, an agreement was signed to acquire DNB Sweden's credit card portfolio, which represents a strategically advantageous move in the Swedish consumer finance market. The bank currently manages approximately 24,000 outstanding credit cards and after the completion of the acquisition, the total number of credit card clients will increase to a total of approximately 100,000.

Positioning and focus going forward

The consumer loan market has been growing rapidly for several years and competition has been high. However, in 2024, we have witnessed a less competitive and more favorable situation, which has had a positive impact on the volume growth of the business. The segment's explicit profitability focus remains, with profitability prioritized over volume growth and the bank has tightened lending in recent years through several measures. The effort to increase returns is a long-term effort with good results so far. The main geographic focus is on the Swedish market.

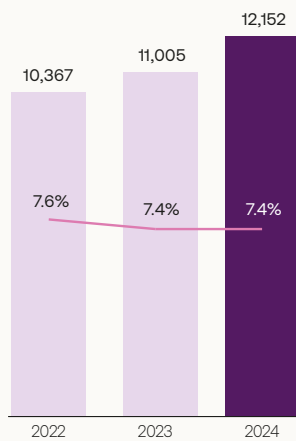
collector

Consumer

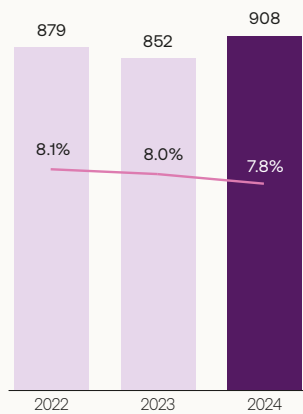
Collector offers unsecured consumer loans of up to SEK 500,000 in Sweden and up to EUR 25,000 in Finland. Sales is conducted through own channels as well as loan intermediaries. Collector also offers savings accounts and credit cards with a maximum credit limit of SEK 100,000.



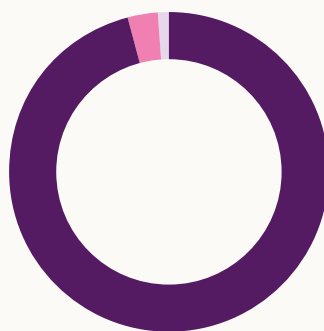
Loan portfolio (SEKm) and NIM (%)



Total income (SEKm) and margin (%)



Geographic split ¹⁾



Sweden, 97%
Finland, 3%
Norway, 1%

Average customer Personal loans



Personal loans

179,000

Average new lending
(SEK, last 12 months)

170,000

Average loan in the portfolio (SEK)

~45%

Sales through own channels

53,000

Customers

Credit cards

24,000

Cards outstanding (Quantity)

¹⁾ Based on the Consumer loan portfolio as of December 31, 2024

PAYMENTS SEGMENT

High growth in transaction volumes and new attractive partnerships

Summary of the year

The Payments segment loan portfolio totaled SEK 3,018 million (2,763) at the end of the year, representing an increase of 9% from the previous year. The Payments segment thus accounted for 6% (6) of Norion Bank's loan portfolio at year-end. Transaction volumes amounted to SEK 17,423 million (14,531), representing an increase of 20% from the previous year. Total income for the year totaled SEK 505 million (464). The net interest margin (NIM) was 7.7% (7.5), and the total income margin was 17.5% (17.7).

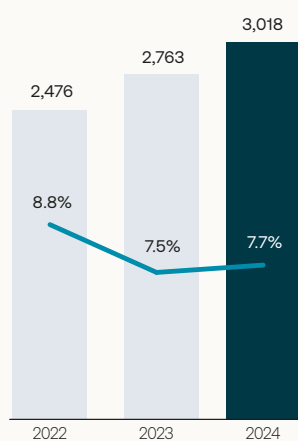
Payments continues to perform well relative to the e-commerce market. Several attractive partnerships were initiated during the year, for example with XXL, Nordiska Galleriet, Länna Möbler and Bohus. Walley works successfully with both loyalty concepts and customer satisfaction and continues to consolidate its position as a leading partner in payment solutions for large e-retailers.

Positioning and focus going forward

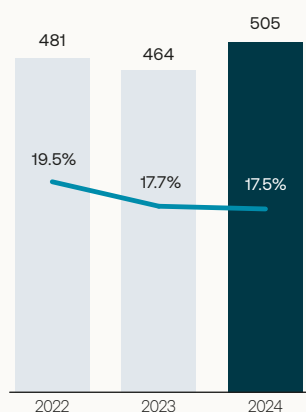
Norion Bank's Payment segment has a strong position with focus on solutions for both e-retailers and physical stores. The development of both new technological solutions and market regulations makes the market change constantly. With over five million active customers, user demands are high, making it important to be a complete payment solution provider. Walley is working intensively on technologically enhanced solutions, personalized experiences and loyalty concepts. Walley is an attractive business with great future and growth potential and is a focus area for 2025.



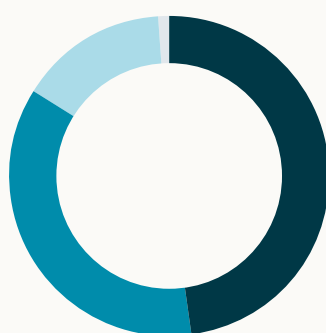
Loan portfolio (SEKm)
and NIM (%)



Total income (SEKm) and
margin (%)

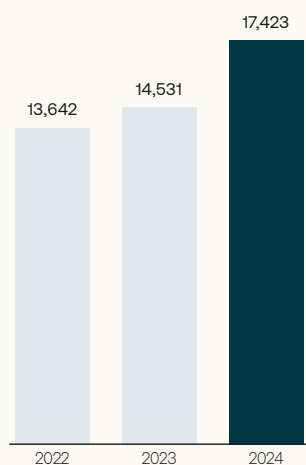


Geographic split ¹⁾



Sweden, 48%
Finland, 36%
Norway, 15%
Denmark, 1%

Transaction volumes (SEKm)



5.5million
Active customers
(Last 12 months)

SEK 1,100
Average ticket size

¹⁾ Based on the Payments loan portfolio
as of December 31, 2024

Flowers partnership with Norion Bank enables growth

Together with Norion Bank, the energy company Flower continues its work towards a secure, reliable and sustainable energy system.

The partnership between Norion Bank and Flower started when the energy company was at the beginning of its growth journey. Founder and CEO John Diklev explored different funding opportunities with the aim of building a long-term partnership.

"I found the account management staff at Norion Bank to be very engaged from the start. They educated and double checked themselves on everything related to our product and there was a mutual willingness to understand each other," says John Diklev, CEO and founder of Flower.

Flowers' business concept involves combining advanced technology with flexible energy resources to counteract both volatility and overloading of the electricity grid. Optimizing the use of the electricity grid ensures a steady and reliable supply of energy, regardless of weather conditions.

"What we want to achieve with Flower is a more efficient electricity system by increasing the share of wind and solar. In the long run, this means that the energy transition will cost less", says John Diklev.

As a specialist in financing solutions for medium-sized companies, Norion Bank values close partnerships where the customer's business always is in focus. The partnership with Flower is an opportunity to contribute to a more sustainable and efficient energy transition.

"Funding actors, who are willing to spend time to really understand complex products and industries, are needed. We have received this kind of treatment from Norion Bank", says Diklev.

Since the start of the collaboration with Norion Bank, Flower has signed an agreement with the solar and wind power company OX2 and acquired Sweden's largest battery park, Bredhälla. As well as being a major step forward in stabilizing the electricity grid and reducing volatility in electricity markets, it enables the development of new products for the energy system of the future. Going forward, the company hopes to diversify its product portfolio and continue its expansion in Europe.

"Since entering into our much appreciated partnership with Norion Bank, we have continued to grow in most metrics. Of course we have challenges ahead, building companies is largely about observing problems, understanding why they have arisen and finding solutions. But on a broader level, we continue to work towards a safe, reliable and sustainable energy system", says Diklev.

As part of strengthening the cooperation with Norion Bank, John Diklev participated in last year's round of the bank's Corporate Accelerator training program. The program is aimed at medium-sized companies, with a clear growth focus.

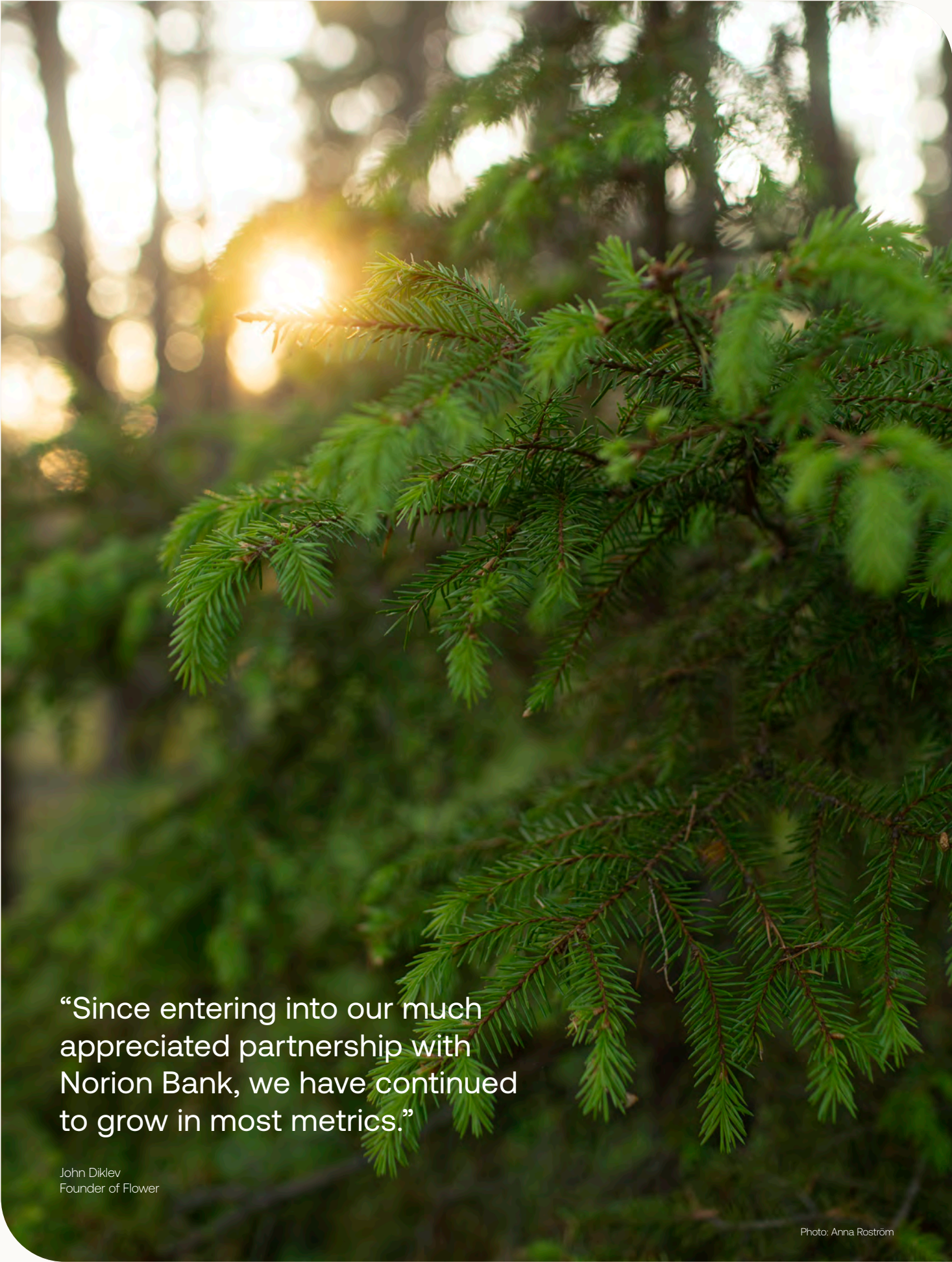
The goal is to use new knowledge and new networks to help companies develop their business. This year, John Diklev is returning to the program as a lecturer.

"Being in the program myself, I learned the importance of changing context and discussing aspects of running a business with others. It gave me a lot to learn from others experiences and understand the parallels to what we do. As a speaker, I hope to share my experiences, inspire others, but also build on relationships and get to know the bank better", says Diklev.



Photo: Flower

John Diklev, founder of Flower



“Since entering into our much appreciated partnership with Norion Bank, we have continued to grow in most metrics.”

John Diklev
Founder of Flower

Photo: Anna Roström

Strategic cooperation with focus on innovation

The Finnish benefit bike operator Vapaus Bikes has made strong progress in recent years. With Norion Bank as a close partner, the company is bringing its innovative business model to Sweden, continuing its journey towards creating sustainable workplaces.

Since 2018, the Finnish benefit bike operator has purchased almost 30,000 new and used bikes worth over SEK 600 million. With over 1,600 Finnish customers, from small businesses to large international corporations, Vapaus Bikes has achieved success with an innovative business model and focus on sustainability.

“Our Finnish team recognized the potential of Vapaus Bikes early on, partly due to their innovative business model with stable recurring revenue and a strong focus on ESG with a circular model. We were inspired by the company’s innovation and tailored a unique financing solution that combines a classic bank loan product with Norion Bank’s expertise in contract financing and factoring. We are also very pleased that Vapaus Bikes is participating in our Corporate Accelerator training program to share their experience. We also hope that the program will give the company the opportunity to expand its network in Sweden as they enter the Swedish market,” says Erik Rombin, Head of Corporate, Norion Bank.

Vapaus’ B2B2C model allows employers to lease bikes directly from Vapaus Bikes and then offer them as a benefit to their employees. By offering a scalable model and developing its own software, the aim is to meet as many needs as possible in the value chain.

“We have found a strategic partner in Norion Bank, which means that we can lease directly to companies and employees in a fast process. Norion Bank is helping us in two markets and, like us, they are interested in the business for the long term. By working with Norion Bank, we know in advance whether we can take on a large customer. Overall, it means that we can work faster and freer without making it complicated for our customers,” says Fredrik Karlberg, Business Development Director, Sweden, Vapaus Bikes.

In the coming years, the goal for Vapaus Bikes is to help more large companies that want to create attractive workplaces through their product. The company also plans to launch simpler financing services for smaller companies that want to start providing bikes to employees in a faster way.

“Leasing often involves long contracts, which can be a barrier for many businesses and employees. That’s why we are actively working to offer more flexible and shorter-term contracts. For our end customers, this means that we often have even more affordable bikes to offer, but above all, we have greater

insight into our entire business and the value of the bike throughout the whole process,” says Fredrik Karlberg. During the year, Fredrik Karlberg participated in Norion Bank’s popular Corporate Accelerator training program. The program is aimed at medium-sized companies that want to grow and develop their businesses.

“I saw great references from previous participants in Corporate Accelerator and hope that, through the program, I will gain new insights and meet knowledgeable people in an environment without prestige or demands for performance or deals,” says Fredrik Karlberg.

“We have found a strategic partner in Norion Bank, which helps us in two markets and is interested in the business for the long term”

Fredrik Karlberg
Vapaus Bikes



Fredrik Karlberg, Vapaus Bikes



Photo: Anna Roström

Norion Bank has issued its first green bonds

Norion Bank has been working strategically to develop its sustainability work for the last years. As a result, the bank issued its first green bonds during 2024.



Photo: Anna Rostrom

As a long-term partner to both businesses and individuals, Norion Bank aims to operate in a way that creates sustainable economic, social and environmental value. The long term ambition within sustainability is guided by the bank's strategic sustainability framework, which rests on the principles business-minded, committed and caring and includes policies, guidelines and codes of conduct.

“For the past years, Norion Bank has been working strategically to develop the bank’s sustainability work and the bank has progressed by issuing green bonds.”

Sarah Olofsson
Chief Sustainability Officer, Norion Bank

As a direct result of its sustainability efforts, Norion Bank issued its first green bond during the third quarter of 2024. Green bonds are used to finance activities and projects that create positive environmental effects or reduce negative environmental impacts. Through a green issuance, Norion Bank enables investors to allocate capital so that companies – which according to the bank's risk assessment meet both the high sustainability requirements and the financial requirements – are given the opportunity to continue to grow.

“Norion Bank has been working strategically to develop the

sustainability work for the past years and the bank took another step forward by issuing its first green bonds during 2024. This initiative gives investors the opportunity to contribute to financing projects that promote a society that is environmentally sustainable and resilient to climate change. In this way, the bank strengthens its position in the green transition and enables sustainable investments,” says Sarah Olofsson, Chief Sustainability Officer at Norion Bank.

With the green bond framework, Norion Bank is well positioned to continue issuing green bonds to promote the UN Sustainable Development Goals. The framework has been developed in accordance with the 2021 ICMA Green Bond Principles (GBP), and ISS ESG conducted an independent review of the framework. The green bond framework and the Second Party Opinion are available on the Norion Bank website.

“Being able to issue green bonds is a result of our focused sustainability work. I am very proud that the bank in this way clearly shows that we are doing the job properly. We consider the green bond framework as a good opportunity to meet the increased demand for transparency from society and investors. It is also a sign of us taking our responsibility towards society in earnest, by making a measurable contribution to sustainable financing. Being a professional partner to our customers is important to us and we value an active focus on sustainability. The long-term sustainability ambitions puts the bank in a good position to both strengthen our competitiveness and further accelerate climate action through green financing. Now the work continues in order to ensure that we receive data about the positive effects of the projects, so that we can report it to the investors,” says Sarah Olofsson.

Norion Bank’s Green Framework includes the following categories:

Green buildings

Buildings that are designed, constructed and operated with the aim of reducing their environmental impact.

Energy efficiency

Energy storage, smart grid solutions, improvements in ventilation systems and expansion of district heating and cooling systems.

Renewable energy

Solar and wind energy.

Sustainable transport

Fossil-free vehicles, as well as sustainable transport infrastructure such as charging points for electric vehicles, or cycling and walking infrastructure.

Climate change adaptation

Biodiversity conservation/restoration projects such as green roofs and walls to extend urban green spaces. Infrastructure designed to provide protection against, for example, flooding.

Circular economy

Promoting resource efficiency, such as products, production techniques or processes that significantly reduce the use of natural resources in a product's life cycle.



Sarah Olofsson, Chief Sustainability Officer

Norion Bank's sustainability work

Norion Bank Group wants to be a long-term partner to both companies and private individuals. Through our brands, we offer customized financing solutions that meet distinct needs in three customer segments: medium-sized corporates and real estate companies, merchants, and private consumers. We enable tomorrow's business activities by operating responsibly in every aspect of what we do.

Our three strategic focus areas

Norion Bank wants to make a difference where the greatest impact can be made. Therefore we have grouped our key sustainability aspects into three strategic focus areas.



Business-minded

We are a business-minded, professional partner providing responsible financing, thereby enabling sustainable development for the bank and our customers.

Sustainability goals

- ▶ Annually contribute to improving the financial health and preventing over-indebtedness of our private customers.
- ▶ Set science-based climate targets for the bank's loan portfolio in the Corporate and Real Estate segments in 2025.
- ▶ By 2026, have in-depth customer dialogs on specific sustainability topics where Norion Bank has identified development opportunities.

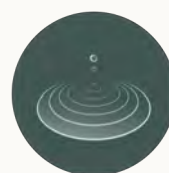


Committed

We create conditions for our employees to feel ownership and responsibility in their roles, and give them the necessary sustainability skills to build long-term success for both the bank and our customers.

Sustainability goals

- ▶ Annually achieve an eNPS of over 50, continue to develop the skills of our employees in sustainability and integrate sustainability into employee evaluation.
- ▶ In 2025, start working with sustainability ambassadors to integrate sustainability across the bank's different departments.
- ▶ By 2026, set targets directly linked to sustainability for relevant departments.



Caring

With a structured and transparent approach, we are a reliable partner which does business with care for our environment, our customers and our employees.

Sustainability goals

- ▶ Annually deliver on Norion Bank's vision of zero complaints regarding customer privacy, anticorruption and marketing.
- ▶ In 2025, reduce the share of cost-based emission factors in favor of supplier-specific emission factors.
- ▶ By 2026, have assessed 90% of significant suppliers against sustainability criteria.



Photo: Anna Roström

As a specialist in financing solutions, Norion Bank is a leading complement to traditional large banks, with a vision of being the leading Nordic financing bank in its chosen segments. Through our activities, we want to help create long-term value for our stakeholders: customers, investors, employees and society. We strive to create long-term value from a financial, social and environmental perspective. Together with our customers, we want to contribute to future sustainable development.

By being business-minded, committed and caring we enable our customers to continue to grow and develop. These are the bank's values and the focus areas of its sustainability strategy. These value statements are fundamental to how we conduct our daily business and are integrated into our policy documents. They describe how we want to be perceived and how we should act in our relationships with customers, partners and colleagues. "Business-minded" illustrates what we do, "committed" who we are and "caring" how we behave. The double materiality analysis conducted in 2023 in accordance with the EU regulation, Corporate Sustainability Reporting Directive (CSRD) and associated standards, the European Sustainability Reporting Standards (ESRS), include an assessment of both internal and external factors that may affect the bank's operations and stakeholders. The results of the analysis form the basis for the bank's further work.

Objectives and implementation

In 2024, Norion Bank accelerated the mapping of emissions in the bank's value chain by ensuring data collection for credits and thus aligning the methodology for the credit portfolio with the

industry initiative Partnership for Carbon Accounting Financials (PCAF)¹. PCAF aims to measure carbon emissions linked to investments or credits in a uniform way, thus facilitating the achievement of the Paris Agreement. It is an important tool in the bank's existing portfolio analysis in order to estimate the carbon footprint of the loan portfolio.

During the year, the bank published a green framework² and issued green bonds³ for the first time. The green bonds are a direct result of our efforts to integrate sustainability into our business, where we help our customers in the transition by financing green businesses. As part of the establishment of the Green Framework, the bank has also established the Green Bond Committee. The Committee has decision-making powers regarding the inclusion of loans that meet the Green Framework criteria in the bank's Green Register. The Committee is composed of representatives from Sustainability, Corporate/Real Estate, Treasury and Credit.

In order to clarify our ambitions and create a foundation for continuous improvements, Norion Bank has set sustainability goals for the business. The overall ambition is to contribute, in a measurable way, to the UN Sustainable Development Goals by 2030 and to the Paris Agreement. We want to increase our positive impacts and reduce the negative ones from our financing activities. We have identified ambitions and activities within our strategic focus areas to make this happen. Each year, our activities and ambitions will be updated and developed to gradually bring us closer to the 2030 target. We also focus our efforts on initiatives that promote sustainable business.

¹ For more information on the Partnership for Carbon Accounting Financials (PCAF) measurement methodology, see www.carbonaccountingfinancials.com.

² For more information on the Norion Bank Green Bond Framework 2023, see the Norion Bank website.

³ For more information, see pages 30–31 and the Norion Bank website.

Norion Bank's contribution to the UN Sustainable Development Goals (SDGs)⁴

Norion Bank is both impacted by and impacts our environment and our stakeholders. Together with our stakeholders, we have a direct impact on both the planet and society, and the planet and society affect the bank's operations, our stakeholders, customers, business models and thus their ability to repay.

We have prepared our third report for the UN Global Compact⁵, and the bank has been a signatory to the UN Principles for Responsible Banking (PRB⁶) since 2021. The six principles of the initiative set the framework for a sustainable banking system that drives the global economy in a sustainable direction. This commits us to align our business activities with the Paris Agreement and to continuously contribute positively to society in line with the UN Sustainable Development Goals. These are commitments that clarify our ambition to contribute to responsible growth and long-term value creation for all our stakeholders.

An impact assessment has been carried out to evaluate the bank's contribution to the 2030 Agenda and the SDGs. We contribute partly through our own activities, primarily by being an attractive employer, by working to reduce the bank's direct emissions and by combating corruption. Our main impact, however, is through the credit portfolio, i.e., which businesses we finance. We have identified four SDGs on which our activities have the greatest impact, in both positive and negative terms. The SDGs go hand in hand with the bank's work towards implementing the EU's CSRD⁷ framework.



Through its lending activities, Norion Bank directly and indirectly drives economic development by supporting companies, jobs and growth in society and providing access to capital for private individuals. We work for financial inclusion. We want to be a long-term partner to our customers and help them to understand their sustainability risks.



Norion Bank does business with care for our surroundings. This means reducing our own direct and indirect emissions, as well as reducing the emissions of the corporate and real estate credit portfolio. In the credit portfolio, this is done by Norion Bank being a professional partner that assists clients in transforming business plans to be resilient during the global climate transition.



Through the Real Estate segment, Norion Bank contributes to inclusive, innovative and resilient cities. In 2024, the mapping of emissions in our real estate portfolio, through the PCAF methodology, has been refined. This is to develop how we measure and report the climate impact of the bank's loan portfolio. Green buildings are documented and included in the bank's Green Register.



Sustainable development is based on a society at peace. Norion Bank's activities are intended to contribute to financial stability. We shall be a reliable partner at all the different stages of our activities, countering all forms of corruption, money laundering and cybercrime. Norion Bank will not finance activities that violate the criteria set out in the bank's sectoral guidelines ("Red List⁸").

⁴ Sustainable Development Goals (SDGs – United Nations Global Goals for Sustainable Development).

⁵ The United Nations Global Compact (UN – Global Compact) was implemented in 1999 and is the world's largest sustainability network in the private sector. The UN Global Compact is based on the ten principles in the areas of human rights, labor, climate and anticorruption.

⁶ Read more about the Principles for Responsible Banking (PRB): www.unepfi.org/banking/bankingprinciples.

⁷ Norion Bank will report in accordance with the CSRD from 2025 onwards.

⁸ The Red List is Norion Bank's exclusion list, which describes the types of activities that the bank chooses not to finance. The exclusions are both product and norm-based. The Red List is available at www.norionbank.se/en-SE/about-norion/sustainability.



Business-minded

By focusing on being business-minded, we stand for responsible financing that enables sustainable development for the bank and the world around us. It is through sound lending and good customer relations that we can minimize risks, create positive value for our stakeholders and leave a sustainable mark on society.

Access to capital is important for both private individuals and businesses. Credit is a significant financial instrument for society, and sound and sustainable lending is fundamental to Norion Bank's work. As a bank, we want to be a natural part of our customers' finances and contribute to financial inclusion. We are committed to being business-minded and to being a professional partner in contributing to sustainable development.

As part of this work, Norion Bank wants to foster the entrepreneurs of tomorrow by encouraging innovation and entrepreneurship. Norion Bank participated, for the third time, in the jury of the Swedish Ung Företagssamhet competition Alumninästet!. The competition is Ung Företagssamhet Sweden's version of Shark Tank and gives students in their third year of upper secondary school the opportunity to present their business idea. The aim of the partnership is to develop young talents' business ideas and thus inspire them to start businesses. By supporting tomorrow's entrepreneurs, Norion Bank wants to contribute to a sustainable future and an economically well-functioning society.

Sustainability in the lending process

Corporate lending is part of Norion Bank's core business, and it is essential that the lending business is based on customers' ability to repay loans. Since we know that the bank's biggest impact on the world lies in our credit portfolio, we attach great importance to responsible lending. We do this by identifying operations and business models that are robust and generate good returns while conducting a thorough risk analysis. By integrating and assessing companies' sustainability work in the credit process that governs our corporate lending, we can contribute to emission reductions and sustainable social development from other aspects as well.

During the year, we updated our methodology for measuring the climate impact of the bank's loan portfolio in line with the PCAF methodology. The implementation of internal processes and sustainability requirements is ongoing, with, e.g., the Red List, since 2022, being an integral part of the work to identify sustainability risks. Norion Bank's Ethics Committee (EC²) acts as an advisory group on customer and sustainability-related risks based on the Red List. Before the bank decides on credit approval or rejection, and if the

credit request is considered complex or possibly related to the exclusion criteria, the EC is consulted. The credit decision is then subject to approval or rejection by the EC. Furthermore, the bank conducts systematic reviews of both new and existing credit, including ESG assessments, to evaluate whether any new risks have emerged and how any risks are managed by the lender. If a significant change in the risk assessment is observed, the bank may – given the circumstances, contractual terms, conditions and customer dialog – choose to terminate the credit agreement.

A sustainable society depends on a robust financial system that cannot be abused. This is why anti-money laundering and counter-terrorist financing is part of the 2030 Agenda and the Global Goals. Norion Bank sees the prevention of financial crime as a fundamental principle for safe and sound banking operations. Governance documents, policies and procedures provide guidance on how we can contribute to the protection of human rights, better working conditions and reduced emissions. The documents are revised annually.



Photo: Anna Roström

The Corporate portfolio's risks and opportunities³

We want to identify sustainability risks in order to reduce negative impacts on the environment and society, and find opportunities in companies with competitive business models. Like all participants in the financial sector, we have a fiduciary duty to allocate capital in a way that helps companies to transform their operations and make the necessary climate adaptations.

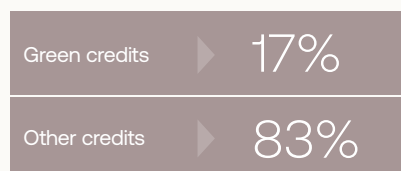
With the bank's updated ESG analysis in the lending process, we ensure a more clear mapping of sustainability risks and opportunities in the credit portfolio. During the year, work continued on monitoring the corporate portfolio with regard to sustainability, and 84% of the portfolio has undergone ESG analysis in accordance with the updated procedures. The follow-up is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD⁴), which are also taken into account in the updated ESG analysis. The work started in 2022–2023 and has continued in 2024 in order to update and develop our internal processes and cover a larger part of the portfolio. During the year, we furthered our understanding of how we, as a bank, are affected by the climate and its impacts and agreed on long-term climate targets for our operations.

Responsible consumer lending

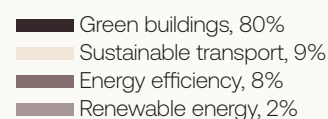
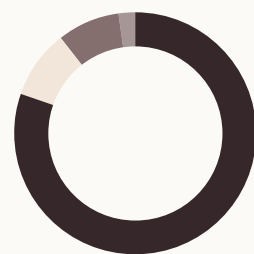
Sound and sustainable lending is of great importance to the bank. Our sustainability strategy focuses on corporate lending, where we have our primary impact, but also responsible lending to individuals is crucial to being a long-term partner. Customers who experience payment difficulties are a loss for Norion Bank, for the customer and for society as a whole. We ensure solvency through a careful credit granting process based on the private consumer's actual financial circumstances. Since 2023, lending has continued to gradually shift from loan intermediaries to the bank's own channels, contributing to increased transparency and better conditions for working closely with our customers.

Allocation of credits

Within the Corporate and Real Estate segment for 2024:



Financing in green categories



¹ Ung Företagssamhet Sweden (UF), www.ungforetagsamhet.se.

² The Ethics Committee (EC) deals with areas including human rights, tax issues, environmental challenges and ethical dilemmas.

³ The "Corporate portfolio" refers to the credit portfolio in the Corporate and Real Estate segments.

⁴ The Task Force on Climate-Related Financial Disclosures (TCFD) is a framework to help organizations identify and prevent their climate-related financial risks.



Committed

Our focus on committed employees allows us to generate good results for both ourselves and our customers. We work to offer a stimulating workplace, a good working environment, and the right conditions to contribute to our collective success.

Norion Bank employs various professional groups who work closely together in a dynamic environment with a strong spirit of progress. In order to deliver sustainable growth and to continue to develop our business, it is essential for us to attract the best people. This is why we aim to be an attractive employer in the industry, offering a stimulating workplace. We want our employees to feel ownership and responsibility in their roles and we create conditions for this through explicit self-leadership. Employee involvement enables the long-term success of both the bank and our customers. Our ambition to contribute to a sustainable transformation of society means that sustainability aspects are taken into account in all the bank's processes. This is why we invest in our employees and offer them internal and external training to ensure they have the sustainability skills they need.

In 2024, the option of vacation exchange was introduced, which means that employees can choose to convert their vacation pay into an extra week of leave. This investment reinforces our ambition to offer an attractive workplace where our employees are empowered for self-leadership.

Focus on a stimulating workplace

The ability to support our customers depends on the continuous development of capacity and knowledge across all functions of the bank. According to the employees, Norion Bank is characterized by a culture where people can express their opinions freely, a workplace with healthy leadership and an inclusive environment. To us it is crucial that each individual's development is valued, which translates into a strong focus on self-leadership and skills development. Therefore, Norion Bank conducts several training courses each year to give employees the right tools and capabilities. The bank has been affiliated with Swedsec¹ since 2022 and has licenses for client executives and the management team.

All our employees undergo mandatory internal training on GDPR, anticorruption, and handling of complaints. Furthermore, the training "Sustainability Certification in the Financial Sector"² is available on the bank's intranet and is mandatory in the induction for new employees. An annual update of the sustainability certification is carried out by all employees.

New managers in the bank are also offered training in occupational health and safety, recruitment, rehabilitation and labor law. The bank strives to ensure that the culture is characterized by openness, commitment and clarity, which contributes to the high satisfaction and high eNPS³ (Employee Net Promoter Score). As part of our work, we conduct employee reviews with focus on satisfaction, development and performance in relation to the bank's values.

To further strengthen employee engagement, the bank has established an ambassador group where views and ideas are captured and translated into improvements. During the year, the management team has defined a clear vision and strategies for the future of Norion Bank, giving employees a clear direction and increasing motivation. By linking individual work to the company's overall objectives, we create a sense of meaning and commitment. The bank's HR processes focus on skills development, leadership support and responsive dialogue to ensure a work environment where people grow. This contributes to an organisation that can develop sustainably and successfully.



Photo: Anna Roström

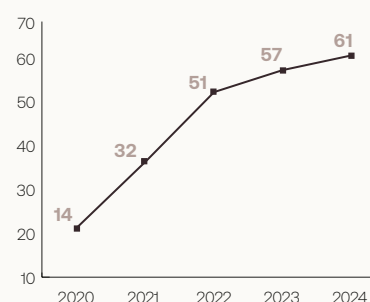
Focus on employee well-being

Norion Bank applies a systematic system in order to control, investigate, rectify and monitor the workplace. It is an investment to achieve high levels of satisfaction, motivation and well-being. The result of this can be seen as Norion Bank once again showed very good results in the employee survey. With a response rate of 90% and an eNPS of 61, the bank is placed in the category "Very Strong Ambassadorship"⁴. This means that a significant majority of employees are satisfied with the bank as an employer and actively recommend Norion Bank as a place to work. A high eNPS indicates that we have a strong company culture where employees feel engaged, valued and motivated. The high level of employee engagement is also a clear result of the bank's investment in its staff and a working environment that promotes well-being and motivation.

Norion Bank works actively to be a workplace where all employees make a full contribution based on their different experiences, background and skills. There is zero tolerance for direct or indirect discrimination or harassment in the workplace. All employees must be treated in accordance with our Inclusion and Human Rights Policy⁵. The employee survey shows that the bank has very good results in all areas of discrimination. Norion Bank works in a structured way to promote equal pay for men and women, to recruit, develop and promote people with foreign backgrounds and to increase the diversity of our teams and within the management team.

eNPS

61



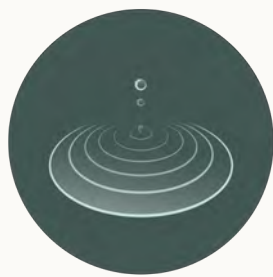
¹ Swedsec is a licensing system for financial market employees, with the intention of strengthening competence and customer protection in the financial industry.

² The training "Certification Sustainability in the Financial Sector" is provided by Finanskompetens FU AB.

³ eNPS measures the propensity to recommend Norion Bank as an employer.

⁴ Score eNPS of over 50 is categorized as "Very Strong Ambassadorship."

⁵ The Inclusion and Human Rights Policy is available at www.norionbank.se/en-SE/about-norion/sustainability.



Caring

Norion Bank’s focus on being caring means that we have a structured and transparent way of working, which is a prerequisite for good business ethics and lasting success that contributes to long-term sustainable social development.

Norion Bank has a responsibility to run its business in a way that enables it to have a positive impact on the environment and society. Our focus on being caring means that we take responsibility for how our business is run. We provide governance documents, such as policies and instructions, to help our employees understand how the organization should work to remain an ethical business partner. We continuously engage in dialogue with our stakeholders to understand their challenges and create clear guidelines, processes and policies to meet their needs.

Governance and organizational structure

All our stakeholders – from investors, employees and customers to suppliers and partners – should feel confident that we conduct business with consideration for our surroundings and society. Our governance work is based on the UN Global Compact’s ten principles on respect for human rights, labor, environment and anticorruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business.

The Board is ultimately responsible for sustainability issues within Norion Bank and sets the policy framework and control processes. The CEO and Chief Sustainability Officer are responsible for integrating sustainability work into the business, and the CEO has established the Ethics Committee as a decision-making forum for, among other things, sustainability issues that need to be addressed specifically. With the CSRD coming into force in 2025, Norion Bank has conducted a review of our internal processes to ensure that sustainability information is managed and reported in a way that meets the requirements of the regulations as well as other standards and initiatives. Furthermore, our whistleblowing process encourages all employees and external stakeholders to report suspicions of potential or actual misconducts in the business.

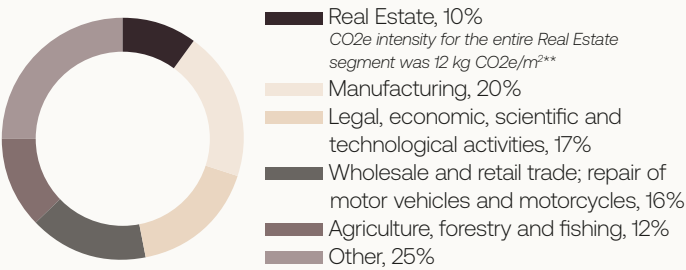
Structured and efficient decision-making processes

Creating a sustainable transition requires the financial sector to work together¹. This means developing the bank’s work on reporting negative and positive

impacts in key sustainability areas and formulating future targets based on scientific guidelines. As a bank, we are subject to a number of regulations and is licensed by the Swedish Financial Supervisory Authority. To comply with these external regulations, we have developed internal policy documents. The governance documents consist of policies, CEO instructions and guidelines that are developed as needed and enable good standards and practices throughout the bank. Our policy documents are drafted by the relevant functions and reviewed by the relevant committee and/or special committee before being adopted by the Board of Directors, the CEO or the relevant Head of Department. We are transparent with our stakeholders, and the policy documents related to sustainability are published on our website. As part of its efforts to comply with the CSRD, the bank has initiated a review of policies and governance documents in 2024. This work will continue in 2025 to ensure full compliance.

Business category*	tCO2e	Share in % of portfolio
Real Estate	13,467	10%
Manufacturing	26,876	20%
Legal, economic, scientific and technological activities	22,496	17%
Wholesale and retail trade; repair of motor vehicles and motorcycles	20,628	16%
Agriculture, forestry and fishing	15,964	12%
Other	32,963	25%
Total	132,394	100%

CO2e split



* Financed emissions have been calculated in accordance with the PCAF methodology. For real estate, the calculation is based on real estate-specific data and the credit's share of the property's value. For corporate loans, financed emissions are calculated on estimates based on the companies Nace code and geographical domicile. This has resulted in an emission factor which has been multiplied with the bank's outstanding balance.

** For real estate credits, the calculation is based on the buildings actual size and EPC class, where existing buildings are used as security. The data coverage rate of the portfolio is 61%. It has been assumed that the remaining part of the real estate portfolio, where data are missing, replicates the portion where data is available.



Caring for our environment

Norion Bank's Environmental Policy guides our work on how we can reduce the bank's impact through informed decisions that take climate and environmental issues into account. As part of aligning our business with the Paris Agreement we have set a milestone of becoming climate-neutral in own operations no later than 2025. This means having net zero greenhouse gas emissions from Scope 1 and 2, which includes the bank's energy consumption and company cars. The ability to make a direct impact on these, in our own operations, where the energy consumed by servers and the heating of our buildings constitute the largest share. Reaching the carbon neutrality target has been achieved by offsetting our remaining Scope 1 and Scope 2 emissions. The carbon offset was implemented, for the third year, through the financing of micro-loan projects to help families in rural Kenya².

During the year, the bank set a new climate target: to achieve net zero emissions by 2045. This is in line with our long-term ambition to reduce our climate impact to contribute to a sustainable climate transition to achieve the Paris Agreement.

We are continuously examining how we can develop our products and services so that both the bank and our customers can reduce their carbon footprint. One example of how the bank's activities support reducing emissions is that we are mainly reached via digital channels and telephone. In this way, we simplify the service for our customers and, at the same time, reduce transportation and office operations. On the other hand, to develop digitally, we need server halls for data storage. We engage with our suppliers who are working to reduce their

emissions. Using our resources more efficiently and recycling what we no longer use is an important step to reduce our own environmental impact. During the year, the bank continued with a take-back service for IT products. This means that equipment we no longer use can be given a second life through resale for reuse. In addition to extending the lifetime of products, we contribute to a more circular economy.

Emissions from our own operations come mainly from our office buildings, purchases and travel. We are working purposefully to reduce these emissions, for example by prioritizing digital meetings in our environmental policy, and recommending rail over air for business travel. The bank also places great emphasis on choosing offices that are designed to be as environmentally friendly and energy efficient as possible. Our head office in Gothenburg has a Gold rating according to the international environmental standard LEED³, our office in Finland has a BREEAM Excellent rating, and our Stockholm office has a BREEAM In-Use Very Good rating⁴. As a tenant, we engage in dialogue with landlords in order for our other offices to develop in the same direction.

The bank's indirect emissions and other environmental impacts, which occur along our value chain, were assessed in 2023⁵. The assessment resulted in eight categories, six upstream and two downstream, being deemed relevant to the bank's Scope 3 emissions. However, the largest climate impact for Norion Bank is via our customers in the Corporate and Real Estate segments, through financed emissions⁶. Thanks to increased data collection during the year, the calculation of our financed emissions has been

completed as of December 31 in accordance with the PCAF's methodology. The results show that, although the collection of data for the calculation of financed emissions has improved significantly during the year, there are still challenges with data quality. The outcome⁷ indicates that the real estate portfolio, which accounts for a large volume of loans in the bank's credit portfolio, appears to account for a low share of financed emissions. This is most likely due to different calculation methods for different asset classes within the PCAF methodology, as well as different data quality for the asset classes. The CO₂ intensity of the real estate portfolio was 11.67 kg CO₂e/m².

Estimates tend to overestimate emissions, which explains why sectors with smaller lending volumes in the credit portfolio appear to account for a large share of total emissions financed. This means that it is currently not possible for the bank to compare the different segments with each other. Increased data quality is required to enable this, which is part of the continued work in 2025. Norion bank will take the results of this first calculation of financed emissions into account when further developing our climate targets for the credit portfolio.

¹ Examples of collaborations in which Norion Bank has participated are the UN Principles for Responsible Banking (PRB) and the UN Global Compact.

² See more detailed information on Gold standard Siaya cookstoves: www.zeromission.se.

³ See more information on LEED certification: www.sgbc.se/certifying/leed.

⁴ See more information on BREEAM certification: www.breem.com.

⁵ Scope 3 totals 3,314 tCO₂e for 2024 and includes all relevant Scope 3 categories for the bank expect category 15 (attributable to the credit portfolio) which is reported separately. The significant increase since 2022 is due to the inclusion of more Scope 3 categories overtime.

⁶ Calculations of financed emissions for the bank's private loans are not calculated, as PCAF currently does not provide a calculation method for this kind of financing.

⁷ See table and graph on previous page.

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Pages 43–100 constitute Norion Bank's formal annual report.
Norion Bank's work on sustainability is described in the
sustainability report on pages 32–41 and 120–132.

Directors' report

Board of Directors and CEO of Norion Bank AB (publ), reg. no. 556597-0513, hereby present the Group and Parent Company annual report for the fiscal year 2024.

Group operations

Norion Bank's operations are divided into four primary operating segments: Corporate, Real Estate, Consumer and Payments. The Corporate segment includes corporate lending and factoring products. The Real Estate segment consists of real estate loans. The Corporate and Real estate segments specialize in financing solutions, with a particular focus on medium-sized companies. The Consumer segment offers personal loans and credit cards. The Payments segment offers payment solutions to e-merchants and retailers, as well as invoicing and payment by instalment services to e-commerce and retail customers. Other activities include the run-off products purchased debt portfolios, residential mortgages and overhead and eliminations.

Legally, the lending and deposit business is operated through Norion Bank AB, which has branches in Norway and Finland. Operations are mainly conducted from the headquarters in Gothenburg and from the offices in Stockholm, Helsingborg, Helsinki and Oslo.

Loan portfolio

The loan portfolio amounted to SEK 50,286 million (45,470) at the end of the year, representing an increase of 11% on the previous year. The largest increase can be attributed to the Corporate segment. The Corporate segment's loan portfolio increased by 19%, the Real Estate segment increased by 8%, the Consumer segment increased by 10%, the Payments segment increased by 9% and the Other segment increased by 1% compared to the previous year. Of the total loan portfolio, Corporate accounted for 23% (21), Real Estate accounted for 46% (47), Consumer accounted for 24% (24), Payments accounted for 6% (6) and Other accounted for 1% (1) at year-end.

Group earnings

Total income increased by 1% during the year and amounted to SEK 3,697 million (3,648). Net interest income increased by 1% compared with the previous year and totaled SEK 3,313 million (3,291). Successive declines in market interest rates have had a negative impact on interest income, followed a period of higher interest rates. Interest costs increased compared to the end of 2023. The net interest margin was 6.9% (7.6). Net interest income was also negatively affected by lower interest rates and continued high volumes in stage 3, primarily in the Real Estate segment. Net commission income increased by 10% and totaled SEK 324 million (295). Net gains and losses on financial items amounted to SEK 30 million (24). Other income totaled SEK 31 million (38).

The Corporate segment experienced a strong increase of the loan book during the year as a result of a gradually improved market sentiment. Demand in the Real Estate segment has remained steady, and the loan book has developed well. Norion Bank continues to be selective in the choice of transactions, both in the Corporate and Real Estate segments. The Payments segment reported a stable financial performance and a strong increase in transaction volumes. In the Consumer segment, the trend in volume has been positive, with good growth, and the long-term efforts to increase returns are continuing.

Total expenses amounted to SEK 1,074 million (934) for the year. The C/I ratio was 29.1% (25.6).

The credit loss level was 2.1% (2.5) for the full-year 2024. Operating profit totaled SEK 1,609 million (1,636). Net profit for the year totaled SEK 1,265 million (1,294). Earnings per share amounted to SEK 6.09 (6.02). Return on equity totaled 14.8% (17.2). Norion Bank is maintaining good profitability.

Non-recurring items

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

2024

There were no non-recurring items in the full year 2024.

2023

There were no non-recurring items in the full year 2023.

Development in Corporate segment

The Corporate segment's loan book totaled SEK 11,582 million (9,705) at the end of the year, representing an increase of 19% on the previous year. Demand has remained good, and lower market interest rates are beneficial for customers. Norion Bank has continued to be selective in the choice of transactions carried out. Transaction activity has increased in line with an increasingly favorable interest rate environment. The Corporate segment accounted for 23% (21) of the total loan portfolio at the end of the year. Total income amounted to SEK 766 million (777). The net interest margin (NIM) was 6.8% (7.6), with the decline primarily reflecting falling policy interest rates. The operating income margin was 7.2% (7.7).

Development in the Real Estate segment

The Real Estate segment's loan book totaled SEK 23,073 million (21,432) at the end of the year, representing an increase of 8% on the previous year. Demand has been good, driven in part by a more favorable and predictable interest rate environment. However, interest income and net interest income were negatively affected by high volumes in Stage 3. The Bank has continued to be selective in the choice of transactions carried out. The Real Estate segment accounted for 46% (47) of the total loan portfolio at the end of the year. Total income amounted to SEK 1,148 million (1,248). The net interest margin was 5.1% (6.5), and the total income margin was 5.2% (6.4).

Development in the Consumer segment

The Consumer segment's loan book totaled SEK 12,152 million (11,005) at the end of the year, representing an increase of 10% on the previous year. Volume has been declining for a long time due to the bank's focus on increasing the risk-adjusted return. However, in 2024 volumes have been increasing, partly due to a more favorable competitive situation, and profitability has been stable. The segment's focus on profitability rather than volume growth remains. The Consumer segment accounted for 24% (24) of the total loan portfolio at the end of the year. Total income amounted to SEK 908 million (852). The net interest margin (NIM) was 7.4% (7.4) and total income margin was 7.8% (8.0).

Development in the Payments segment

Transaction volumes totaled SEK 17,423 million (14,531) for the year, representing an increase of 20%. The Payments segment's loan book amounted to SEK 3,018 million (2,763) at the end of the year, representing an increase of 9% on the previous year. The Payments segment accounted for 6% (6) of the total loan portfolio at the end of the year. Total income amounted to SEK 505 million (464). The net interest margin was 7.7% (7.5) and the total income margin was 17.5% (17.7).

Liquidity

Norion Bank's total liquidity amounted to SEK 15,650 million (7,508) as of 31 December 2024. Total liquidity consists of a liquidity portfolio and other liquid assets. The liquidity portfolio consists of highly liquid assets, such as municipal bonds, covered mortgage bonds and government securities, and amounted to SEK 11,486 million (4,304) as of December 31 2024. Other liquid assets mainly consist of deposit accounts with Nordic banks and amounted to SEK 4,164 million (3,203) as of December 31 2024.

On September 30 2024, the Swedish Financial Supervisory Authority presented a legal position regarding handling of deposits through digital platforms. As of 31 December 2024 Norion Bank's liquidity coverage ratio (LCR) amounted to 320% (363) and net stable funding ratio (NSFR) to 112% (139). The numbers as of December 31 2024 are reported in accordance with the legal position while the historical numbers are based on the previous method. The numbers are therefore not fully comparable.

Funding

Deposits and borrowings from the public amounted to approximately 79% (79) of the company's balance sheet, which by the end of the period amounted to SEK 53,017 million (42,663). This is the primary source of funding for the Group. Senior unsecured bonds issued amounted to SEK 2,300 million (1,248). Commercial papers issued amounted to SEK 20 million (0).

In 2024, Norion Bank AB issued two green, senior unsecured bonds to a total of SEK 1,200 million. The bonds have maturities of two and three years respectively and were the first bonds under Norion Bank's green framework. As of December 31, 2024, the register of green assets amounted to SEK 5,300 million.

Capital adequacy

In 2024, Norion Bank repurchased the SEK 500 million AT1 bond (Tier 1 capital instrument) issued in the first quarter of 2019. In 2024, Norion Bank AB issued T2 bonds (Tier 2 capital) totaling SEK 600 million. Over time, Norion Bank aims to work with an efficient capital planning strategy, which includes issuance of both Additional Tier 1 and Tier 2 instruments. At the end of the period, the risk-weighted exposure amount was SEK 53,713 million (46,862). As of 31 December 2024, the CET1 ratio amounted to 15.8% (15.9), the Tier 1 ratio to 15.8% (17.0) and the total capital ratio to 16.9% (17.0).

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. See also Note 3 Risks and risk management.

The macroeconomic environment

Following a period of high interest rates to curb high inflation, both the Swedish Riksbank and the European Central Bank carried out several interest rate cuts in 2024. This was mainly in the wake of the improved inflation outlook. As a result, market interest rates declined, leading to improved market sentiment. However, macroeconomic uncertainty persists, and geopolitical risks increased further towards the end of the year. Both multiple ongoing military conflicts and the outcome of the US presidential election are factors of relevance.

Sustainability

For Norion Bank, sustainability is crucial to its long-term success, to enable value creation for customers, shareholders and employees. The sustainability report describes how Norion Bank aims to be a long-term partner to both companies and private individuals by running its business in a way that is in keeping with business ethics and social and environmental responsibility in every respect. During the year, Norion Bank has worked with the strategic focus areas; business-minded, committed, and caring in order to achieve the set goals. A full climate assessment for the bank's operations, including the loan portfolio, has been carried out and the bank has adopted the target of net zero emissions by 2045. This in order to help enable future business. During the year, Norion Bank updated its double materiality analysis, first conducted in 2023, in line with the EU Corporate Sustainability Reporting Directive (CSRD). The analysis includes an assessment of both internal and external factors that may affect the bank's operations and stakeholders. The results of the analysis lay the foundation for the bank's continued efforts to be a sustainable and responsible player. Norion Bank has chosen to prepare its sustainability report separately from the formal financial statements in accordance with Chapter 6, section 11 of the Swedish Annual Accounts Act. The sustainability report was submitted to the auditors at the same time as the annual report, and the sustainability report also relates to fiscal year 2024. The report can be found on pages 32–41 and 120–132.

Employees and the work environment

The average number of full-time employees in 2024 was 382 (FTE) (343), which represents an increase of 11% from the previous year. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or leave of absence or in intermittent employment. Of those employed at the end of the year, 41% (45) were women and 59% (55) were men. Of the senior executives, 42% (36) were women. The rate of short-term sick leave during the year was 2.1% (2.1), and the total rate of sick leave, including long term, was 3.4% (3.7). Staff turnover during the year was 11% (14)¹.

Employee surveys show that Norion Bank is a workplace characterized by respect, involvement, cooperation, job satisfaction and commitment. The surveys also show committed, bold and inclusive leadership, with trust between managers and staff being high. Norion Bank works systematically with

¹ Calculated on the basis of the number of terminations divided by the average number of employees. The calculation only takes into account probationary and permanent staff.

work environment and health issues as a natural part of the business. The starting point is to ensure an attractive and equal workplace, with a motivated and sustainable workforce, where everyone is treated with dignity and respect.

Executive management

Senior management at December 31, 2024:

- Martin Nossman, Chief Executive Officer
- Peter Olsson, Chief Financial Officer
- Alexandra Kaber, Chief Operating Officer
- Tarek Omeirat, Chief Credit Officer
- Robert Bergström, Head of Corporate Banking
- Patrik Hankers, Head of Consumer
- David Lundqvist, General Manager, Payments
- Jonas Björkman, Chief Information Officer
- Josefin Eriksson, Head of CEO Office
- Anna-Klara Heldring, Head of Compliance
- Sarah Olofsson, Chief Sustainability Officer
- Teresa Åkemar, Chief HR

More information about the senior executives is available on pages 116–117.

Guidelines on the remuneration of senior executives

Applicable regulations

The remuneration of senior executives must be determined in accordance with these guidelines and Norion's remuneration policy, which are based on Swedish and European legislation and other regulations on remuneration systems for the banking sector, the Swedish Corporate Governance Code and best practice for a good remuneration structure.

Scope

These guidelines cover the senior management and Board members, insofar as remuneration other than that decided by the Annual General Meeting is paid to Board members. Senior management means the Chief Executive Officer, Deputy Chief Executive Officer and other members of the management team, as well as employees who have overall responsibility for some of the company's control functions, regardless of whether or not they are members of the company's management team at any time.

The guidelines must be applied to remuneration that is agreed, and changes that are made to already agreed remuneration, following adoption of the guidelines by the 2024 Annual General Meeting. The guidelines do not cover remuneration decided on by the Annual General Meeting.

Regarding employment conditions that are governed by rules other than Swedish regulations, appropriate adjustments may be made in order to comply with such rules if they are mandatory or in line with established local practice, in which case the general purpose of these guidelines must be adhered to as far as possible.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability
Norion Bank Group is a business-related 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 Group's overall strategy is to maintain a good risk-adjusted return.

Norion Bank offers corporate and real estate loans, as well as factoring for medium-sized companies and real estate companies. The Walley brand offers flexible payment and checkout solutions to merchants and private customers. The Collector brand offers personal loans and credit cards to private consumers, as well as savings accounts to private consumers and companies.

To successfully implement its business strategy, and safeguard its long-term interests, including its sustainability, the company must be able to recruit and retain qualified staff. It must be able to offer competitive remuneration to achieve this aim. These guidelines enable the offering of a competitive remuneration package to the senior management.

The different forms of remuneration

Remuneration must be in line with the market and consist of the following components: a fixed salary, pension contributions, and other nonmonetary benefits.

To avoid encouraging the senior management to take unhealthy risks, no variable remuneration is paid, except as below. The employee's fixed pay, combined with pension contributions and nonmonetary benefits, therefore makes up their total remuneration.

The Annual General Meeting may also decide to offer long-term incentive programs, such as share-based or share price-based payments or incentive schemes. Such long-term incentive programs are decided on by the Annual General Meeting and are therefore not covered by these guidelines.

Variable cash remuneration may be paid in exceptional circumstances, provided that such exceptional arrangements are time-limited and are only made at the individual level, either for the purpose of recruiting or retaining executives, or as remuneration for exceptional efforts going beyond the person's normal duties. Variable remuneration must not be linked to the company's financial targets or similar, however, as this could encourage the employees concerned to take unhealthy risks. Such remuneration may not exceed an amount equal to 20 percent of the employee's fixed annual salary and must not be paid more than once per year and per individual. The Board decides on such remuneration, as proposed by the Remuneration Committee.

Fixed salary

Each member of the senior management must be offered a fixed salary in line with the market, based on the complexity of their position, and the executive's experience, responsibilities, skills and workload. Fixed salaries are revised annually.

Pensions

Each member of the senior management must be offered a pension in line with the market in the country where the executive has their permanent residence.

For the CEO and other senior executives, pension benefits, including health insurance, must be defined-contribution based. Pension premiums for defined-contribution pensions must amount to a maximum of 30% of the executive's fixed annual salary.

Nonmonetary benefits

Nonmonetary benefits should facilitate the executive's work and be what might be considered reasonable in view of market practice.

Nonmonetary benefits may include life insurance, health insurance and car allowances. Premiums and other expenses arising from such benefits may amount to a maximum of 15% of the executive's fixed annual salary.

Termination of employment

The executive's fixed salary during the notice period and severance pay may not exceed a total amount equal to two years' fixed salary for the CEO and 18 months for the other senior executives. The severance pay may not exceed an amount equal to the fixed cash salary for 12 months. The period of notice in the event of termination by the company may not exceed 12 months. If the executive resigns, the notice period may be no more than six months, with no entitlement to severance pay.

In addition, remuneration may be paid to the CEO and the Deputy CEO in exchange for a noncompete commitment, upon termination of their employment, in order to compensate them for any loss of income. For the CEO, such remuneration in exchange for a noncompete commitment must be paid only if the former executive is not entitled to severance pay. The remuneration for the CEO should be the difference between their fixed salary on the date of termination less any lower income amount that the CEO may earn from new activities, and for the Deputy CEO should be the difference between their fixed salary on the date of termination less any lower income amount that the Deputy CEO may earn from new activities, but should be no more than 60% of their fixed salary on the date of termination. The remuneration must be paid during the period covered by the noncompete commitment, which should be for no more than 12 months after the termination of employment.

Salaries and terms of employment for employees

When the Board's proposal for these remuneration guidelines was prepared, the salaries and terms of employment of the company's employees were taken into account through information about employees' total remuneration, the components of the remuneration, the increase in remuneration and the rate of increase over time having been part of the basis for the decisions by the Remuneration Committee and the Board in their evaluation of the reasonableness of the guidelines and the limitations resulting from them.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board has set up a Remuneration Committee. The committee's tasks include preparing the Board's decisions on proposals for guidelines on the remuneration of senior executives. The Board of Directors must draw up proposals for new guidelines at least every four years and submit them to the Annual General Meeting for approval. The guidelines must apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee must also monitor and evaluate, where applicable, the variable remuneration programs for the senior management, the application of the guidelines on the remuneration of senior executives and the current remuneration structures and remuneration levels within the company.

The Chair of the Board chairs the Remuneration Committee.

The other members of the Remuneration Committee are independent of the company and the senior management. The CEO and other members of the senior management do not attend the Board's discussions and decisions on remuneration-related matters, insofar as they are affected by the matters concerned.

Remuneration of Board members

In exceptional cases, Board members elected by the Annual General Meeting may be tasked with work that goes beyond the work of the Board and should then be able to receive fees for such work. Tasks for which the company lacks internal expertise or resources may be eligible for the payment of fees. Furthermore, only operational, nonstrategic work is eligible, and it must also not encroach on the senior management's activities or otherwise contravene the Swedish Companies Act or the Swedish Corporate Governance Code. The remuneration must be in line with the market and be approved by the Board without the Board member concerned participating in the preparation of proposals or decisions.

Departures from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines, in whole or in part, if in a specific case there are special reasons for doing so, and such a departure is necessary in the company's long-term interests, including to ensure its sustainability or financial viability. As stated above, one of the Remuneration Committee's tasks is to prepare the Board's decisions on remuneration issues, which includes decisions on departures from the guidelines.

Share capital

As of December 31, 2024, the share capital amounted to SEK 149,421,957 divided into 205,381,004 ordinary shares. The Company has a single (1) 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.

Share buyback

The Board has announced its intention to initiate a share buyback program of up to approximately SEK 500 million after the 2025 Annual General Meeting.

The Board therefore intends to propose that the 2025 Annual General Meeting authorizes the Board to, on one or more occasions until the next Annual General Meeting, and given the approval of the Swedish Financial Supervisory Authority, decide on acquisition of the company's own shares on Nasdaq Stockholm.

The Norion Bank share

Norion Bank's share ("NORION") is listed on Nasdaq Stockholm. As of December 30, 2024, the closing price for the Norion Bank share was SEK 36.40, corresponding to a market capitalization of SEK 7.5 billion. There were approximately 9,200 shareholders at the end of the period.

Ownership structure

Shareholders at December 31, 2024	%
Fastighets AB Balder	44.1%
Erik Selin	19.4%
Provobis Holding AB	6.9%
State Street Bank and Trust Company	5.9%
Helichrysum Gruppen AB	2.9%
JME Invest AB	2.0%
Brunnudden Kapital AS	1.4%
Vante AB	1.4%
Nordnet	1.2%
Avanza	1.1%
Other shareholders	13.7%
Total	100.0%

The largest shareholders are presented in the table. At December 31, 2024, approximately 86% of the share capital and voting rights were held by the ten largest shareholders.

Events after the end of the fiscal year

After the end of the year, the Swedish Financial Supervisory Authority requested a statement from Norion Bank as a continuation of the previously initiated investigation regarding compliance with anti-money laundering regulations which was initiated in May 2023 towards Norion Bank and a couple of other market participants. Norion Bank submitted its comments on February 21, 2025.

Proposal for the appropriation of the company's profits

The Board of Directors and the CEO propose that the available profits of SEK 7,458,971,505 be appropriated as follows:

Amount carried forward	7,458,971,505
Total	7,458,971,505

Five-year summary

Group

Income statement, SEKm	2024	2023	2022 ¹⁾	2021 ²⁾	2020
Interest income	5 236	4 609	3 385	2 684	2 197
Interest expense	-1 923	-1 318	-486	-361	-345
Net interest income	3 313	3 291	2 899	2 323	1 852
Commission income	377	339	342	347	324
Commission expense	-53	-44	-43	-54	-44
Net commission income	324	295	299	293	280
Net gains and losses on financial items	30	24	-24	18	-4
Other income	31	38	39	3	30
Total income	3 697	3 648	3 212	2 637	2 158
Personnel expenses	-435	-357	-321	-284	-287
Other expenses	-568	-509	-448	-446	-498
Depreciation/amortisation of tangible and intangible assets	-71	-67	-63	-60	-56
Total expenses	-1 074	-934	-832	-790	-841
Profit before credit losses	2 623	2 714	2 381	1 846	1 317
Credit losses, net	-1 014	-1 078	-938	-884	-859
Operating profit	1 609	1 636	1 442	963	458
Appropriations	-	-	-	-6	-11
Tax expense	-344	-342	-302	-204	-102
Net profit for the year	1 265	1 294	1 141	753	345
Earnings per share, SEK					
before dilution ³⁾	6,09	6,02	5,34	3,47	1,48
after dilution ³⁾	6,09	6,02	5,34	3,47	1,48

¹⁾ IFRS 16 Leases started to be applied from quarter 3, 2022. The group's leasing agreement has been taken over following the merger with the former parent company Collector AB and consists mostly of office premises and to a lesser extent vehicles. All right-of-use assets are reported under the item Tangible fixed assets and leasing liabilities under the item Other liabilities in the balance sheet.

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

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

Key ratios

Group

Key ratios	2024	2023	2022	2021	2020
Income statement (SEKm)					
Net interest income	3 313	3 291	2 899	2 323	1 852
Total income	3 697	3 648	3 212	2 637	2 158
Net profit	1 265	1 294	1 141	753	345
Basic earnings per share, SEK ⁴⁾	6,09	6,02	5,34	3,47	1,48
Diluted earnings per share, SEK ⁴⁾	6,09	6,02	5,34	3,47	1,48
Balance sheet (SEKm)					
Loans to the public	50 286	45 470	41 490	36 214	32 242
Deposits and borrowings from the public	53 017	42 663	36 842	31 351	30 855
Debt securities in issue	2 319	1 248	3 337	5 229	219
Subordinated liabilities	598	-	-	500	500
Equity attributable to Norion Bank AB shareholders	9 052	7 803	6 570	5 416	4 703
Key ratios ¹⁾					
Net interest margin (NIM) ²⁾	6,9%	7,6%	7,5%	6,8%	5,9%
Credit loss ratio ²⁾	2,1%	2,5%	2,4%	2,6%	2,8%
C/I ratio ²⁾	29,1%	25,6%	25,9%	30,0%	39,0%
Return on equity (RoE) ²⁾	14,8%	17,2%	18,3%	14,1%	7,7%
CET1 ratio ³⁾	15,8%	15,9%	14,3%	13,9%	13,3%
Tier 1 ratio ³⁾	15,8%	17,0%	15,4%	15,1%	14,7%
Total capital ratio ³⁾	16,9%	17,0%	15,4%	16,4%	16,2%
Average number of full-time employees	382	343	308	301	321
Adjusted key ratios ¹⁾					
Net interest margin (NIM) ²⁾	6,9%	7,6%	7,5%	6,8%	5,9%
Credit loss ratio ²⁾	2,1%	2,5%	2,4%	2,6%	2,6%
C/I ratio ²⁾	29,1%	25,6%	25,9%	30,0%	38,3%
Return on equity (RoE) ²⁾	14,8%	17,2%	18,2%	14,1%	8,3%

¹⁾ See Definitions, page 134, and norianbank.se/en-se/investor-relations-en/financial-information/key-financials for more information about key ratios.

²⁾ 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, page 134.

³⁾ Key ratios defined according to the Capital Requirements Regulation (CRR). Refers to the consolidated situation. See Note 4, pages 74-77.

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

Income statement

Group

SEKm	Note	2024	2023
Interest income ¹⁾		5 236	4 609
Interest expense ²⁾		-1 923	-1 318
Net interest income	6	3 313	3 291
Commission income		377	339
Commission expense		-53	-44
Net commission income	7	324	295
Net gains and losses on financial items	8	30	24
Other income	9	31	38
Total income		3 697	3 648
Personnel expenses	10	-435	-357
Other operating expenses	11	-568	-509
Depreciation/amortization and impairment of tangible and intangible assets ³⁾	12	-71	-67
Total operating expenses		-1 074	-934
Profit before credit losses		2 623	2 714
Credit losses, net	13	-1 014	-1 078
Operating profit		1 609	1 636
Tax expense	15	-344	-342
NET PROFIT		1 265	1 294
Portion attributable to;			
Shareholders of Norion Bank AB (publ)		1 250	1 236
Additional Tier 1 capital holders		15	58
Basic earnings per share	16	6,09	6,02
Diluted earnings per share	16	6,09	6,02

¹⁾ Consists primarily of interest income calculated according to the effective interest rate method.

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

³⁾ IFRS 16 Leases started to be applied from quarter 3, 2022. The group's leasing agreement has been taken over with the merger of Norion AB and consists mostly of office premises and to a lesser extent vehicles. All right-of-use assets are reported under the item Tangible fixed assets and leasing liabilities under the item Other liabilities in the balance sheet.

Statement of comprehensive income

Group

SEKm	2024	2023
NET PROFIT	1 265	1 294
Items that have been or may be reclassified to the income statement		
Exchange rate differences on translation of foreign currency	-1	-3
Total other comprehensive income	-1	-3
TOTAL COMPREHENSIVE INCOME	1 263	1 291
Portion attributable to;		
Shareholders of Norion Bank AB (publ)	1 249	1 233
Additional Tier 1 capital holders	15	58

Balance sheet

Group

SEKm	Note	Dec 31, 2024	Dec 31, 2023
Treasury bills and other bills eligible for refinancing with central banks, etc.	17	5 276	346
Loans to credit institutions	18	4 164	3 203
Loans to the public	19, 20	50 286	45 470
Bonds and other interest-bearing securities	17	6 210	3 958
Shares and participating interests	21	764	664
Intangible assets	23	141	104
Tangible assets	24	75	109
Derivatives	25	12	47
Other assets	26	160	42
Prepaid expenses and accrued income	27	121	112
TOTAL ASSETS		67 206	54 056
Deposits and borrowings from the public	28	53 017	42 663
Debt securities in issue	29	2 319	1 248
Derivatives	25	-	-
Tax provisions	30	341	274
Other liabilities	31	393	524
Accrued expenses and prepaid income	32	1 487	1 042
Subordinated liabilities	29	598	-
Liabilities		58 155	45 753
Additional Tier 1 instruments		-	500
Shareholders' equity		149	149
Other reserves		-2	0
Retained earnings incl. net profit for the year		8 904	7 654
Equity	34	9 052	8 303
TOTAL LIABILITIES AND EQUITY		67 206	54 056

Statement of changes in equity

Group

SEKm

	Shareholders of Norion Bank AB						Total equity
	Share capital	Other contributed capital ²⁾	Translation reserve	Retained earnings, including profit for the year	Total	Additional Tier 1 capital holderst ¹⁾	
2024							
OPENING BALANCE	149	5	-5	7 654	7 803	500	8 303
Net profit				1 250	1 250	15	1 265
Other comprehensive income			-1		-1		-1
Total comprehensive income			-1	1 250	1 249	15	1 263
Redemption Tier 1 instruments						-15	-15
Cost additional Tier 1 instruments						-500	-500
Items reported directly in equity						-515	-515
CLOSING BALANCE	149	5	-6	8 904	9 052	-	9 052
2023							
OPENING BALANCE	149	5	-2	6 418	6 570	500	7 070
Net profit				1 236	1 236	58	1 294
Other comprehensive income			-3		-3		-3
Total comprehensive income			-3	1 236	1 233	58	1 291
Cost additional Tier 1 instruments						-58	-58
Items reported directly in equity						-58	-58
CLOSING BALANCE	149	5	-5	7 654	7 803	500	8 303

¹⁾ 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.

²⁾ Other contributed capital essentially consists of paid premiums.

Cash flow statement

Group

SEKm	2024	2023
Operating profit	1 609	1 636
Adjustments for non-cash items in operating activities ¹⁾	1 158	1 372
Income taxes paid	-378	-272
Cash flow from operating activities after adjustment items and taxes paid	2 389	2 736
Increase/decrease in loans to the public	-5 251	-5 285
Increase/decrease in holdings of securities	-	-157
Increase/decrease in deposits and borrowings from the public	9 678	5 912
Increase/decrease in other assets	-7 248	-1 019
Increase/decrease in other liabilities	331	175
Cash flow from operating activities	-101	2 362
Acquisitions of intangible assets	-76	-57
Acquisitions of tangible assets	-1	-1
Acquisitions of financial assets	-62	-
Cash flow from investing activities	-139	-58
Repayment of debt	-30	-33
Additional Tier 1 instruments	-515	-58
Repayment of interest-bearing securities	-1 117	-2 297
Issuance of interest-bearing securities	2 785	247
Cash flow from financing activities	1 123	-2 141
CASH FLOW FOR THE YEAR	883	163
Cash and cash equivalents at beginning of year	3 203	3 050
Cash flow for the year	883	163
Exchange rate differences in cash and cash equivalents	78	-10
CASH AND CASH EQUIVALENTS AT END OF YEAR	4 164	3 203
Paid and received interest of which is included in the cash flow from operating activities		
Interest paid	2 598	1 134
Interest received	5 240	4 581
¹⁾ Adjustment for non-cash items		
Credit provisions	1 014	1 078
Unrealized changes in value	-23	70
Depreciation, amortisation and impairments	71	67
Other	96	157
TOTAL NON-CASH ITEMS	1 158	1 372

Cash flow statement, cont.

Group

SEKm	2024	2023
Issued interest-bearing securities	2 917	1 248
OPENING BALANCE	1 248	3 337
Accrued acquisition costs and exchange rate differences	1	-39
Issuance of interest-bearing securities	2 785	247
Repayment of interest-bearing securities	-1 117	-2 297
CLOSING BALANCE	2 917	1 248

Comments

The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented according to the indirect method and is divided into payments from operating activities, investing activities and financing activities.

Operating activities

Cash flow includes interest receipts of SEK 5 240million (4 581) and interest payments of SEK 2 598 million (1 134). Capitalised interest is included.

Income statement

Parent company

SEKm	Note	2024	2023
Interest income ¹⁾		5 236	4 609
Interest expense ²⁾		-1 923	-1 318
Net interest income	6	3 313	3 291
Commission income		377	339
Commission expense		-53	-44
Net commission income	7	324	295
Net gains and losses on financial items	8	30	24
Other income	9	31	38
Total income		3 697	3 648
Personnel expenses	10	-435	-357
Other operating expenses	11	-568	-509
Depreciation/amortization and impairment of tangible and intangible assets ³⁾	12	-71	-67
Total operating expenses		-1 074	-934
Profit before credit losses		2 623	2 714
Credit losses, net	13	-1 014	-1 078
Operating profit		1 609	1 636
Appropriations	14	-331	-288
Tax expense	15	-278	-285
NET PROFIT		1 000	1 063

¹⁾ Consists primarily of interest income calculated according to the effective interest rate method.

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

³⁾ IFRS 16 Leases started to be applied from quarter 3, 2022. The group's leasing agreement has been taken over following the merger with the former parent company Collector AB and consists mostly of office premises and to a lesser extent vehicles. All right-of-use assets are reported under the item Tangible fixed assets and leasing liabilities under the item Other liabilities in the balance sheet.

Statement of comprehensive income

Parent company

SEKm	2024	2023
NET PROFIT	1 000	1 063
Items that have been or may be reclassified to the income statement		
Exchange rate differences on translation of foreign currency	-1	-3
Total other comprehensive income	-1	-3
TOTAL COMPREHENSIVE INCOME	999	1 060

Balance sheet

Parent company

SEKm	Note	Dec 31, 2024	Dec 31, 2023
Treasury bills and other bills eligible for refinancing with central banks, etc.	17	5 276	346
Loans to credit institutions	18	4 164	3 203
Loans to the public	19,20	50 286	45 470
Bonds and other interest-bearing securities	17	6 210	3 958
Shares and participating interests	21	764	664
Shares and participating interests in Group companies	22	0	0
Intangible assets	23	141	104
Tangible assets	24	75	109
Derivatives	25	12	47
Other assets	26	160	42
Prepaid expenses and accrued income	27	121	112
TOTAL ASSETS		67 206	54 056
Deposits and borrowings from the public	28	53 017	42 663
Debt securities in issue	29	2 319	1 248
Tax provisions	30	-	-
Other liabilities	31	393	524
Accrued expenses and prepaid income	32	1 487	1 042
Subordinated liabilities	29	598	-
Liabilities		57 814	45 478
Untaxed reserves	33	1 651	1 320
Share capital		149	149
Statutory reserve		2	3
Development expenditure fund		131	102
Additional Tier 1 instruments		-	500
Retained earnings		6 459	5 440
Net profit		1 000	1 063
Equity	34	7 741	7 257
TOTAL LIABILITIES AND EQUITY		67 206	54 056

Statement of changes in equity

Parent company

SEKm	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Retained earnings, incl. net profit for the year	Additional Tier 1 instruments ¹⁾	
2024						
OPENING BALANCE	149	3	102	6 503	500	7 257
Transfer of development expenses			29	-29		-
Redemption Tier 1 instruments					-500	-500
Cost additional Tier 1 instruments				-15		-15
Net profit				1 000		1 000
Other comprehensive income for the year		-1				-1
CLOSING BALANCE	149	2	131	7 459	-	7 741
2023						
OPENING BALANCE	149	6	79	5 521	500	6 256
Transfer of development expenses			23	-23		-
Cost additional Tier 1 instruments				-58		-58
Net profit				1 063		1 063
Other comprehensive income for the year		-3				-3
CLOSING BALANCE	149	3	102	6 503	500	7 257

¹⁾ 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

Parent company

SEKm	2024	2023
Operating profit	1 609	1 636
Adjustments for non-cash items in operating activities ¹⁾	1 158	1 372
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Cash flow from operating activities after adjustment items and taxes paid	2 389	2 736
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Increase/decrease in holdings of securities	-	-157
Increase/decrease in deposits and borrowings from the public	9 678	5 912
Increase/decrease in other assets	-7 248	-1 019
Increase/decrease in other liabilities	331	175
Cash flow from operating activities	-101	2 362
Acquisitions of intangible assets	-1	-1
Acquisitions of tangible assets	-76	-57
Acquisitions of financial assets	-62	-
Cash flow from investing activities	-139	-58
Repayment of debt	-30	-33
Additional Tier 1 instruments	-515	-58
Repayment of interest-bearing securities	-1 117	-2 297
Issuance of interest-bearing securities	2 785	247
Paid/received group contribution	0	0
Cash flow from financing activities	1 123	-2 141
CASH FLOW FOR THE YEAR	883	163
Cash and cash equivalents at beginning of year	3 203	3 050
Cash flow for the year	883	163
Exchange rate differences in cash and cash equivalents	78	-10
CASH AND CASH EQUIVALENTS AT END OF YEAR	4 164	3 203
Paid and received interest of which is included in the cash flow from operating activities		
Interest paid	2 598	1 134
Interest received	5 240	4 581
¹⁾ Adjustment for non-cash items		
Credit provisions	1 014	1 078
Unrealized changes in value	-23	70
Depreciation, amortisation and impairments	71	67
Other	96	157
TOTAL NON-CASH ITEMS	1 158	1 372

Notes to the financial statements

All amounts are in millions of Swedish kronor (SEKm) and at book value unless otherwise indicated. Figures in parentheses refer to the previous year; rounding differences may occur.

1. Corporate information

Norion Bank Group provides financing solutions for corporates and private individuals.

Norion Bank AB (publ) is the parent company of the group. The parent company is a Swedish limited liability company with its registered office in Gothenburg, Sweden.

The parent company is included in the Mid Cap segment of the NASDAQ Stockholm stock exchange.

The consolidated accounts for the financial year ending 31 December 2024 were approved for publication by the Board of Directors on 2 April and will be presented for adoption at the 2025 Annual General Meeting.

Mandatory information

Name of reporting entity	Norion Bank AB (publ)
Domicile of entity	Göteborg
Corporate Identity Number	556597-0513
LEI code	529900AGWAKUTYNETM62
Legal form of entity	Public limited company
Country of incorporation	Kingdom of Sweden
Address of entity's registered office	Lilla Bommens Torg 11, SE-411 09 GÖTEBORG
Principal place of business	Sweden
Description of nature of entity's operations and principal activities	Bank and Insurance
Name of ultimate parent of group	Norion Bank AB (publ)
Website	www.norionbank.se

EXCHANGE RATES USED FOR CONVERTING MAIN CURRENCIES IN THE GROUP CONSOLIDATION

	Income statement			Balance sheet		
	2024	2023	Change, %	2024	2023	Change, %
EUR	11,4498	11,4842	-0,3%	11,459	11,0960	3,3%
NOK	0,9830	1,0019	-1,9%	0,9715	0,9871	-1,6%

2. Accounting policies

Significant accounting policies for the group

1. STATEMENT OF COMPLIANCE

1.1 Basis of preparation of the report

The group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the EU. The additions following the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority regarding annual accounts for credit institutions and securities companies (FFFS 2008:25) are also applied. RFR 1 Supplementary Accounting Rules for Groups, and statements from the Swedish Financial Reporting Board, are also applied in the consolidated accounts.

1.2 Issuing and adoption of annual report

The annual accounts and consolidated financial statements were approved for issuance by the Board and CEO on April 2, and will be subject to approval at the Annual General Meeting on May 6, 2025.

1.3 Presentation of financial statements (IAS 1)

Financial statements provide a structured representation of a company's financial position and financial results. The purpose is to provide information on the company's financial position, financial results and cash flows useful in connection with financial decisions. The financial statements also indicate the results of the senior management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes.

1.4 New standards, amendments and interpretations that have been applied

None of the new standards, amendments or interpretations that have come into effect for the financial year beginning on 1 January 2024 have had a significant impact on the Group's or parent company's financial position, results, cash flows or disclosures.

1.4.1 Presentation and Disclosures in Financial Reports (IFRS 18)

The International Accounting Standards Board (IASB) has issued IFRS 18 – Presentation and Disclosures in Financial Reports. The standard, which was published in April 2024, will come into effect on January 1, 2027, but it has not yet been approved by the EU. IFRS 18 replaces IAS 1 Presentation of Financial Statements and primarily introduces new requirements for the structure of the income statement as well as disclosures concerning specific performance measures. An evaluation of its impact on the group's financial reports is currently underway.

2. BASIS OF CONSOLIDATION (IFRS 3, IFRS 10)

2.1 Subsidiaries

In the consolidated financial statements, all companies where the Parent Company directly or indirectly holds a controlling influence (subsidiaries) have been fully consolidated.

3. EQUITY INSTRUMENTS (IAS 32)

Instruments in which the Group does not have a contractual obligation to make payment are recognised as equity instruments. Payment to holders of these instruments is recognised in equity. Accordingly, issued shares and Tier 1 instruments are recognised as equity instruments in the balance sheet.

4. SEGMENT REPORTING (IFRS 8)

The segment reporting presents income and expenses and assets and liabilities from the management's perspective and relates to the parts of the Group that are defined as operating segments. The operating segments are identified on the basis of the internal reporting to the company's highest executive decision-maker. The Group has identified the Group's CEO as its highest executive decision-maker, and the internal reporting used by the CEO to follow up the business and make decisions on resource allocation forms the basis for the information presented. The accounting policies for the segment information comply with IFRS. See Note K5 Operating segment for a further description of the classification and presentation of the operating segments.

5. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES (IAS 21)

5.1 Functional currency and presentation currency

The consolidated accounts are presented in Swedish kronor (SEK), which is the Group's presentation currency, and also the accounting currency for the Parent Company. As a rule, the functional currency of the Group's operations abroad differs from the Group's presentation currency. Functional currency is considered to be the currency used in the financial environment in which the business is primarily conducted.

5.2 Transactions and balance sheet items

Transactions in currencies other than the functional currency, foreign currency, are initially translated into the functional currency at the transaction date rate. Monetary items in foreign currency and non-monetary items in foreign currency that are measured at fair value are remeasured on the closing day at the prevailing closing rate. Gains and losses due to currency translation of monetary items that are measured at fair value are recognized in the income statement as exchange rate effects under the item Net gains and losses on financial items. The Group does not use hedge accounting.

5.3 Translation of foreign operations to the Group's presentation currency

Profit or loss and financial position for all Group companies that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- i) assets and liabilities for each of the balance sheets are translated at the closing day rate,
- ii) revenue and expenses for each of the income statements are translated at the average exchange rate,
- iii) all exchange rate differences arising are recognized in other comprehensive income and accumulated as a separate part of equity,
- iv) Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of this operation and are translated at the closing day rate.

2. Accounting policies, cont.

6. FINANCIAL ASSETS AND LIABILITIES (IAS 32, IFRS9)**6.1 General**

Financial instruments make up the majority of the Group's balance sheet items. A financial instrument is any form of agreement that gives rise to a financial asset for a party and a financial liability or equity instrument for a counterparty. Cash or agreements to obtain cash are examples of financial assets, while fulfilling an obligation to pay cash or another financial asset are examples of a financial liability.

A derivative is a financial instrument characterized by its value changing as a result of the change in an underlying variable such as a foreign exchange rate, interest rate or share price, while no or little initial net investment is required. Instead, the agreement is settled at a future date. Financial instruments are classified in the balance sheet on relevant lines depending on type of financial instrument and who is the counterparty. If the financial instrument has no specific counterparty or when it is listed on a market, these financial instruments are classified in the balance sheet as securities. Financial liabilities where creditors are prioritized lower than others are classified in the balance sheet as subordinated liabilities.

6.2 Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual terms of the instrument. A receivable is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if an invoice has not yet been sent. Loan receivables, deposits and securities issued as well as subordinated debt are reported in the balance sheet on the settlement date. A spot purchase or spot sale of financial assets is recognized and derecognized in the statement of financial position on the business day. A financial asset is derecognized in the balance sheet when the contractual rights to the cash flows from the financial asset cease or when a transfer of the financial asset and the entity in connection therewith essentially transfers all the risks and benefits associated with owning the financial asset. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled, terminated, cancelled or otherwise extinguished. The same applies to part of the financial debt. An exchange between the company and an existing lender, or between the company and an existing borrower of debt instruments with conditions that are materially different, is recognized as the extinguishing of the old financial liability or asset, respectively, and the recognition of a new financial instrument. A financial asset and a financial liability are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to realize the asset and settle the debt at the same time.

6.3 Classification and measurement

The classification and valuation of financial assets is based on an assessment of both the Group's business model for the management of financial assets, and whether the instruments' contractual cash flows contain only payments of principal and interest. As a general rule, financial liabilities are recognized at amortized cost. The exception is financial liabilities, which are

mandatorily to be measured at fair value through the income statement.

Financial assets are classified in accordance with IFRS 9 into one of the following measurement categories:

1. amortized cost
2. fair value through other comprehensive income
3. fair value through the income statement

Financial liabilities are classified in accordance with IFRS 9 into one of the following measurement categories:

1. amortized cost
2. fair value through the income statement

On initial recognition, all financial assets and liabilities are recognized at fair value. For assets and liabilities measured at fair value through the income statement, transaction costs are recognized directly in the income statement at the time of acquisition. For other financial instruments, transaction costs are included in the acquisition cost.

6.3.1 Assessment of business model

The business model for the management of financial assets forms the basis for the division into measurement categories. The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular purpose. For Norion, the business model is established at portfolio level as this best reflects how the business is managed and how information is reported to and evaluated by management. The business model for a portfolio includes specified guidelines and goals for a portfolio and how these are implemented in the business, the risks that affect the portfolio's results and how these risks are managed, as well as the frequency, volume, reason for and time of sales.

6.3.2 Financial assets recognized at amortized cost

Of the Group's financial assets the following are measured at amortized cost because the assets are held within the framework of a business model whose objective is to hold financial assets in order to collect contractual cash flows and the agreed terms for those assets give rise to cash flows at specific times which are only payments of principal and interest on the outstanding amount of capital:

- Loans to credit institutions
- Loans to the public

6.3.3 Financial assets at fair value through profit or loss

The Group's holdings of shares, derivatives, bonds and other interest-bearing securities are recognized at fair value through the income statement as these are considered to be held for trading when they are included in a portfolio of identified financial instruments that are managed together and for which there is a recently proven actual pattern of short-term realizations.

6.3.4 Offsetting of financial instruments

Financial assets and liabilities are offset and recognized with a net amount in the balance sheet, only when there is a legal right to offset the recognized amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the debt.

2. Accounting policies, cont.

6.4 Impairments of financial assets

For financial assets classified at amortized cost or fair value through other comprehensive income, an impairment requirement is calculated. At each reporting occasion, it is assessed whether there is objective evidence that a financial asset or group of assets has lost value. The size of the loan loss reserve, in accordance with IFRS 9, must be the amount expected to result in loan losses in the future and is based on the risk of loan loss that each counterparty represents. The method for assessing the size of the reserve contains three steps for loss provisioning.

- Stage 1, comprises financial instruments where no significant increase in credit risk has occurred since initial recognition and the counterparties that are covered by the Group's low credit risk policy at the time of reporting, a risk assessment that corresponds to investment grade.
- Stage 2, comprises financial instruments where a significant increase in credit risk has occurred since initial recognition but where there is no objective evidence on recognition that the receivable is doubtful.
- Stage 3, comprises financial instruments that are credit impaired and for which objective evidence has been identified for the receivable being doubtful.

When assessing whether there has been a significant increase in credit risk, it is analyzed whether the counterparty is in arrears with payment, by more than 30 days, or whether there are other indicators that the risk has increased. To categorize whether the counterparty is in default, an analysis is done to determine whether the counterparty is greatly in arrears with payment, by more than 90 days, or if there are other indications that lead to an assessment that repayment is less likely. The provisions made for items in Stage 1 correspond to the expected loan losses expected within a 12-month period. In Stages 2 and 3, provisions are made for an amount corresponding to the expected loan losses over the entire life. In calculating the losses in Stages 1 and 2, three main parameters are estimated: probability of default, expected loss in default and expected exposure in default. The parameters are estimated based on historical patterns among the bank's customers and indicate how large the cash flows are that the bank expects will not be realized.

When calculating the expected loss in Stage 3, the counterparty has already defaulted and an estimate is made of what recovery the bank expects to be able to make. The result of this calculation will then be calculated at present value to arrive at the expected loan loss, the present value calculation being based on the effective interest rate of each asset. The expected loan loss is calculated through models developed by the bank, where a data-driven model is used for personal loans, payments, credit cards and factoring, while an expert model is used for corporate and real estate loans. As a rule, the latter are secured, which reduces the factor of loss in default and therefore have lower expected loan losses than personal loans, payments and credit cards, which have no underlying collateral. Financial assets that can be found to have no expected cash flow are written off.

In some cases, the Group has factoring claims with an agreed right of recourse. This means that if the counterparty is unable to pay, the claim can be recovered in its entirety from the

factoring customer, thereby reducing the risk of loan losses. For provisions for doubtful receivables in the Private segment, modelling results are analyzed by management to ensure that the estimate of expected loan losses is reasonable, which may lead to model results being updated. Forward-looking information such as macroeconomic scenarios are also taken into account.

Expected loan losses for loan pledges and financial guarantees are also taken into account in impairment testing. Norion also holds acquired non-performing loans, which are recognized at amortized cost using the effective interest method. The carrying amount of the acquired non-performing loans corresponds to the present value of all expected future cash flows discounted with the initial effective interest rate determined on acquisition. Any positive or negative effects of remeasurements are recognized in the income statement as part of the item Credit losses, net.

6.5 Seized assets

Seized assets are assets taken over to protect a claim. Seized assets may consist of financial assets, properties and other tangible assets.

Seized assets are measured at fair value on initial recognition. Fair value on initial recognition becomes the acquisition value. The subsequent measurement is made in accordance with the principle applicable to each asset class, with the exception of impairment of tangible seized assets which is recognized as gains and losses from divestment of tangible and intangible assets, instead of as depreciation, amortisation and impairment of tangible and intangible assets.

Seized assets are reported within the same balance sheet item as assets of the same asset class that have been acquired in another way. Income and expenses relating to seized assets shall correspondingly be accounted for as other income and other expenses in the income statement. Property seized to protect a claim is accounted for as rental income, within the item other income, and operating expenses, within the item other expenses.

7. CASH AND CASH EQUIVALENTS (IAS 7)

Cash and cash equivalents include cash, bank balances, which corresponds to the balance sheet item Loans to credit institutions. Balances refer to funds that are available at any time. This means that all cash and cash equivalents are immediately available.

8. TANGIBLE ASSETS (IAS 2, IAS 16)

All tangible assets are reported at cost less depreciation and amortisation. The cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation on other assets, in order to distribute their cost or revalued amount down to the estimated residual value over the estimated useful life, is made on a linear basis as follows: – equipment, fixtures and fittings 5 years. The residual values and useful life of the assets are tested each balance sheet date and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount. Gains and losses on disposals are determined through a comparison between the sales revenue and the carrying amount and are reported within the item Other income in the income statement.

2. Accounting policies, cont.

9. LEASES (IFRS 16)

9.1 Lessees, in accordance with IFRS 16 Leases with effect from January 1, 2019

For lessees, the standard IFRS 16 requires that right-of-use assets and lease liabilities arising from most leases to be recognized on the balance sheet.

At the commencement of a lease, the lessee recognizes a lease liability and a right-of-use asset. The lease liability is initially measured at the present value of the unsettled lease payments on the date of introduction. The lease payments are discounted by the incremental borrowing rate. In subsequent measurement of the lease liability, the carrying amount increases with interest and decreases with lease payments made. In addition, the lease liability may increase or decrease on reviews of or changes to the lease. In subsequent valuations of the right-of-use asset, the asset is measured at cost less accumulated depreciation and any accumulated impairments, taking into account any remeasurements of the lease liability.

Norion applies the exceptions permitted in the standard regarding short-term leases and leases for which the underlying asset is of low value. These leases are recognized instead as other expenses.

10. INTANGIBLE ASSETS (IAS 38)**10.1 Other intangible assets**

Acquired software licenses are capitalized on the basis of the expenses incurred when the software in question was acquired and put into operation. These capitalized expenses are amortised over the estimated useful life, 5 years. Costs that are directly related to the development of identifiable and unique software products controlled by the Group and which have probable financial benefits for more than one year and that exceed expenses are recognized as intangible assets. The costs include the costs of employees that have arisen through the development of software products and a reasonable share of indirect expenses. Other expenditure is recognized as incurred. Development costs for software recognized as an asset are amortised over estimated useful life, 5 years.

11. IMPAIRMENT OF NON-FINANCIAL ASSETS (IAS 36)

Assets that are depreciated are assessed for decline in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is made by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets, other than financial assets and goodwill, which have previously been impaired, an assessment is made on each balance sheet date of whether reversal should take place.

12. PROVISIONS (IAS 37)

Provisions are reported when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment and the amount can be calculated reliably.

13. EQUITY

In addition to share capital, equity consists of the components described below.

13.1 Tier 1 capital

Additional Tier 1 Capital is subordinated debt that meets some of the requirements to be eligible as Tier 1 capital when calculating the amount of the capital base. The accounting principle means that the Additional Tier 1 Capital is to be classified as equity and payment to holders of these instruments, such as interest, is recognised in equity.

13.2 Other contributed capital

Other contributed capital essentially consists of paid premiums. The premium is the difference between the subscription price and the quotient value of Norion's shares in the event of a new issue. Deductions are made for transaction expenses in connection with a new share issue.

13.3 Translation reserve

The translation reserve consists of unrealized exchange rate effects that arise as a result of the translation of foreign entities into the Group's presentation currency.

13.4 Retained earnings including net profit for the year

Retained earnings consist of profit earned from the current and previous financial years. Dividend is recognized as a deduction from retained earnings. The amount of dividend proposed to be distributed is recognized as a liability after it has been approved by the Annual General Meeting.

13.5 Accounting for own shares

Repurchased own shares are not recognised as assets but are offset against retained earnings in equity.

14. RELATED PARTIES (IAS 24)

Norion defines related parties as:

- shareholders with significant influence
- associated companies and joint ventures
- key individuals in senior positions
- other related parties

All transactions with related parties are made on market terms.

15. STATEMENT OF CASH FLOWS (IAS 7)

The cash flow statement for the Group is prepared according to the indirect method. The recognized cash flow only covers transactions that involve payments received or made. Cash and cash equivalents refers to the item Loans to credit institutions. Cash and cash equivalents in the cash flow statement are defined in accordance with IAS 7 and are not in line with what the Group considers liquidity.

16. REVENUE

Revenue includes the fair value of what has been or will be received for the Group's ongoing operations. Income is recognized exclusive of value added tax and after elimination of intra-Group sales. The Group recognizes income when its amount can be measured reliably, it is likely that future financial benefits will accrue to the company and specific criteria have been met for each of the Group's operations. If any circumstances arise

2. Accounting policies, cont.

that may change the original estimate of income or expense, the estimates are reconsidered. These re-examinations may result in increases or decreases in estimated income or expense and affect income during the period when the circumstances that caused the change came to the management's knowledge.

16.1 Net interest income

Net interest income is a key income item for banking operations and consists mainly of interest income from loans to the public and credit institutions, acquired non-performing loan portfolios and investments in mortgage-backed government debt and bonds and other securities minus interest expenses for the Group's financing via deposits from customers and issued debt instruments.

Interest income and interest expense are calculated and recognized using the effective interest method in the income statement on financial assets and financial liabilities measured at amortised cost. The effective interest method is a method for calculating the accrued acquisition value of a financial asset or financial liability and for distribution over time of interest income and interest expense. The effective interest rate is the interest rate that discounts the estimated future cash flows during the expected life of the financial instrument to the recognized net asset value of the financial instrument. When estimating future payments, all payments that are covered by the contract terms are taken into account. However, the risk of future loan losses is not taken into account. The calculation of the effective interest rate includes the received and paid fees which are an integral part of the effective interest rate. Transaction expenses associated with raising loans and issuing loans are thus recognized as part of the loan. Transaction costs relates to brokerage commissions. Transaction costs and arrangement fees are distributed over the expected term of the loan. Invoicing and notification fees are also included in interest income according to the effective interest method.

In addition to interest income and interest expense, net interest income includes fees for government guarantees, such as the deposit guarantee and the resolution fee.

16.2 Net commission income

Income and expenses from various types of services are recognized in the income statement under the items commission income and commission expense. Income from contracts with customers consists mainly of remuneration for performed service engagements, which are recognized as commission income or other income. The service engagements include, for example, factoring, sales finance, cards and payment mediation. Income is recognized at the time when the performance commitment is considered fulfilled, which is when the control of the product or service is transferred to the customer. Income usually reflects the remuneration expected to be exchanged for these goods or services. Commission expenses are transaction-dependent and are directly related to transactions that are recognized as income with commission income. Costs of services received are recognized under commission expense to the extent that they are not to be considered interest.

16.3 Other income

The item other income recognizes as additional administrative revenues and capital gains and losses on the sale of ownership interests in subsidiaries and associated companies. Other

income thus essentially does not refer to income from contracts with customers.

16.4 Net gains and losses on financial items

Net gains and losses on financial items recognizes continuously gains and losses arising as a consequence of changes in value of and capitalization of financial assets and liabilities measured at fair value in profit or loss.

16.5 Dividends

Dividends are recognized when the right to receive the payment is established.

17. EMPLOYEE BENEFITS (IAS 19)

All forms of employee benefits and compensation for services rendered constitute employee benefits.

17.1 Pensions

All of the Group's pension plans are defined-contribution plans. A defined-contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all remuneration to employees related to employee service during the current or prior periods.

For defined contribution pension plans, the Group pays contributions to public or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel costs when they fall due for payment. Prepaid fees are reported as an asset to the extent that cash repayment or reduction in future payments may benefit the Group. For the CEO there is a pension solution in the form of endowment insurance pledged for pension commitments.

The asset is a financial instrument that is measured at fair value through the income statement. The liability, i.e. the pension obligation, has the same value as the asset. In the consolidated financial statements, the commitment is recognized net.

18. ACCOUNTING ESTIMATES

Accounting estimates are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

18.1 Critical accounting estimates and judgments

The Group makes estimates and assumptions about the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that pose a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are outlined below.

18.2 Measurement of acquired non-performing loan portfolios

Recognition of acquired non-performing loan portfolios is based on a measurement model based on the Group's forecast of future cash flows from the acquired receivables. The effective interest rate for acquired non-performing loan portfolios is based

2. Accounting policies, cont.

on the initial cash flow forecast defined at the time of acquisition. Although recalculated cash flow forecasts have historically been reasonably accurate, future deviations cannot be ruled out. The Group applies internal rules and a formalized decision process when adjusting previously established cash flow forecasts.

Deviations in actual cash flow against projected cash flow result in a revaluation or impairment requirement depending on whether the cash flow has exceeded or been below the forecast, which is then the basis for the book value. Each portfolio consists of a larger number of receivables, which spreads the risk in the portfolio and reduces the variance in cash flow. The spread of risk on many contracts in a portfolio means that cash flow consists of many smaller payments that come via the enforcement service or directly from the debtor.

18.3 Provision for expected credit losses

The calculation of the expected credit loss reserve for receivables valued at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior such as the probability of default among customers and the resulting losses.

The Group has developed a method for calculating and estimating expected credit losses. This type of estimation can be done with a variety of models, and the choice of these models will have an impact on the loss reserve and changes in the loss reserve recognized in these financial statements. The model is characterized by a high level of assumptions about the future, partly based on how historical patterns are repeated, but also on the macro assumptions that are made.

An expert-based calculation is carried out for model outcomes on agreements in Stage 1 and Stage 2, in order to incorporate the estimated impact of factors not deemed to have been considered in the model, as well as for manually assessed agreements in Stage 3. Expert-based calculations are performed based on expert knowledge of individual loans and/or sub-portfolios, which involves making material assessments.

The Group has also made assumptions and estimates on

how to define a significant increase in credit risk and impaired loans. Detailed information on these estimates is included in Note 19 and 20.

19. PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for credit institutions and securities companies (1995:1559) and the regulatory code issued by the Swedish Financial Supervisory Authority on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), including applicable amendments. The Swedish Financial Board's RFR 2 "Accounting for legal entities" requires the Parent Company to use the same accounting principles as the Group (i.e., IFRS) to the extent allowed by Swedish accounting legislation.

The differences between the Group's and the Parent Company's accounting principles are stated below.

19.1 Change in accounting principles

Unless otherwise indicated below, the Parent Company's accounting principles have changed in accordance with what is specified above for the Group.

19.2 Shares and participations in Group companies

Shares and participations in Group companies are recognised according to the cost method. Dividends received are recognised as income when the right to receive payment is deemed certain.

Transaction costs associated with acquisitions are added to the cost in the Parent Company and are eliminated in the Group.

19.3 Untaxed reserves

In the Parent Company, untaxed reserves are reported as a separate item in the balance sheet. In the consolidated financial statements, untaxed reserves are divided into a 'deferred tax liability' component and an 'equity' component.

3. Risks and risk management

1. RISK DISCLOSURES

Credit risk mainly arises in the Group's operations. Other risks are market risk, liquidity risk, operational risks and business risk. The ability to assess, manage and control risks is of key importance in view of the business conducted. Norion has formulated a business structure to ensure sound risk management.

Norion defines risk as a potential negative impact on the Group's value which may arise due to ongoing internal processes or future internal or external events. The concept of risk includes both the probability of an event occurring and the impact that an event could have on the Group's earnings, equity or value.

The Board has established and adopted a risk policy that describes the risk framework, the risk management process and roles and responsibilities with regard to risk management and risk control. Norion continuously identifies the risks that its operations entail and has designed a process for follow-up and management of risks.

2. CREDIT RISK

Definition

Credit risk refers to the risk of a borrower not fulfilling their obligations to Norion, creating a risk of a loss as a result of pledged assets not covering Norion's claim. Credit risk also includes counterparty risk, country risk, concentration risk and settlement risk.

Counterparty risk

Counterparty risk in liquidity management and financing refers to the risk that Norion's assets will decrease in value if a counterparty's credit quality is impaired. In liquidity management, counterparty risk arises when Norion invests liquidity with financial counterparties or invests in financial securities to meet requirements for liquidity reserve and LCR indicators.

In order to limit counterparty risk, bank balances are to be deposited in Nordic banks with a credit rating of at least A-/A3 from Standard & Poor's or Moody's. The exception to the above is the placement of liquid funds at Avanza Bank in connection with deposit partnership. Norion follows policies established by the Board of Directors regulating the type of investment and limit per individual counterparty.

Norion trades in currency derivatives in the form of swaps and futures to minimize currency risk arising from lending in currencies other than SEK. Counterparty risks constitute the credit risk in relation to other banks arising as a consequence of Norion trading with OTC derivatives to minimize the currency risks. The value of exposure is determined by the 'market valuation method', as the sum of the current replacement expense and the possible future credit exposure, and is then attributed to the relevant exposure class. The risk is reduced through the exchange of collateral in accordance with CSA agreements.

Risk management

Norion's lending is to take place after the required credit assessment and is characterized by a good credit culture where the borrower's ability to repay is tested. Norion has to understand the purpose of the credit and have good knowledge of

the borrower. The process of granting credit is dependent on type of customer and the size of the loan. Personal loans, real estate loans and corporate loans are granted after an analysis based on the borrower's total credit commitment with Norion, as well as other credit commitments. Credit is granted by Norion's Board, credit committee or smaller delegated mandate with the exception of loans to consumers and invoice purchases, which are normally based on credit scoring models and internal policy rules.

Norion offers unsecured loans to consumers and uses risk reduction methods for real estate and corporate loans.

As a rule, Norion pledges assets for real estate and corporate loans and uses special terms in the loan agreements. Assets pledged normally consist of corporate mortgages, security in real estate and security in shares.

Risk measurement

Norion classifies loans on a scale between 1–10, where the highest risk class represents the highest risk of default. Each risk class consists of a range of PD (Probability of Default) and these estimates are made for the expected life of the loan. Internal scoring is used for consumer loans to estimate PD, and external credit information is weighed together with internal data to assess PD for corporate loans. External credit information and scoring are used to estimate PD for invoice receivables.

CREDIT EXPOSURE PER RISK ASSESSMENT¹⁾

Loans to the public - Corporate

SEKm	2024			
	Stage 1	Stage 2	Stage 3	Total
Low risk	23 539	820	-	24 359
Normal risk	5 214	1 333	-	6 547
High risk	145	300	-	446
Default	-	-	4 619	4 619
Acquired loans	-	-	-	-
Total	28 898	2 454	4 619	35 971

Loans to the public - Private individuals

SEKm	2024			
	Stage 1	Stage 2	Stage 3	Total
Low risk	3 671	-	-	3 671
Normal risk	7 382	-	-	7 382
High risk	935	686	-	1 621
Default	-	-	6 738	6 738
Acquired loans	-	-	437	437
Total	11 988	686	7 175	19 850

¹⁾ Low, normal, and high risk classified according to the bank's internal models for assessing the probability of default.

3. Risks and risk management, cont.

Loans to the public - Corporate

SEKm	2023			
	Stage 1	Stage 2	Stage 3	Total
Low risk	19 888	2 447	-	22 335
Normal risk	5 177	652	-	5 830
High risk	53	2 231	-	2 284
Default	-	-	1 834	1 834
Acquired loans	-	-	-	-
Total	25 118	5 330	1 834	32 282

Loans to the public - Private individuals

SEKm	2023			
	Stage 1	Stage 2	Stage 3	Total
Low risk	2 551	-	-	2 551
Normal risk	6 904	2	-	6 906
High risk	1 162	741	-	1 903
Default	-	-	6 549	6 549
Acquired loans	-	-	529	529
Total	10 617	743	7 078	18 438

CREDIT EXPOSURE BROKEN DOWN BY SECTOR AND SECURITY

Group, SEKm	2024				
	Lending	Real estate mortgages	Other collateral ¹	Total collateral	Net exposure
Credit risk exposure for financial assets					
Banks	4 164	-	-	-	4 164
Property management	23 073	12 946	2 224	15 170	7 903
Other corporate loans	11 608	621	3 778	4 399	7 209
Household mortgages	23	23	-	23	0
Other loans to households	15 581	-	-	0	15 581
Total	54 450	13 591	6 002	19 593	34 857

Group, SEKm	2023				
	Lending	Real estate mortgages	Other collateral ¹	Total collateral	Net exposure
Credit risk exposure for financial assets					
Banks	3 203	-	-	-	3 203
Property management	21 432	13 588	1 321	14 909	6 523
Other corporate loans	9 735	584	2 760	3 344	6 391
Household mortgages	37	37	-	37	-
Other loans to households	14 266	-	-	-	14 266
Total	48 673	14 209	4 081	18 290	30 383

¹⁾ Refers mainly to collateral in the form of chattel mortgages and pledges of shares.

3. MARKET RISK

Definition

Market risk refers to the risk of earnings, balances, equity or value decreasing due to negative changes in risk factors in financial markets. Market risk includes interest rate risk, currency risk, and risks from changes in volatilities or correlations.

Currency risk

Currency risk refers to the risk of changes in exchange rates leading to a decrease in earnings, balances, equity or value. In Norion, a currency risk arises in connection with there being recognized assets and liabilities in a currency other than the functional currency. In all material respects, currency risks are neutralized through derivatives in the foreign exchange market.

Interest rate risk

Interest rate risk entails the risk of the value of assets and liabilities being negatively affected by changes in interest rates in financial markets. The interest rate risk in Norion's operations arises as a result of the difference in lending and the average fixed interest period of the borrowing.

Risk management

Norion should generally have a balanced risk profile with a diversified credit portfolio and at the same time limit its exposure to the currency and interest rate risks that arise as a result of the business.

The Board determines how much market risk is acceptable through the frameworks that regulate the company's risk management of strategies, processes, procedures, internal rules, limits, controls and reporting procedures.

Currency risk is minimized by striving to refinance the assets in foreign currencies in the same currency. For the component of the assets for which this is not possible or, for some other reason, it is not desirable to refinance in the corresponding currency, currency swaps and/or forward exchange contracts are used to minimize the currency risk. Hedge accounting is not applied.

Norion calculates and reports to the Swedish Financial Supervisory Authority what impact a sudden change in the general interest rate situation would have on the company's financial worth. Norion mainly has variable interest rates for both loans and deposits, as well as borrowing. In accordance with industry practice, mainly lending and deposit interest rates are adjusted

3. Risks and risk management, cont.

in the event of major changes in market rates. Norion has a relatively good match between assets and liabilities regarding the fixed-interest terms, and the interest rate risk is therefore also limited.

By striving for a variable lending and deposit rate for the public, there is considerable flexibility to adapt rates based on the prevailing market situation. In order to minimize interest rate risk as far as possible, the fixed interest periods must match with regard to lending and deposits as well as borrowing.

Risk measurement

To measure market risk exposure, both indicators aimed at estimating losses under normal market conditions and indicators focusing on extreme market conditions are used. The Treasury

function is responsible for ongoing management and follow-up of market risks. Market risks are regularly reported to senior management.

The net book values of financial assets and liabilities in foreign currency in SEKm are shown in the tables below.

Sensitivity analysis

In the event of a change in the market interest rate by one (1) percentage point, net interest income for the next 12 months is estimated to increase/decrease by 78 SEKm, based on interest-bearing assets and liabilities as of the closing date. In the case of a parallel shift (upwards) of the yield curve by one (1) percentage point, the impact on equity on the closing date will be +/- 60 SEKm.

The carrying amount for net values of financial assets and liabilities in foreign currency are shown in the tables below.

FOREIGN CURRENCY EXPOSURE

Group and parent company

2024-12-31	EUR	NOK	DKK	USD	GBP	CHF	Totalt
Foreign currency assets, SEKm							
Treasury bills and other bills eligible for refinancing with central banks, etc.	4 505	-	-	-	-	-	4 505
Loans to credit institutions	2 663	255	13	41	3	15	2 991
Loans to the public	16 244	2 177	2 246	365	4	47	21 083
Bonds and other interest-bearing securities	1 769	-	-	-	-	-	1 769
Other assets	55	77	5	3	0	0	140
Total assets	25 235	2 509	2 264	410	7	62	30 487
Foreign currency liabilities, SEKm							
Deposits and borrowing from the public	27 914	763	-	-	-	-	28 678
Debt securities issue	-	-	-	-	-	-	-
Other liabilities	322	97	46	68	0	0	533
Total liabilities	28 237	860	46	68	0	0	29 211
Net assets	-3 001	1 649	2 218	342	7	62	1 277
Nominal amount, currency hedges	2 994	-1 656	-2 219	-339	-6	-62	-1 289
Net position	-8	-7	-1	3	1	0	-12

The sensitivity for estimated currency positions where the foreign currencies move unfavorably against SEK by 10% corresponds to an outcome of -2 MSEK.

3. Risks and risk management, cont.

FOREIGN CURRENCY EXPOSURE

Group and parent company

2023-12-31	EUR	NOK	DKK	USD	GBP	CHF	Totalt
Foreign currency assets, SEKm							
Treasury bills and other bills eligible for refinancing with central banks, etc.	346	-	-	-	-	-	346
Loans to credit institutions	645	40	64	19	1	15	785
Loans to the public	13 413	2 392	2 432	320	7	45	18 608
Bonds and other interest-bearing securities	542	-	-	-	-	-	542
Other assets	450	14	3	2	0	0	469
Total assets	15 396	2 446	2 499	341	8	61	20 750
Foreign currency liabilities, SEKm							
Deposits and borrowing from the public	16 617	297	-	-	-	-	16 915
Debt securities issue	-	-	-	-	-	-	0
Other liabilities	550	120	32	9	1	1	713
Total liabilities	17 167	417	32	9	1	1	17 628
Net assets	-1 772	2 029	2 467	332	6	60	3 122
Nominal amount, currency hedges	1 815	-2 027	-2 470	-331	-6	-60	-3 079
Net position	43	2	-3	1	0	0	43

The sensitivity for estimated currency positions where the foreign currencies move unfavorably against SEK by 10% corresponds to an outcome of -5 MSEK.

4. LIQUIDITY RISK

Definition

Liquidity risk refers to the risk of not being able to meet agreed payment obligations at the maturity date without the cost of obtaining means of payment increasing significantly due to high borrowing costs, or unfavorable prices when disposing of assets.

Risk management

The Board of Norion has established an extensive framework for risk management of liquidity requirements and risks in the short and long terms. The objective of liquidity risk management is to ensure that the Group has control over its liquidity risk situation. Liquidity can be predicted because maturities and interest payments are known for both lending and borrowing. Liquidity risk is reduced with the aid of accurate forecasts and diversified borrowing in different geographical markets, as well as a liquidity reserve with sufficient liquid assets in all relevant currencies to meet on time Norion's payment commitments, in all predictable situations.

In a long-term plan for its financing, Norion should strive to ensure that there is a sufficient degree of diversification in sources of financing with regard to counterparties, financial

instruments, maturities, fixed interest rates and currencies. The financing strategy should also ensure that the market and liquidity risk that arises is limited through risk strategies to the risk appetites decided upon by the Board.

Scenario analyses and stress tests are an important part of risk management. At any time, adequate cash and cash equivalents, current investments with a liquid market and access to financing through credit facilities should be available to be able to respond to fluctuations in liquidity.

The composition of the balance sheet means that Norion's conditions for avoiding liquidity problems are assessed as good. A liquid asset portfolio with short durations on the loan receivables and a liquidity reserve with good margins combined with, in practice, relatively stable and secure financing mean that Norion views the liquidity and funding risk as manageable.

Risk measurement

The treasury function is responsible for the continuous follow-up of the liquidity and financing situation. Reporting on liquidity and funding risk takes place regularly to senior management, and the Board is informed in connection with Board reporting.

3. Risks and risk management, cont.

MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

The following tables present cash flows by remaining contractual maturities at the balance sheet date and applies the earliest date on which the group and parent company can be required to pay regardless of probability assumptions. The cash flows are not discounted. Derivatives are reported at fair value. Obligations such as loan commitments are reported as when the obligation matures.

Group and parent company

2024-12-31 SEKm Time to maturity	Payable on demand	<3 months	3–12 months	1–5 years	>5 years	No duration	Total nominal cash flows	Total
Financial assets								
Treasury bills and other bills eligible for refinancing	-	3 205	1 698	269	192	-	5 364	5 276
Bonds and other interest-bearing securities	-	1 632	960	3 819	155	-	6 567	6 210
Loans to credit institutions	4 164	-	-	-	-	-	4 164	4 164
Loans to the public	-	4 789	5 479	34 390	5 627	-	50 286	50 286
Derivatives	-	11	1	-	-	-	12	12
Other financial assets	-	49	-	-	-	37	86	86
Total financial assets	4 164	9 686	8 138	38 479	5 974	37	62 313	53 741
Financial liabilities								
Deposits and borrowing from the public	-	41 241	10 508	1 268	-	-	53 017	53 017
Debt securities issue	-	43	616	2 097	864	-	3 620	2 917
Derivatives	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	384	384	384
Total financial liabilities	-	41 668	11 124	3 365	864	384	57 021	56 318

2023-12-31 SEKm Time to maturity	Payable on demand	<3 months	3–12 months	1–5 years	>5 years	No duration	Total nominal cash flows	Total
Financial assets								
Treasury bills and other bills eligible for refinancing	-	179	55	111	-	-	1	346
Bonds and other interest-bearing securities	-	688	592	2 682	-	-	-3	3 958
Loans to credit institutions	3 203	-	-	-	-	-	-	3 203
Loans to the public	-	11 198	10 330	15 730	5 783	-	2 430	45 470
Derivatives	-	46	1	-	-	-	-	47
Other financial assets	-	53	-	-	-	664	-	717
Total financial assets	3 203	12 164	10 977	18 523	5 783	664	2 428	53 742
Financial liabilities								
Deposits and borrowing from the public	-	29 805	12 230	628	-	-	42 663	42 663
Debt securities issue	-	18	805	524	-	-	1 348	1 248
Derivatives	-	-	-	-	-	-	0	0
Other financial liabilities	-	-	-	-	-	292	292	292
Total financial liabilities	-	29 823	13 035	1 153	0	292	44 303	44 203

3. Risks and risk management, cont.

LIQUIDITY RESERVE

Liquidity comprises both a liquidity reserve and another liquidity portfolio that is monitored on a daily basis. The main liquidity risk is deemed to arise in the event multiple depositors simultaneously withdraw their deposited funds. An internal model is used to set minimum requirements for the amount of the liquidity reserve, calculated based on deposit volumes, the proportion covered by deposit insurance and relationship to depositors. The model also takes into account the future maturities of

issued securities. In accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

All valuations of interest-bearing securities were made at market values that take into account accrued interest.

Group

SEKm	2024	2023
Securities issued by sovereigns	5 276	53
Securities issued by municipalities	3 545	1 189
Loans to credit institutions	4 164	3 203
Bonds and other interest-bearing securities	2 664	2 255
Summary liquidity reserve	15 650	6 700
Bonds and other interest-bearing securities	-	808
Total other liquidity portfolio	-	808
TOTAL LIQUIDITY PORTFOLIO	15 650	7 507

5. OPERATIONAL RISK

Definition

Operational risk relates to the risk of losses resulting from errors or inadequacies in internal procedures and processes. In addition to pure errors in administrative procedures, operational risk also includes human error, faulty systems, IT problems and internal and external fraud. The term also includes legal risks and regulatory compliance risks. The definition does not cover business, strategic or reputational risk.

To facilitate the work of identifying, evaluating and assessing the operational risks, Norion has chosen to structure the operational risks based on four main areas:

- personnel risk
- process risk
- IT and system risk
- external risk

Risk management

Operational risks arise in all types of operations, and responsibility for managing these risks lies with all managers in the organization.

Norion strives to maintain a healthy risk culture with low operational risk and a low level of loss due to operational incidents, through an effective internal control environment and a structured approach to facilitate the identification and management of operational risks in all types of operations. Risk analyses are based on the principle of self-evaluation. Operational risks are identified, assessed and reported on a regular basis through various processes such as risk self-assessments, structured incident reporting and a joint approval process for new product approval process (NPAP). This prevents Norion from taking on risks that are not immediately manageable within the organization.

Norion manages operational risk by constantly improving its internal routines and daily checks as well as by training

employees in risk management and the use of risk-reducing tools and processes. It is mandatory for all employees to escalate and register risk-related events or incidents in order to be able to identify, assess, monitor, reduce and report risks.

Employees are regularly trained in important areas such as information security, anti-fraud, money laundering, KYC (know your customer), GDPR and Norion's code of conduct. Norion has a formal external process for whistle-blowing that encourages employees, contractors, or others who similarly play a part in the business to report irregularities and any unethical or illegal activities.

Cyber and other security threats are managed by prioritizing technical protection, increasing awareness and continuously working with a good cyber risk culture among employees and customers. Security updates, system upgrades and implementation of new features and security measures are performed with the necessary regularity. Norion's Risk Control function and Regulatory Compliance function have a well-developed collaboration around the management of operational risks. Information about customer complaints and other incidents is continuously gathered and analyzed to ensure functioning management of the operational risks in the business.

The Risk Control function is an independent control function that is mandatory for all institutions under the supervision of the Swedish Financial Supervisory Authority. The function is independent of the other activity in Norion and is organizationally separate from the functions and areas it is to review and control. The Risk Control function is directly subordinate to the CEO and reports to senior management and the Board. In addition to reviewing and controlling risk management in the business, the Risk Control function is a supportive and advisory function on risk-related issues and works continuously with knowledge transfer and training to increase risk awareness in the organization.

3. Risks and risk management, cont.

6. BUSINESS RISK**Definition**

Business risk refers to the risk of unexpected changes in earnings that can be attributed to changed conditions in the business environment as a result of unexpected changes in demand or competition, technological development with reduced volumes and squeezed margins as a result of business-inhibiting laws, regulations or other external factors unfavorably affecting Norion's business model.

Related risks are strategic risk and reputational risk.

Strategic risk is focused on structural risk factors and is the risk of Norion making inappropriate strategic choices or not successfully implementing selected strategies.

Reputational risk refers to risks associated with negative publicity and confidence-damaging events and thus a negative perception of the Group's brand or the industry in general.

The macroeconomic development in the world in which Norion operates is affected by various events and scenarios. A deterioration in the economy can arise, for example, through a deepened economic crisis or during a pandemic. The macroeconomic risk factors that have an impact include factors such as GDP, inflation, unemployment, key and central bank interest rates and property prices.

Risk management

Business risks, strategic risks and reputational risks are inevitable in all business operations. The extensive regulations that apply to banking and finance operations have a major impact on the financial industry. The risk that new regulations may have a negative impact on Norion's business model or otherwise affect earnings negatively means that new regulations are continuously monitored and risk analysis of the function for regulatory compliance is conducted.

The strategic risk is affected by the ability of the Board and management to develop, organize and control the business. Rapid adaptation to new technologies, strong positioning vis-à-vis competitors and otherwise good adaptation to new market conditions are required in order to retain existing and attract new customers.

Norion works continuously to limit and reduce business, strategic and reputational risk through regular strategic review of the business. Norion strives for good stability in revenue generation, proactive cost control, flexible IT development, an active dialogue regarding supervisory issues and sound sustainability strategy.

Norion's Board and senior management work continuously to assess the Group's positioning and competitiveness. The business is characterized by short decision paths and a senior management that has good insight into the day-to-day operations and thus can make both quick and well-founded decisions. Norion also controls its business risk in ongoing business planning by analyzing discrepancies to identify underlying difficulties in the capability of the business.

4. Capital adequacy

Capital adequacy regulation is the legislator's requirement for how much capital, known as the capital base, a credit institution must have in relation to the level of risks the institution takes. The information on the company's capital adequacy in this document pertains to information that must be disclosed under Chapter 6, sections 3–4 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) regarding annual accounts at credit institutions and securities companies and which relates to information set out in Articles 92(3)(d) and (f), 436(b) and 438 of Regulation (EU) No 575/2013 and Chapter 8 section 23 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2014:12) on prudential requirements and capital buffers, as well as column (a) in Annex 6 to Commission Implementing Regulation (EU) No 1423/2013. Other disclosures required under FFFS 2014:12 and Regulation (EU) No 575/2013 are set out on the company's website, www.Norion.se.

The establishment of the company's statutory capital requirement is governed by the Act (2014:968) on Special Supervision of Credit Institutions and Securities Companies, the Capital Requirements Regulation (EU No 575/2013), the Capital Buffers Act (2014:966) and the Swedish Financial Supervisory Authority's regulations and general guidelines on prudential requirements and capital buffers (FFFS 2014:12). The purpose of the rules is to ensure that the company manages its risks and

protects its customers. The rules state that the company's capital base must cover the need for capital including the minimum capital requirement (the capital requirement for credit risk, market risk and operational risk). Norion applies the standardized method when calculating credit risk. The capital base must be at least 8 percent of the risk weighted exposure. The exposure is calculated by allocating the company's items on and off the balance sheet to different risk classes. For each risk class, there is a number of risk weights. How the distribution is made between risk classes and the underlying risk weights depends on the type of exposure and the counterparty. The base method is applied for operational risk (15% of average operating income for the last three years adjusted for dividends from Group companies). In addition to the minimum capital requirement calculated in accordance with the Capital Adequacy Regulation, all institutions covered by the capital adequacy rules need to make their own internal assessments of their capital requirements at least annually, in the form of an internal capital adequacy assessment. The internally assessed capital requirement in Norion's consolidated situation, including provisions for capital conservation buffer and institution-specific countercyclical buffer, at December 31, 2024 amounted to SEK 6 163 million (5 599). The company's capital situation can be summarized as follows:

4. Capital adequacy, cont.

Norion Bank AB

	Dec 31, 2024		Dec 31, 2023	
	Amount	Percentage of risk-weighted exposure amount	Amount	Percentage of risk-weighted exposure amount
Own funds, SEKm				
Common Equity Tier 1 capital requirement under Article 92 CRR (Pillar 1)	2 417	4,5%	2 109	4,5%
Other Common Equity Tier 1 capital requirement (Pillar 2)	350	0,7%	282	0,6%
Combined buffer requirement	2 156	4,0%	1 913	4,1%
Total Common Equity Tier 1 capital requirement	4 923	9,2%	4 304	9,2%
Common Equity Tier 1 capital	8 499	15,8%	7 453	15,9%
Tier 1 capital requirement under Article 92 CRR (Pillar 1)	3 223	6,0%	2 812	6,0%
Other Tier 1 capital requirement (Pillar 2)	467	0,9%	376	0,8%
Combined buffer requirement	2 156	4,0%	1 913	4,1%
Total Tier 1 capital requirement	5 846	10,9%	5 101	10,9%
Tier 1 capital	8 499	15,8%	7 953	17,0%
Own funds requirement under Article 92 CRR (Pillar 1)	4 297	8,0%	3 749	8,0%
Other capital requirement (Pillar 2)	622	1,2%	501	1,1%
Combined buffer requirement	2 156	4,0%	1 913	4,1%
Total own funds requirement	7 075	13,2%	6 163	13,2%
Total own funds	9 097	16,9%	7 953	17,0%

Norion Bank AB

	Dec 31, 2024	Dec 31, 2023
Own funds, SEKm		
Capital instruments and associated share premium accounts	149	149
Retained earnings	7 897	6 590
Net profit after deductions for foreseeable expenses and dividends	1 000	1 063
Common Equity Tier 1 capital before regulatory adjustments	9 046	7 803
Less:		
Additional value adjustments	-402	-241
Intangible assets	-141	-104
Deferred tax assets	-5	-4
Application of the transitional rules IFRS9	-	-
Total regulatory adjustments to Common Equity Tier 1 capital	-548	-350
Common Equity Tier 1 capital	8 499	7 453
Capital instruments and relate share premium reserves: Perpetual subordinated loan	-	500
Tier 1 capital contribution	-	500
Total tier 1 capital	8 499	7 953
Capital instruments and relate share premium reserves: Supplementary capital	598	-
Tier 2 capital	598	-
Total own funds	9 097	7 953

4. Capital adequacy, cont.

CAPITAL REQUIREMENT

The tables below show the risk-weighted exposure amount and capital requirements per risk category for Norion Bank AB.

Norion Bank AB

Risk-weighted exposure amount SEKm	Dec 31, 2024	Dec 31, 2023
Credit risk according to the standardized approach		
Central government or central bank exposures	-	-
Municipalities and public sector entities	-	-
Institutional exposures	855	684
Funds units exposures	899	844
Corporate exposures	29 959	28 316
Retail exposures	9 968	8 780
Exposures with mortgage in residential property	8	13
Exposures in default	7 697	4 565
Items associated with particularly high risk	-	-
Exposures in the form of covered bonds	266	230
Equity exposures	62	-
Other items	409	360
Total risk-weighted exposure amount to credit risk	50 123	43 792
Risk-weighted exposure amount for credit valuation adjustment risk (CVA)	22	31
Risk-weighted exposure amount for market risk (currency risk)	16	35
Risk-weighted exposure amount for operational risk (base method)	3 552	3 005
Total risk-weighted exposure amount	53 713	46 862

4. Capital adequacy, cont.

Norion Bank AB

Capital requirement SEKm	Dec 31, 2024	Dec 31, 2023
Capital requirement for credit risks, according to the standardized approach		
Central government or central bank exposures	-	-
Municipalities and public sector entities	-	-
Institutional exposures	68	55
Funds units exposures	72	67
Corporate exposures	2 397	2 265
Retail exposures	797	702
Exposures with mortgage in residential property	1	1
Exposures in default	616	365
Items associated with particularly high risk	-	-
Exposures in the form of covered bonds	21	18
Equity exposures	5	-
Other items	33	29
Total capital requirement for credit risk	4 010	3 503
Capital requirement for credit valuation adjustment (CVA)	2	2
Capital requirement for market risk (currency risk)	1	3
Capital requirement for operational risk (base method)	284	240
Total capital requirement - Pillar 1	4 297	3 749
Concentration risk	328	306
Interest rate risk in the banking book	294	194
Total capital requirement - Pillar 2	622	501
Capital buffers		
Capital conservation buffer	1 343	1 172
Countercyclical buffer	813	742
Total capital requirement - Capital buffers	2 156	1 913
Total capital requirement	7 075	6 163
CAPITAL RATIOS AND BUFFERS	Dec 31, 2024	Dec 31, 2023
CET1 ratio	15,8%	15,9%
Tier 1 ratio	15,8%	17,0%
Total capital ratio	16,9%	17,0%
Institution specific buffert requirement	4,0%	4,1%
of which capital conservation buffer	2,5%	2,5%
of which countercyclical capital buffer	1,5%	1,6%
CET1 available to meet buffers	7,9%	9,0%

5. Operating segments

The operating segments are reported in accordance with IFRS 8 Operating Segments, which means that the segment information is presented based on the internal reporting. The information is continuously used for management purposes by Norion's highest executive decision-makers to evaluate the result and to be able to allocate resources to the operating segment.

The segment reporting presents income, expenses, assets and liabilities broken down by operating segments. An operating segment is one such part of the Group that conducts operations that generate external or internal revenues and expenses and whose results for governance purposes are regularly reviewed and followed up by senior management. Norion's

operations are presented divided into the segments Corporate, Real Estate, Consumer, Payments and Other.

The separate segments include products and services for diverse customer groups. The Corporate segment includes factoring and corporate loans. The Real Estate segment offers real estate loans. In the Consumer segment, consumers are offered unsecured loans and credit cards. The Payments segment consists of payment and checkout solutions. Under Other, items in relation to the products (POCI) Purchased credit-impaired assets (run-off), Mortgages (run-off) and items that do not belong to a specific segment or are eliminated at Group level are displayed.

Group

SEKm	2024					
	Corporate	Real Estate	Consumer	Payments	Other ¹⁾	Group
Net interest income	728	1 133	855	224	374	3 313
Net commission income	10	2	54	258	0	324
Net gains and losses on financial items	28	13	-1	-6	-4	30
Other income	0	0	0	29	1	31
Total income	766	1 148	908	505	370	3 697
Credit losses, net	-37	-366	-518	-68	-25	-1 014
Net interest margin (NIM)	6,8%	5,1%	7,4%	7,7%	-	6,9%
Total income margin	7,2%	5,2%	7,8%	17,5%	-	7,7%
Loans to the public	11 582	23 073	12 152	3 018	461	50 286

SEKm

	2023					
	Corporate	Real Estate	Consumer	Payments	Other ¹⁾	Group
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
Total income	777	1 248	852	464	307	3 648
Credit losses, net	-55	-238	-722	-62	0	-1 078
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

¹⁾ Including eliminations

Group

SEKm	2024				2023			
	Swedish operations	Other Nordic operations	German operations	Other	Swedish operations	Other Nordic operations	German operations	Other
Breakdown by geography								
Total income	2 391	1 142	114	50	1 934	996	293	68
Loans to the public	28 601	13 261	4 922	3 502	26 435	12 149	4 180	2 706

6. Net interest income

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Loans to the public	4 833	4 393	4 833	4 393
Interest-bearing securities	299	138	299	138
Loans to credit institutions	104	78	104	78
Total interest income	5 236	4 609	5 236	4 609
Deposits and borrowings from the public	-1 800	-1 188	-1 800	-1 188
Subordinated liabilities	-22	-	-22	-
Interest-bearing securities	-101	-129	-101	-129
Liabilities to credit institutions	-1	-1	-1	-1
Total interest expense	-1 923	-1 318	-1 923	-1 318
Net interest income	3 313	3 291	3 313	3 291

7. Net commission income

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Loans and deposits	219	201	219	201
Payment commissions	153	133	153	133
Other commissions	5	5	5	5
Fee and commission income	377	339	377	339
Payment commissions	-53	-44	-53	-44
Other commissions	0	0	0	0
Fee and commission expense	-53	-44	-53	-44
Net commission income	324	295	324	295

8. Net gains and losses on financial items

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Realised gains/losses	12	61	12	61
Unrealised change in values	20	-25	20	-25
Exchange rate fluctuations	-2	-12	-2	-12
Total	30	24	30	24

9. Other income

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Other income and revenue from disposals of subsidiaries	31	38	31	38
Total	31	38	31	38

10. Personnel expenses

PERSONNEL EXPENSES OTHER EMPLOYEES

Group and Parent Company

SEKm	2024	2023
Salaries, bonuses and other remuneration	-288	-240
Social security costs	-98	-82
Pension expenses	-37	-31
Other staff costs	-13	-4
Total	-435	-357

SALARIES AND OTHER REMUNERATION

Group and Parent Company

SEKm	2024	2023
Senior executives	-40	-27
Others	-248	-213
Total	-288	-240

REMUNERATION OF SENIOR EXECUTIVES

Group and Parent Company

SEKm	2024					
	Fixed salary	Fee	Variable remuneration	Other benefits	Pension expenses	Total
Martin Nossman, CEO	-7	-	-	0	-2	-9
Other senior executives (10 people)	-30	-	-3	-1	-8	-43
Total	-37	-	-3	-1	-10	-52

REMUNERATION OF SENIOR EXECUTIVES

Group and Parent Company

SEKm	2023					
	Fixed salary	Fee	Variable remuneration	Other benefits	Pension expenses	Total
Martin Nossman, CEO	-4	-	-	0	-2	-6
Other senior executives (12 people)	-22	-	-	-1	-5	-28
Total	-27	-	-	-1	-7	-35

10. Personnel expenses, cont.

DIRECTORS' FEES

Group

SEKm	2024
Erik Selin, Chairman	-1,0
Ulf Croona, Board member	-0,5
Bengt Edholm, Board member	-0,5
Charlotte Hybinette, Board member	-0,6
Christoffer Lundström, Board member	-0,1
Marie Osberg, Board member	-0,6
Arian Falck Raoof, Board member	-0,2
Total	-3,5

Group

SEKm	2023
Erik Selin, Chairman	-1,0
Ulf Croona, Board member	-0,5
Bengt Edholm, Board member	-0,5
Charlotte Hybinette, Board member	-0,6
Christoffer Lundström, Board member	-0,4
Marie Osberg, Board member	-0,6
Total	-3,5

Remuneration to the CEO and other senior executives is determined by the Board of Directors. No variable remuneration was paid to the CEO in 2024.

Variable remuneration

Norion has adopted a remuneration policy that has been prepared with the aim of fulfilling the requirements set out in the Swedish Financial Supervisory Authority's regulations (FFFS 2011:1) on remuneration policy in credit institutions and credit market companies. The basis for the remuneration policy is that it is prepared based on the risks that exist in the Group. It states the grounds and principles for how remuneration is to be established, applied and followed up as well as how the company defines which employees could affect the company's risk level. The remuneration policy should promote healthy and effective risk management and counteract excessive risk-taking. The policy should promote the Group's long-term interests.

Pensions

Endowment insurance policies have also been taken out for the past and present CEOs and the Chairman of the Board. The Group's pension obligations correspond to the fair value of the endowment insurance policies, as well as additional special payroll tax on the pension obligation. The endowment insurance policies and pension obligation are recognized net in the balance sheet. The pension commitment at Dec. 31, 2024 was SEK 15 million (12). The special payroll tax is recognized under accrued expenses and prepaid income.

Termination notice and severance pay

According to the agreement between Norion and the CEO, following the period of notice, severance pay corresponding to 6 monthly salaries is paid. After the notice period, severance pay is paid by agreement as 12 monthly salaries. There is no agreement on severance pay for the Board of Directors. In the case of termination of employment of senior executives, from the company's side, remuneration is paid by agreement for 3–18 months.

AVERAGE NUMBER OF EMPLOYEES

Group

	2024		2023	
	Average	of whom men	Average	of whom men
Sweden	348	59%	306	55%
Finland	20	54%	25	54%
Norway	14	67%	13	75%
Total	382	59%	343	55%

10. Personnel expenses, cont.

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Group

	2024		2023	
	Average	of whom men	Average	of whom men
Board members	6	67%	6	67%
Senior management	12	58%	11	64%

11. Other expenses

	Group		Parent Company	
	2024	2023	2024	2023
SEKm				
Consultancy expenses	-167	-174	-167	-174
IT expenses	-112	-87	-112	-87
Other purchased services	-146	-125	-146	-125
Postage expenses	-29	-33	-29	-33
Other external expenses	-114	-90	-114	-90
Total	-568	-509	-568	-509

REMUNERATION OF AUDITORS

	Group		Parent Company	
	2024	2023	2024	2023
SEKm				
Audit engagement	-3,0	-2,6	-2,9	-2,6
Audit related services	-0,5	-0,2	-0,5	-0,2
Tax advice	-0,2	-0,2	-0,2	-0,2
Other services	-	-	-	-
Total Ernst & Young (EY)	-3,7	-3,0	-3,6	-3,0

12. Depreciation, amortisation and impairment of tangible and intangible assets

	Group		Parent Company	
	2024	2023	2024	2023
SEKm				
Depreciation of tangible assets	-1	-1	-1	-1
Amortisation of right-of-use assets	-41	-32	-41	-32
Amortisation of intangible assets	-29	-34	-29	-34
Impairment of intangible assets	-	-	-	-
Total	-71	-67	-71	-67

13. Credit losses, net

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Loans at amortised cost				
Credit impairment provisions - Stage 1	-17	-69	-17	-69
Credit impairment provisions - Stage 2	187	-96	187	-96
Credit impairment provisions - Stage 3	-464	-629	-464	-629
Total expected credit losses on balance sheet items	-295	-794	-295	-794
Portfolio revaluations - POCI	-25	-	-25	-
Impairment gains and losses - POCI	-25	-	-25	-
Actual credit losses for the year	-697	-284	-697	-284
of which utilised share of previous provision	-475	-277	-475	-277
Total write-offs	-697	-284	-697	-284
Recoveries	3	-	3	-
Total recoveries	3	-	3	-
Total credit impairment	-1 014	-1 078	-1 014	-1 078

14. Appropriations

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Group contribution, paid	-	-	0	0
Change in tax allocation reserve	-	-	-331	-288
Total	-	-	-331	-288

15. Tax

	Group		Parent Company	
SEKm	2024	2023	2024	2023
Current tax on net profit for the year	-279	-285	-279	-285
Current tax for previous years	0	0	0	0
Current tax expense	-279	-285	-279	-285
Deferred tax relating to temporary difference	-65	-57	1	0
Tax recognized in the income statement	-344	-342	-278	-285
Tax attributable to other comprehensive income, specification	-	-	-	-
Deferred tax relating to revaluation of hedged net investments	-	-	-	-
Total deferred tax	-	-	-	-

15. Tax, cont.

SEKm	Group				Parent Company			
	2024	%	2023	%	2024	%	2023	%
Difference between recognized tax and tax based on applicable Swedish rate of tax								
Profit before tax	1 609		1 636		1 278		1 348	
Current tax at applicable rate of tax	-331	20,6	-337	20,6	-263	20,6	-278	20,6
Tax effect relating to non-taxable income	1		1		1		1	
Tax effect relating to not tax deductible expenses	-8		-2		-8		-2	
Standard tax	-7		-4		-7		-4	
Tax effect of previously unrecognised loss carryforwards, tax deductions or temporary differences	1		1		-1		-2	
Other tax rates in foreign units	0		0		0		0	
Tax effect relating to previous years	0		0		0		0	
Deferred tax on losses related to items recognized in equity	-		-		-		-	
Tax recognised in the income statement	-344	21,4	-342	20,9	-278	21,8	-285	21,1

16. Earnings per share

Group		2024	2023
Net profit attributable to shareholders, SEKm		1 250	1 236
Number of shares, millions		205,4	205,4
Earnings per share, SEK		6,09	6,02

17. Interest-bearing securities

Group and Parent Company

SEKm	Dec 31, 2024			Dec 31, 2023		
	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
Treasury bills and other bills eligible for refinancing with central banks, etc.	5 276	5 278	5 290	346	346	344
Bonds and other interest-bearing securities	6 210	6 211	6 177	3 958	3 958	3 912
Total	11 486	11 489	11 468	4 304	4 304	4 256

DEBT SECURITIES BY ISSUER

Group and Parent Company

SEKm	Dec 31, 2024			Dec 31, 2023		
	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
Swedish government	772	772	775	-	-	-
Swedish municipalities	2 365	2 365	2 358	1 370	1 370	1 361
Swedish mortgage institutions	421	421	416	745	745	731
Other Swedish issuers	1 654	1 656	1 638	813	813	807
Foreign governments	4 505	4 506	4 515	346	346	344
Other foreign issuers	1 769	1 769	1 765	1 031	1 031	1 013
Total	11 486	11 489	11 468	4 304	4 304	4 256

18. Loans to credit institutions

SEKm	Group		Parent Company	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Cash and cash equivalents	4 164	3 203	4 164	3 203
Total	4 164	3 203	4 164	3 203
Amounts by currency				
SEK	1 173	2 418	1 173	2 418
EUR	2 663	645	2 663	645
NOK	255	40	255	40
USD	41	19	41	19
DKK	13	64	13	64
GBP	3	1	3	1
CHF	15	15	15	15
CAD	0	0	0	0
Total	4 164	3 203	4 164	3 203

19. Loans to the public

Group and Parent Company		
SEKm	Dec 31, 2024	Dec 31, 2023
PRIVATE CUSTOMERS³		
Loans to the public, gross	19 850	18 438
of which Stage 1	11 988	10 617
of which Stage 2	686	743
of which Stage 3	6 738	6 549
of which Stage 3 - POCI ¹⁾	437	529
Total provisions	-4 245	-4 134
of which Stage 1	-271	-271
of which Stage 2	-216	-235
of which Stage 3	-3 758	-3 628
of which Stage 3 - POCI ¹⁾	-	-
TOTAL CARRYING AMOUNT, PRIVATE CUSTOMERS	15 604	14 303
Private customers³⁾		
Provision ratio for loans Stage 1	2,3%	2,5%
Provision ratio for loans Stage 2	31,5%	31,7%
Provision rate for loans Stage 3	55,8%	55,4%
Provision ratio for loans Stage 3 - POCI ¹⁾	0,0 %	0,0 %
Total provision ratio, private customers ²⁾	21,9%	23,1%

19. Loans to the public, cont.

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
CORPORATE CUSTOMERS		
Loans to the public, gross	35 971	32 282
of which Stage 1	28 898	25 118
of which Stage 2	2 454	5 330
of which Stage 3	4 619	1 834
Total provisions	-1 289	-1 115
of which Stage 1	-171	-152
of which Stage 2	-52	-219
of which Stage 3	-1 066	-744
TOTAL CARRYING AMOUNT, CORPORATE CUSTOMERS	34 681	31 167
Corporate customers⁴⁾		
Provision ratio for loans Stage 1	0,6%	0,6%
Provision ratio for loans Stage 2	2,1%	4,1%
Provision rate for loans Stage 3	23,1%	40,6%
Total provision ratio, corporate customers	3,6%	3,5%
TOTAL		
Loans to the public, gross	55 820	50 720
of which Stage 1	40 886	35 734
of which Stage 2	3 140	6 074
of which Stage 3	11 357	8 383
of which Stage 3 - POCI ¹⁾	437	529
Total provisions	-5 535	-5 249
of which Stage 1	-442	-423
of which Stage 2	-268	-454
of which Stage 3	-4 824	-4 372
of which Stage 3 - POCI ¹⁾	-	-
TOTAL CARRYING AMOUNT, LOANS TO THE PUBLIC, NET	50 286	45 470
Stage 3 loans / Total loans, gross, % ²⁾	20,5%	16,7%
Stage 3 loans / Total loans, net, % ²⁾	13,1%	8,9%
Total		
Provision ratio for loans Stage 1	1,1%	1,2%
Provision ratio for loans Stage 2	8,5%	7,5%
Provision rate for loans Stage 3	42,5%	52,2%
Provision ratio for loans Stage 3 - POCI ¹⁾	0,0 %	0,0 %
Total provision ratio ²⁾	10,0%	10,5%

¹⁾ Purchased credit-impaired assets are recognized net from the time of acquisition, consequently no provisioning is shown for these receivables.

²⁾ Excludes purchased credit-impaired assets.

³⁾ Includes the segments Consumer, Payments and parts of Other.

⁴⁾ Includes the segments Corporate and Real Estate and parts of Other.

20. Loans to the public – Reconciliation of credit losses provisions for loans

The IFRS 9 provisions during the period have been impacted by several different factors, as described below: New loans originated during the period, as well as loans removed from the portfolio during the corresponding period. Increases due to issuance and decreases due to removal from the statement of financial position. Changes in macroeconomic assumptions, based on current economic variables, affect the size of the provisions. Transfers between Stage 1 and Stage 2 or 3, depending on whether the loan has significantly increased or decreased in risk, or if it has defaulted during the period, thereby being transferred between the 12-month and lifetime ECL calculations. Changes in credit risk factors in the form of probability of default (PD), exposure at default (EAD), and loss given default (LGD), which occur when the model is updated with new values. Furthermore, changes in exchange rates also impact the provisions for expected credit losses.

Group and Parent Company

	2024					
	Stage 1	Stage 2	Stage 3	Total	of which Private	of which Corporate
SEKm						
Provisions at January 1, 2024	423	454	4 372	5 249	4 134	1 115
New and derecognized financial assets, net	57	-129	-96	-167	43	-210
Changes due to changed assumptions	-	-	-	-	-	-
Changes due to change in credit risk	-40	-58	560	462	70	392
Other adjustments	2	1	-12	-10	-2	-8
Provisions at December 31, 2024	442	268	4 824	5 535	4 245	1 289

Group and Parent Company

	2023					
	Stage 1	Stage 2	Stage 3	Total	of which Private	of which Corporate
SEKm						
Provisions at January 1, 2023	354	207	3 178	3 739	3 594	898
New and derecognized financial assets, net	41	-51	256	247	396	-149
Changes due to changed assumptions	-	-	-	-	-	-
Changes due to change in credit risk	28	146	373	547	174	374
Other adjustments	-1	-4	-32	-37	-30	-7
Provisions at December 31, 2023	423	454	4 372	5 249	4 134	1 115

21. Shares and participating interests

Group and Parent Company

	Dec 31, 2024		Dec 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
SEKm				
Shares	62	62	-	-
Tenant-ownership rights	5	5	5	5
Funds units	697	697	659	659
Total	764	764	664	664

22. Shares and participating interests in Group companies

Parent Company

Subsidiaries	Corp. ID. No.	Domicile	Share	Number of shares	Carrying amount, SEKm	
					31 dec 2024	31 dec 2023
Norion DB 1 AB	559397-0824	Göteborg	100%	25 000	0	0
Total					0	0

23. Intangible assets

SEKm	Group		Parent Company	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Other intangible assets				
Opening cost at January 1	243	185	243	185
Acquisitions for the year	77	57	77	57
Retirements and disposals for the year	-3	-	-3	-
Exchange rate differences	-	-	-	-
Reclassifications of cost	-	-	-	-
Closing balance at December 31	316	243	316	243
Opening balance at January 1	-138	-106	-138	-106
Amortisation for the year	-41	-32	-41	-32
Retirements and disposals for the year	3	-	3	-
Exchange rate differences	-	-	-	-
Reclassifications of amortisation	-	-	-	-
Closing balance of amortisation at December 31	-176	-138	-176	-138
Impairments	-	-	-	-
Closing carrying amount at December 31	141	104	141	104

¹⁾ The intangible assets mainly consist of internally developed software.

Annual Impairment assesment

Result of impairment assesment

The annual impairment test for 2024 was performed in the fourth quarter. The impairment test did not result in any indication of impairment.

Sensitivity analysis

In the event of a change in assumptions made regarding growth rate and discount rate of +/- 2 percentage points, there would be no need for impairment for any cash-generating unit.

It is therefore Norion's judgement that there is scope for a reasonable change in both the growth rate assumption and the discount factor.

24. Tangible assets

SEKm	Group		Parent Company	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Opening cost at January 1	20	23	20	23
Acquisitions for the year	1	1	1	1
Retirements and disposals for the year	0	-5	0	-5
Currency effect	0	0	0	0
Closing cost at December 31	20	20	20	20
Opening balance at January 1	-17	-20	-17	-20
Amortization for the year	-1	-1	-1	-1
Retirements and disposals for the year	0	5	0	5
Currency effect	0	0	0	0
Closing balance of amortisation at December 31	-18	-17	-18	-17
Carrying amount rights of use	72	106	72	106
Closing carrying amount at December 31	75	109	75	109

25. Derivative instruments

Group and Parent Company

SEKm	Dec 31, 2024		Dec 31, 2023	
	Carrying amount	Nominal amount	Carrying amount	Nominal amount
Currency-related	12	1 289	47	3 751
Other	-	-	-	-
Positive replacement values	12	1 289	47	3 751
Currency-related	-	-	-	-
Other	-	-	-	-
Negative replacement values	-	-	-	-
Total	12	1 289	47	3 751

26. Other assets

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Accounts receivable	43	2
Tax receivables	5	4
Collaterals	32	1
Other receivables	80	36
Total	160	42

27. Prepaid expenses and accrued income

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Accrued income	49	53
Prepaid expenses	72	59
Total	121	112

28. Deposits and borrowings from the public

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Households	48 873	39 069
Non-financial companies	4 143	3 564
Financial institutions	-	31
Total	53 017	42 663

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
EUR	27 914	16 707
SEK	24 339	25 659
NOK	763	297
Total	53 017	42 663

29. Debt securities in issue and subordinated liabilities

For the tables below, the terms for each bond and certificate are stated in the prospectuses available on the bank's website. (<https://www.norionbank.se/en-SE/investor-relations-en/financial-information/debt-investors>).

DEBT SECURITIES IN ISSUE

Group and Parent Company

SEKm	ISIN	Interest rate %	Maturity	Dec 31, 2024		Dec 31, 2023	
				Carrying amount	Nominal amount	Carrying amount	Nominal amount
COLLB 5, FRN 21/24 ¹⁾	SE0015811112	3m Stibor + 1,27%	2024-11-18	-	-	750	750
COLLB 7, FRN 22/25 ²⁾	SE0013105137	3m Stibor + 2,40%	2025-09-12	499	500	498	500
COLLB 8, FRN 22/25 ²⁾	SE0013361557	3m Stibor + 2,35%	2026-05-06	601	600	-	-
COLLB 9, FRN 22/25 ²⁾	SE0013106317	3m Stibor + 2,35%	2026-09-16	699	700	-	-
COLLB 10, FRN 22/25 ²⁾	SE0013361953	3m Stibor + 2,25%	2027-11-01	500	500	-	-
Commercial papers, other				20	20	-	-
Total				2 319	2 320	1 248	1 250

¹⁾ Issued under Norion Bank's MTN programme, with a total frame of SEK 5 billion.

²⁾ Issued under Norion Bank's MTN programme, with a total frame of SEK 15 billion.

SUBORDINATED LIABILITIES

Group and Parent Company

MSEK	ISIN	Interest rate %	Maturity	Dec 31, 2024		Dec 31, 2023	
				Carrying amount	Nominal amount	Carrying amount	Nominal amount
LOAN 202 24/35	SE0013361946	3m Stibor + 5,95%	2035-01-25	299	300	-	-
LOAN 201 24/34	SE0013361664	3m Stibor + 6,50%	2034-10-05	299	300	-	-
TOTAL				598	600	-	-

30. Deferred tax

DEFERRED TAX ASSETS

SEKm	Group		Parent Company	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Provision on deferred tax relating to temporary difference	1	1	1	1
Total	1	1	1	1
OPENING BALANCE	3	2	3	2
Deferred tax relating to temporary differences	1	1	1	1
CLOSING BALANCE	4	3	4	3

DEFERRED TAX LIABILITIES

SEKm	Group		Parent Company	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Provision on deferred tax relating to untaxed reserves	341	274	-	-
Provision on deferred tax relating to temporary differences	-	-	-	-
Total	341	274	-	-

30. Deferred tax, cont.

	Group		Parent Company	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
OPENING BALANCE	274	217	-	-
Deferred tax relating to untaxed reserve	67	57	-	-
Deferred tax relating to temporary differences	-	-	-	-
CLOSING BALANCE	341	274	-	-

31. Other liabilities

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Deposition	99	6
Lease liability	74	109
Accounts payable	43	38
Tax liability	25	125
Other	152	246
Total	393	524

32. Accrued expenses and prepaid income

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Accrued interest expenses	384	292
Other accrued expenses	1 103	750
Total	1 487	1 042

33. Untaxed reserves

Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Tax allocation reserve 2018	-	118
Tax allocation reserve 2020	105	105
Tax allocation reserve 2021	246	246
Tax allocation reserve 2022	392	392
Tax allocation reserve 2023	459	459
Tax allocation reserve 2024	449	-
Total	1 651	1 320
OPENING BALANCE	1 320	1 032
Dissolve for the year	-118	-171
Allocation for the year	449	459
CLOSING BALANCE	1 651	1 320

34. Equity capital

35.1 Share capital

The number of shares in the Parent Company after reverse split and split is 205 381 004, with a quotient value of SEK 0,7275. Quotient value is defined as share capital divided by number of shares.

35.2 Retained profit or loss

Retained earnings consist of profit earned from the current and previous financial years. Dividend is recognized as a deduction from retained earnings. The amount of dividend proposed to be distributed is recognized as a liability after it has been approved by the Annual General Meeting

35.3 Other contributed capital

Other contributed capital essentially consists of paid premiums. The premium is the difference between the subscription price and the quotient value of Norion's shares in the event of a new issue. Deductions are made for transaction expenses in connection with a new share issue.

35.4 Translation reserve

The translation reserve consists of unrealized exchange rate effects that arise as a result of the translation of foreign entities into the presentation currency.

35.5 Changes in equity

See the statement of changes in equity for details on changes in equity during the year

35. Financial instruments at fair value

The tables below contain financial instruments recognized at fair value broken down by level. When determining fair values for financial instruments, different methods are used depending on the degree of observability of market data in the measurement and market activity.

The methods are divided into three different levels:

Level 1: Quoted market values

Unadjusted quoted market values of identical financial asset or debt instruments in active markets where quoted prices are readily available and represent current and regular market transactions between independent parties.

Level 2: measurement technique based on observable inputs

For Level 2 measurement techniques, all material inputs in the valuation models are observable either directly or indirectly. Level 2 measurement techniques include discounted cash flows, option measurement models, recent transactions, and prices of other instruments that are predominantly similar

Level 3: Measurement technique with significant non-observable input

For level 3 measurement techniques, there is a significant amount of input that is not observable. These techniques are generally based on extrapolation from observable inputs from equivalent instruments, analysis of historical data or other analytical techniques.

Significant transfers and reclassifications between levels

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

35. Financial instruments at fair value, cont.

The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2024.

Group and Parent Company

Assets	Dec 31, 2024			
	Level 1	Level 2	Level 3	Total
SEKm				
Financial assets measured at fair value through profit or loss				
Derivative instruments	-	12	-	12
Treasury bills and other bills eligible for refinancing with central banks, etc.	3 807	-	-	3 807
Bonds and other interest-bearing securities	4 687	-	-	4 687
Shares and participating interests	-	5	759	764
Total financial assets	8 494	16	759	9 270
Liabilities	Dec 31, 2024			
	Level 1	Level 2	Level 3	Total
SEKm				
Financial liabilities measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2023.

Group and Parent Company

Assets	Dec 31, 2023			
	Level 1	Level 2	Level 3	Total
SEKm				
Financial assets measured at fair value through profit or loss				
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
Total financial assets	3 440	52	659	4 151
Liabilities	Dec 31, 2023			
	Level 1	Level 2	Level 3	Total
SEKm				
Financial liabilities measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Total financial liabilities	-	-	-	-

FINANCIAL INSTRUMENTS LEVEL 3

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
OPENING BALANCE	659	528
Acquisition	62	157
Divestment	-	-
Remeasurement	38	-27
CLOSING BALANCE	759	659

Financial instruments in Level 3 refer to investments in unlisted companies and 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.

36. Classification of financial assets and liabilities

Financial instruments reported at amortized cost consist essentially of loans, deposits and borrowings, issued securities, and a limited portion of Norion Bank's liquidity portfolio. For the subcategories of loans and deposits, these predominantly consist of liabilities and receivables at variable interest rates with short maturities, which leads to the reported value being considered an acceptable estimate of fair value. The following table shows the group's financial assets and liabilities measured at fair value as of December 31, 2024. The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2024.

Group and Parent Company

SEKm	Dec 31, 2024			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total Carrying amount	Fair value
Assets				
Treasury bills and other bills eligible for refinancing with central banks, etc.	3 807	1 469	5 276	5 278
Loans to credit institutions	-	4 164	4 164	4 164
Loans to the public	-	50 286	50 286	50 286
Bonds and other interest-bearing securities	4 687	1 522	6 210	6 211
Shares and participating interests	764	-	764	764
Derivatives	12	-	12	12
Other assets	37	49	86	86
Total	9 307	57 490	66 798	66 801
Non-financial assets	-	-	408	-
Total assets	9 307	57 490	67 206	66 764

Group and Parent Company

SEKm	Dec 31, 2024			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total Carrying amount	Fair value
Liabilities				
Deposits and borrowings from the public	-	53 017	53 017	53 017
Debt securities in issue	-	2 917	2 917	2 917
Other liabilities	-	384	384	384
Total	-	56 318	56 318	56 318
Non-financial liabilities	-	-	1 837 ¹	-
Total liabilities	-	55 719	58 155	55 628

¹⁾ Non-financial liabilities related to the parent company amount to SEK 1 496 million as of December 31, 2024.

The following table shows the Group's financial assets and liabilities measured at December 31, 2023.

Group and Parent Company

SEKm	Dec 31, 2023			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total carrying amount	Fair value
Assets				
Treasury bills and other bills eligible for refinancing with central banks, etc.	230	116	346	346
Loans to credit institutions	-	3 203	3 203	3 203
Loans to the public	-	45 470	45 470	45 470
Bonds and other interest-bearing securities	3 210	748	3 958	3 958
Shares and participating interests	664	-	664	664
Derivatives	47	-	47	47
Other assets	-	53	53	53
Total	4 151	49 590	53 741	53 741
Non-financial assets	-	-	315	-
Total assets	4 151	49 590	54 056	53 741

36. Classification of financial assets and liabilities, cont.

Group and Parent Company

SEKm	Dec 31, 2023			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total Carrying amount	Fair value
Liabilities				
Liabilities to credit institutions	-	-	-	-
Deposits and borrowings from the public	-	42 663	42 663	42 663
Debt securities in issue	-	1 248	1 248	1 248
Derivatives	-	-	-	-
Other liabilities	-	292	292	292
Total	-	44 203	44 203	44 203
Non-financial liabilities	-	-	2 550	-
Total liabilities	-	44 203	46 753	44 203

37. Leases

Interest expense on lease liabilities are reported in Net interest income, see note 6. Depreciation and write-downs of right-of-use assets are reported under the item Depreciation/amortization and impairment of tangible and intangible assets in the income statement. Costs relating to short-term leases and lease contracts of low value are reported under Other operating expenses.

IFRS 16 Leases started to be applied from quarter 3, 2022. The group's leasing agreement has been taken over with the merger of Norion AB and consists mostly of office premises and to a lesser extent vehicles. All right-of-use assets are reported under item Tangible fixed assets and leasing liabilities under the item Other liabilities in the balance sheet.

Group and Parent Company

SEKm	2024	2023
Income statement		
Interest expense on lease liabilities	-2	0
Net income and expense attributable to lease agreements for premises & other	32	36
Amortization of right-of-use assets	30	-34
Total	0	2

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Balance sheet		
Right-of-use assets	72	106
Lease liabilities	74	109

38. Related parties

Companies with significant influence or that are under significant influence of key individuals in a senior position in Norion Bank are presented below as related parties. The group of related parties includes the following companies: Fastighets AB Balder as main owner, including companies within its sphere of interest. The companies engage Norion Bank for services in corporate and real estate lending as well as other banking and payment services. All dealings are priced on market terms. Key individuals below refer to members of the company's Board and executive management. For more information regarding key individuals, see Note 10.

RECEIVABLES FROM AND LIABILITIES TO RELATED PARTIES

Group and Parent Company	Related parties		Key individuals	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Loans to the public	2 330	1 909	0	0
<i>of which loans with underlying collateral</i>	2 355	2 044	-	-
<i>of which credit impairment provisions stage 1</i>	-25	-135	0	0
Other assets	-	-	-	-
Total	2 330	1 909	0	0
Deposits and borrowings from the public	5	3	0	0
Debt securities in issue	-	-	-	-
Other liabilities	-	-	-	-
Total	5	3	0	0

RELATED PARTIES - INCOME AND EXPENSES

Group and Parent Company	Related parties		Key individuals	
SEKm	2024	2023	2024	2023
Interest income from loans to the public	221	179	0	0
Interest expenses from deposits and borrowings from the public	0	0	0	0
Other income	-	-	-	-
Other expenses	-	-	-	-
Total	221	179	0	0

COMMITMENTS

Group and Parent Company	Related parties		Key individuals	
SEKm	2024	2023	2024	2023
Unutilized credit limits	406	240	0	0
Total	406	240	0	0

39. Pledged assets, contingent liabilities and commitments

PLEDGED ASSETS

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Floating charges ¹⁾	None	None
Total	None	None

¹⁾ Relates to collateral for unused credit facilities.

CONTINGENT LIABILITIES

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Contingent liabilities	None ¹⁾	None
Total	None	None

COMMITMENTS

Group and Parent Company

SEKm	Dec 31, 2024	Dec 31, 2023
Unutilized credit limits	5 974	4 685
Other commitments	163	158
Total	6 137	4 843
of which Stage 1	6 064	4 700
of which Stage 2	73	144
of which Stage 3	-	-
Summa	6 137	4 843

The outstanding commitments of 2 517 (2 604) SEKm have a maturity of less than 12 months and 3 620 (2 239)SEKm have a maturity of over a year.

AML investigation¹⁾

The Swedish Financial Supervisory Authority has, after the end of the year, requested a statement from Norion Bank as a continuation of the previously initiated investigation regarding compliance with anti-money laundering regulations, which was initiated in May 2023 towards Norion Bank and a couple of other market participants. Norion Bank commented on the matter on February 21, 2025.

The timing of the completion of the ongoing investigation is still unknown and its outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines.

40. Proposed allocation of profits

The following profits of Norion Bank AB according to the balance sheet are at the disposal of the Annual General Meeting:

	SEK
Retained earnings	6 458 934 459
Net profit for the year	1 000 037 046
Total	7 458 971 505

The Board proposes that, following approval of the balancesheet of Norion Bank AB for the financial year 2024, the Annual General Meeting should distribute the earnings as follows:

	SEK
Carried forward	7 458 971 505
Total	7 458 971 505

41. Significant events after the end of the financial year

The Swedish Financial Supervisory Authority has, after the end of the year requested a statement from Norion Bank as a continuation of the previously initiated investigation regarding compliance with anti-money laundering regulations, which was initiated in May 2023 towards Norion Bank and a couple of other market participants. Norion Bank commented on the matter on February 21, 2025.

Signatures of the Board of Directors and the CEO

The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's position and performance. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's position and performance. The Directors' Report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and Parent Company's operations, position and performance and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

The annual report and sustainability report and the consolidated financial statements were approved for publication by the Board on April 2, 2025. The annual report also contains the Group's and Parent Company's sustainability reporting in accordance with Chapter 6, Section 11 of the Annual Accounts Act, pages 120-132.

Gothenburg, April 2, 2025

Erik Selin
Chairman of the Board

Charlotte Hybinette
Board member

Bengt Edholm
Board member

Marie Osberg
Board member

Ulf Croona
Board member

Arian Falck Raoof
Board member

Martin Nossman
CEO

Our audit report was submitted on April 3, 2025
Ernst & Young AB

Daniel Eriksson
Authorized public
accountant



Audit report

To the general meeting of the shareholders of Norion Bank AB (publ), corporate identity number 556597-0513

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Norion Bank AB (publ) for the year 2024 with the exception of the Corporate Governance Report and the Sustainability Report on pages 106-112 respectively 120-132. The annual accounts and consolidated accounts of the company are included on pages 43-100 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies.

Our statements do not include the Corporate Governance Report and the Sustainability Report on pages 106-112 respectively 120-132. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of,

Description

As of December 31, 2024, lending to the public amounts to SEK 50,286 million in the Group, which corresponds to 74.8% of total assets. The lending to public consists of gross outstanding receivables in the amount of SEK 55,820 million. Off-balance sheet commitments consist of unused credits amounting to SEK 6,137 million. Provision for expected credit losses for lending to the public amounts to SEK 5,535 million.

Norion Bank's credit provisioning model is based on IFRS 9. The loss reserve shall be valued in a manner that reflects an objective and probability-weighted amount determined by evaluating a range of possible outcomes and based on past events, current conditions and forecasts of future economic conditions. The provisioning model means that Norion Bank makes assessments and assumptions of, for example, criteria for identifying a significant increase in credit risk and methods for calculating expected credit losses. Given the complexity of the calculation and the need for Norion Bank to make assessments and assumptions, the valuation of the reserve for expected credit losses has been considered to be a particularly important area.

How our audit addressed this key audit matter

We have gained an understanding of and tested the design of key controls in the lending process. We have also assessed the models used, including assumptions and parameters, and checked the functionality of the models. Our review of parameters has included the probability of default, loss given default, exposure at default and stage allocation, which includes parameters that determine a material increase in credit risk at counterparty level in accordance with IFRS 9. Furthermore, we have reviewed that the data from the underlying systems used in the models is complete and accurate. For loans that are subject to individual assessment by Norion, we have assessed the value of the underlying collateral, including the assessment of Norion's expert credit assessment.

Furthermore, we have assessed Norion's initial and current credit rating for a sample of corporate credit and analysis of the risk rating for consumer credit.

We have also assessed the outcome of the model validations that have been carried out during the year. Furthermore, we have assessed the reasonableness of the expert assessment carried out by Norion regarding expected credit losses.

In our audit, we have used our internal model specialists in the audit procedures we have performed.

We have reviewed the disclosures provided in the financial statements regarding expected credit losses. Information and a description of the area are provided in the Annual Report and the Consolidated Financial Statements in Notes 2, 13, 19 and 20.

and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Provisioning for expected credit losses

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other Information than the annual accounts and consolidated financial statements

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-42 & 101-136. The other information also consists of the remuneration report that we obtained prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Norion Bank AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting,

management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Norion Bank AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory

requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Norion Bank AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies ISQM 1 Quality Management for Firms that perform audits and reviews of financial statements and other assurance engagements and related services that require the firm to design, implement and operate a quality management system, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, Box 7850, 111 44 Stockholm, was appointed Norion Bank AB (publ)'s auditor by the Annual General Meeting on May 7, 2024 and has been the company's auditor since April 24, 2018.

Stockholm 3 April 2025
Ernst & Young AB

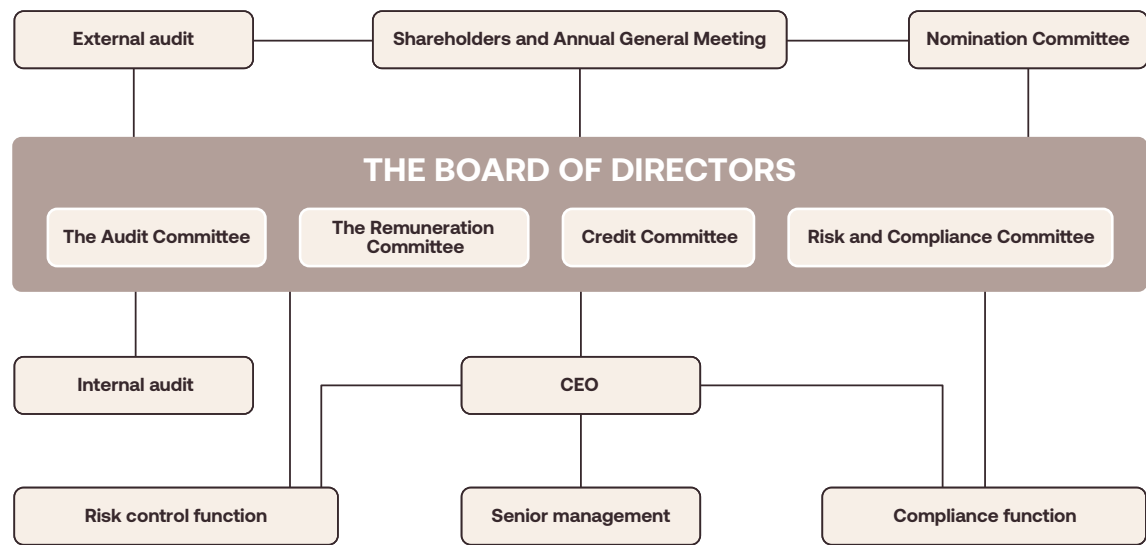
Daniel Eriksson
Authorized public account

Corporate governance report

Norion Bank AB (“Norion Bank” or “the Bank”) is a Swedish public limited company based in Gothenburg, Sweden. The company’s

shares are listed on Nasdaq Stockholm. Norion Bank operates under license and also has two branches in Finland and Norway.

Overall corporate governance structure



The importance of corporate governance

Good corporate governance is the basis for a trusting relationship with shareholders and the Bank’s other key stakeholders, and is of vital importance for achieving effective and efficient governance of the Bank. A robust framework and effective tools for internal management and control as well as risk management are of the utmost importance for good corporate governance. The sustainability framework, which is part of the Bank’s overall corporate governance, is presented in more detail on pages 32–41 and 120–132.

Regulations

As a Swedish public limited company with shares listed on Nasdaq Stockholm, the Bank must comply with an extensive regulatory framework. The key corporate governance regulations include the following:

- The Swedish Companies Act
- The Swedish Banking and Financing Business Act
- The Swedish Securities Market Act
- The Swedish Act on Penalties for Market Abuse in the Securities Market
- Act on Measures to Prevent Money Laundering and Terrorism Financing
- The Swedish Annual Accounts Act
- The Nasdaq Stockholm Rule Book for Issuers
- The Swedish Corporate Governance Code (‘the Code’)
- SFSA:s and other authorities regulations and guidelines

The Bank must also comply with an extensive regulatory framework which is decided on at EU level, including the following regulations:

- The Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR)
- Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRD)
- The Regulation of the European Parliament and of the Council on market abuse (MAR)
- The Regulation of the European Parliament and of the Council on data protection (GDPR)
- Regulation of the European Parliament and of the Council on Digital Operational Resilience (DORA)
- European Banking Authority (EBA) regulations and guidelines

In order to ensure a well-functioning internal governance and control system, the Bank has established a framework of internal rules and processes that complement the applicable external regulations. The internal and external rules divide responsibility for the governance, control and follow-up of the business between the shareholders, the Board and the CEO. The internal regulatory framework includes the following policy documents adopted by the Board:

- The rules of procedure for the Board and the Board’s committees
- The instructions for the CEO

- The instructions for the internal audit and control functions
- Internal governance and control policy
- Risk policy
- Credit policy
- Financial policy
- Policy on the combating of money laundering and terrorist financing
- Conflict of interest management policy
- Remuneration policy
- Anticorruption policy
- Diversity policy for the Board
- Policy on the suitability assessment of the Board and senior management
- Sustainability policy

The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. The purpose of the Code is to strengthen confidence in Swedish listed companies by promoting the positive development of corporate governance in these companies. The Code complements legislation and other rules by defining a standard for good corporate governance. This standard is not mandatory and can be deviated from on individual points provided that the Bank reports an alternative solution for each deviation and the reasons for it. In the Board's view, Norion Bank complied with the Code in all respects during 2024 and has no deviations to explain. No breaches of the Nasdaq Stockholm Rule Book for Issuers or good stock market practice occurred in the Board's judgment.

Shareholders and voting rights

At the end of 2024, Norion Bank had approximately 9,200 shareholders according to the shareholder register maintained by Euroclear Sweden. Norion Bank's largest shareholder is Fastighets AB Balder, which at the end of 2024 held approximately 44% of the share capital and voting rights. Norion Bank's second largest shareholder, Erik Selin, held approximately 19% of the share capital and voting rights at the end of 2024. At the end of 2024, the ten largest shareholders accounted for approximately 86% of the company's share capital and voting rights. As of December 31, 2024, the share capital amounted to SEK 149,421,957 divided into 205,381,004 ordinary shares. Norion Bank has one (1) class of shares, with each share entitling the holder to one vote at the General Meeting.

Shareholders at December 31, 2024	%
Fastighets AB Balder	44.1%
Erik Selin	19.4%
Provobis Holding AB	6.9%
State Street Bank and Trust Company	5.9%
Helichrysum Gruppen AB	2.9%
JME Invest AB	2.0%
Brunnudden Kapital AS	1.4%
Vante AB	1.4%
Nordnet	1.2%
Avanza	1.1%
Other shareholders	13.7%
Total	100.0%

The General Meeting

The shareholders' influence is exercised through attendance at the General Meeting, which is the Bank's highest decision-making body. Extraordinary General Meetings may be held if the Board of Directors believes there is a reason to do so, or if

Norion Bank's auditor, or the owners of at least 10% of Norion Bank's shares, request such a meeting. In accordance with the Articles of Association, the General Meeting elects Norion Bank's Board of Directors and also appoints an auditor for the bank. The Articles of Association do not contain any provisions on amendments to the Articles of Association or the dismissal of Board members. There are also no restrictions in the Articles of Association regarding how many votes each shareholder or shareholder proxy may cast at the General Meeting.

The Annual General Meeting is held in Gothenburg within six months of the end of each fiscal year. The notice convening the Annual General Meeting is published no earlier than six weeks and no later than four weeks prior to the Annual General Meeting. The right of shareholders to attend the Annual General Meeting is governed by the Swedish Companies Act and the Articles of Association. Shareholders who wish to have a matter considered at the Annual General Meeting can submit a proposal to the Bank to this end. Decisions at the Annual General Meeting are normally taken by simple majority, i.e., with the support of more than half of the votes cast. In certain matters, however, the Swedish Companies Act stipulates that decisions must be made on the basis of a larger proportion of the votes cast. At the Annual General Meeting, decisions are made on:

- adoption of the income statement and balance sheet,
- appropriation of the Bank's earnings,
- discharging from liability of the Board members and the CEO,
- determination of the number of Board members and the number of auditors and alternate auditors,
- the determining of the fees for Board members and auditors,
- the election of Board members, the Chair of the Board, auditors and alternate auditors,
- as well as other matters that are put before the meeting in accordance with the Swedish Companies Act or the Articles of Association.

Annual General Meeting 2024

At Norion Bank's Annual General Meeting held on May 7, 2024, 131 shareholders were represented with a holding equivalent to 78.6% of the total number of Norion Bank's shares and votes. The full minutes of the Bank's Annual General Meeting are available on the Bank's website.

The AGM adopted the following resolutions:

- adoption of the income statement and balance sheet for Norion Bank and the Group,
- appropriation of the Bank's earnings in accordance with the adopted balance sheet,
- discharging from liability of the Board members and the CEO,
- determination of the number of Board members and the number of auditors,
- determination of the fees for the Board and the auditor,
- election of the Board, the Chair of the Board and the auditor,
- decisions on the principles for the appointment of the Nomination Committee, together with instructions for the Nomination Committee and the remuneration of its members,
- decision on the guidelines for remuneration of senior executives,
- approval of the remuneration report for 2023,
- authorization for the Board to decide on new share issues, and
- authorization for the Board to decide on buybacks and transfers of treasury shares

Nomination Committee

In accordance with the principles adopted by the 2024 Annual General Meeting, the Nomination Committee must be formed after the Chair of the Board, as of the last banking day of September, has identified the three shareholders with the largest number of votes, who will then each be entitled to appoint a member to

the Nomination Committee. The three largest shareholders refer to the three largest shareholders registered and grouped by Euroclear Sweden AB. If any of the three shareholders with the largest number of votes waives their right to appoint a member of the Nomination Committee, the shareholder with the next largest shareholding will be offered the opportunity to appoint a member. These three shareholder representatives, together with the Chair of the Board, will constitute Norion Bank's Nomination Committee. No remuneration has been paid by the Bank to the members of the Nomination Committee for its work.

The following individuals were members of the Nomination Committee ahead of the 2025 Annual General Meeting: Sharam Rahi (Chairman of the Nomination Committee), appointed by Fastighets AB Balder, Jesper Mårtensson, appointed by the owner group Erik Selin (Förvaltnings AB Färgax and Erik Selin Fastigheter AB), Christoffer Lundström, appointed by Provobis Holding AB and Erik Selin, Chairman of the Board. The composition of the Nomination Committee fulfils the requirements of the Code.

Member	Appointed by	Independent of the company and its management	Independent of the company's major shareholders	December 31, 2024, % of votes
Sharam Rahi	Fastighets AB Balder	Yes	No	44.1%
Jesper Mårtensson	Ownership group Erik Selin (Förvaltnings AB Färgax and Erik Selin Fastigheter AB)	Yes	No	17.2%
Christoffer Lundström	Provobis Holding AB	Yes	Yes	6.9%
Erik Selin	Chair	Yes	No	41.2% ¹⁾

¹⁾ The figure includes Erik Selin's ownership privately, through wholly owned companies, such as Förvaltnings AB Färgax and Erik Selin Fastigheter AB, and through Fastighets AB Balder and other related parties.

Prior to election by the Annual General Meeting, the Nomination Committee nominates the Chair of the Board and its other members, and the external auditor, and proposes fees for the Board, the committees and the external auditor.

With regard to the composition of the Board of Directors, the Nomination Committee applied Norion Bank's diversity policy in its work. The purpose of this diversity policy is to ensure that, when appointing Board members, Norion Bank takes into account a broad set of characteristics and knowledge, and that the Bank achieves a more effective management of its operations and more appropriate risk management thanks to broader expertise and experience on the Board. Norion Bank is aware of the benefits of having a diverse Board and views it as an important competitive advantage. By promoting independent opinions and critical questioning, the necessary conditions are created for long-term, sustainable and sound governance and control of the business. The members of the Board are appointed based on their qualifications and objective criteria with due regard to the benefits of Board diversity. Aspects such as age, expertise, industry experience, education, geographical origin and gender are taken into account in nominations made by the Nomination Committee.

The Nomination Committee's instructions and resolution proposal, with a specific explanation of the reasons for the Board proposal ahead of the 2025 Annual General Meeting, can be found on the Bank's website.

The Board of Directors

The Board has ultimate responsibility for Norion Bank's organization, management and operations. The tasks of the Board of Directors are governed by the Swedish Companies Act and the Articles of Association. The Board has established rules of procedure that govern its role and working methods. The Board has also established specific rules of procedure for its committees, as well as instructions for the CEO, and the internal audit and control functions. The Board determines financial targets and strategies, appoints, dismisses and evaluates the CEO, and ensures that there are effective and appropriate systems for the follow-up and control of operations, that the applicable rules are followed, and that transparent and correct information is provided. The Board's work follows an annually adopted plan. The Chair of the Board organizes and directs the work of the Board.

According to Norion Bank's Articles of Association, the Board must consist of no fewer than three and no more than ten members, without alternates. Board members are elected by the AGM for one year at a time. There is no limitation on how long a member may be a member of the Board. At the 2024 Annual General Meeting, board members Erik Selin, Charlotte Hybinette, Bengt Edholm, Marie Osberg and Ulf Croona and Arian Falck Raoof were elected as new members. Erik Selin was elected as Chair of the Board. For a more detailed presentation of the members of the Board, see pages 114-115.

The Code states that the majority of the Board members elected by the Annual General Meeting must be independent of the company and the company's management, and that at least two of the independent members must also be independent of any shareholders controlling 10% or more of the Bank's shares or voting rights. The composition of the Board meets the independence requirements under the Code.

The rules of procedure and work of the Board in 2024

During the year, 25 Board meetings were held, of which eight were ordinary meetings, one was a constitutive meeting, and sixteen were held by correspondence. The Board members' attendance is presented in the table below.

THE BOARD OF DIRECTORS ELECTED BY THE 2024 ANNUAL GENERAL MEETING

Member	Position	Elected	Born	Attendance at meetings in 2024					Independent of	
				Board meetings	Audit Committee	Remuneration Committee	Credit Committee	Risk and Compliance Committee	The company and the company's management	The company's major shareholders
Erik Selin	Member	2011	1967	19/25	7/7	2/2	34/40		Yes	No
Charlotte Hybinette	Member	2019	1973	25/25			36/40	5/6	Yes	Yes
Bengt Edholm	Member	2020	1956	25/25				6/6	Yes	Yes
Marie Osberg	Member	2020	1960	23/25	7/7			5/6	Yes	Yes
Ulf Croona	Member	2020	1958	24/25		0*/2	40/40		Yes	Yes
Arian Falck Raoof	Member	2024	1992	15/16**					Yes	Yes

* Ulf Croona was elected to the Remuneration Committee at the inaugural Board meeting on May 8, 2024.

** Arian Falck Raoof was elected as a member of the Board of Directors at the Annual General Meeting on May 7, 2024.

Evaluation of the Board

A Board evaluation is carried out annually in order to improve the Board's work and facilitate the work of the Nomination Committee in evaluating the appropriate size and composition of the Board. The Board completes an annual self-evaluation that consists of a structured written process followed by a Board discussion. The work and methods of the Board, the Chair of the Board and the committees are evaluated through this process. The Chair of the Board is responsible for the evaluation, and the results of the evaluation are presented to and discussed by the Board and the Nomination Committee. The Board is considered to have functioned well during the year.

The Board committees

The Board has appointed four committees for the preparation of Board matters and for the possible in-depth examination of specific areas. The Audit, Risk and Compliance, Remuneration and Credit Committees were appointed by Norion Bank's Board at the constitutive Board meeting on May 8, 2024. The committees assist the Board by preparing Board matters. With the exception of the Credit Committee, which has been given terms of reference by the Board to make credit decisions in accordance with the established credit policy, the Board committees do not have their own decision-making rights and merely prepare and recommend Board decisions. All committee meeting minutes and all the materials prepared by the committees are available to the entire Board, and the committees regularly report on their work to the Board. The Board's committees are evaluated annually, by the Board as a whole, in line with the Board's annual cycle.

Audit Committee

The Board has established an Audit Committee to assist it with its role overseeing audit issues. Without prejudice to the responsibilities and tasks of the Board, the Committee shall ensure the fulfillment of the Board's oversight responsibility for adequate risk management controls over financial reporting, sustainability reporting, accounting and financial reporting. The committee shall evaluate the reliability, effectiveness and internal control of financial reporting, including sustainability reporting, and ensure that the external auditors perform their work effectively and impartially. The committee must in particular contribute to good financial and sustainability reporting and to the maintaining of the market's trust in Norion Bank. In addition, the committee must ensure a qualified, efficient and independent external and

internal audit of Norion bank, and that good communication is maintained between the Board and external and internal auditors. The committee is also tasked with supporting the Nomination Committee with proposals for the appointment of external auditors and audit fees.

The Audit Committee must consist of at least two members who are appointed from among the members of the Bank's Board. The Board must appoint one of its members to chair the Audit Committee. In 2024, the Audit Committee consisted of Erik Selin (Chair of the Audit Committee) and Marie Osberg. The Audit Committee held seven meetings in 2024.

Remuneration Committee

The Board has established a Remuneration Committee to assist the Board with remuneration matters. The committee, without influencing the responsibilities and tasks of the Board, prepares the Board's decisions on remuneration principles, remuneration and other terms of employment for the CEO, Deputy CEO and all members of the management team. The committee also monitors and evaluates programs for variable remuneration for the management team that are ongoing or completed during the year, and monitors and evaluates the application of the guidelines for remuneration for senior executives that the Annual General Meeting is required by law to determine, and monitors and evaluates current remuneration structures and remuneration levels at the bank.

The committee must consist of at least two Board members. In 2024, the Remuneration Committee consisted of Erik Selin (Chair of the Remuneration Committee) and Ulf Croona. The Remuneration Committee held two meetings in 2024.

Credit Committee

The Board has established a Credit Committee, whose main task is making credit decisions in accordance with the decision-making terms of reference delegated by the Board in accordance with the established credit policy. The Credit Committee also prepares credit decisions that, according to the credit policy, must be made by the Board. The Credit Committee's other tasks include preparing policy documents in the area of credit, to allow the Board to make decisions, and evaluating the overall quality of the loan portfolio. The tasks also include preparing matters related to the evaluation of portfolio strategies, screening the loan portfolio, evaluating valuation and decision-making models, and evaluating existing or new delegation

rights. The Credit Committee meets on a regular basis. The committee must consist of the Chair of the Board and at least one other Board member. In 2024, the Credit Committee consisted of Erik Selin (Chair of the Credit Committee), Ulf Croona and Charlotte Hybinette.

The Risk and Compliance committee

The Board has established a Risk and Compliance Committee to assist it with matters concerning risk and compliance issues. Without affecting the Board's responsibilities and tasks, the committee must prepare and follow-up on issues concerning internal governance and control, risk management, compliance with regulations and capitalization. The committee is a preparatory body and the Board makes all the decisions. The committee must consist of at least two Board members. In 2024, the committee consisted of Bengt Edholm (Chair of the committee), Charlotte Hybinette and Marie Osberg. The Risk and Compliance Committee held six meetings in 2024.

The CEO and senior management

The CEO is responsible for the day-to-day management of the Bank in accordance with the Swedish Companies Act and the Board's instructions. The CEO has to ensure that the Bank's organization and management are appropriate, and the CEO is the company officer who is ultimately responsible for ensuring compliance with and implementation of the Board's strategic direction and other decisions made by the Board. The CEO has overall responsibility for the Bank's risk management in accordance with the policies and instructions adopted by the Board. The Board has adopted instructions for the work and role of the CEO. The CEO reports to the Board and submits regular reports regarding the Bank's performance. The Board evaluates the CEO's work each year through a structured written process followed by a Board discussion in which the CEO does not participate.

The CEO appoints a senior management team that reports directly to them. At the end of 2024, the Bank's management team consisted of Martin Nossman (CEO), Peter Olsson (CFO), Alexandra Kaber (COO), Tarek Omeirat (Chief Credit Officer), Jonas Björkman (Chief Information Officer), Teresa Åkemar (Chief HR Officer), Robert Bergström (Head of Corporate Banking), Patrik Hankers (Head of Consumer), David Lundqvist (General Manager Walley), Josefin Eriksson (Head of CEO Office), Anna-Klara Heldring (Head of Compliance) and Sarah Olofsson, Chief Sustainability Officer.

CEO committees

The CEO has appointed committees to assist him; the task of these is to prepare and provide guidance to the CEO. These are the Risk Committee, the NonFinancial Risk Committee, the Asset Liability Committee (ALCO), the Ethics Committee, the Green Bond Committee, the NPL Committee, the Consumer Credit Committee and the Corporate Credit Committee. The latter has regular meetings two days a week and the other committees meet on a regular basis.

Remuneration

Guidelines on the remuneration of senior executives
Guidelines on the remuneration of senior executives were adopted at the 2024 Annual General Meeting, to apply until the end of the 2028 Annual General Meeting. According to the guidelines, remuneration must consist of a fixed salary, pension and other benefits. No variable remuneration is paid, so that senior executives are not encouraged to take unhealthy risks. The total remuneration payable to senior executives is therefore

made up of fixed remuneration, combined with pension contributions and nonmonetary benefits. The Annual General Meeting may also resolve to offer long-term incentive programs, such as share-related or share price-related programs. Each senior executive must be offered a salary and other terms of employment that enable Norion Bank to attract and retain skilled senior executives at a reasonable cost to the bank. The fixed salary must be in line with the market and be based on the difficulty of the work and the senior executive's experience, responsibility, skills and workload. Other benefits must be what might be considered reasonable in view of market practice. Senior executives must be offered a pension on market terms in the country where they have their permanent residence.

In addition to a fixed salary during their notice period, senior executives may receive severance pay. The executive's fixed salary during the notice period and severance pay may not exceed a total amount equal to two years' fixed salary for the CEO and 18 months for the other senior executives.

Remuneration of the Board of Directors

Board fees are decided on by the Annual General Meeting. At the 2024 Annual General Meeting, it was resolved that the following fees should be paid to the Board of Directors for the period until the end of the next Annual General Meeting: SEK 720,000 to the Chair of the Board, SEK 360,000 to each of the other Board members, SEK 100,000 to each member of the Audit Committee and the Risk and Compliance Committee and SEK 150,000 to each member of the Credit Committee. See Note 10 regarding the remuneration of the Board of Directors.

Remuneration of senior executives

The total gross remuneration of the CEO and other senior executives, including basic salary, variable remuneration, pension provision and other benefits amounted to SEK 52,390,000 in 2024. Of the total remuneration, SEK 9,259,000 consisted of remuneration paid to the CEO and SEK 43,131,000 of remuneration paid to the other senior executives.

Internal control and risk management – three lines of defense

To enable satisfactory risk management, it is of vital importance for the corporate culture and organization to be characterized by clear internal governance and control. The Bank's Board and CEO have ultimate responsibility for ensuring that the Bank has good internal governance and control. Norion Bank maintains an open business climate with a high level of business ethics and has a whistleblower system available to all staff through which irregularities and other misconduct can be reported. In order to achieve a good control environment, Norion Bank applies the principle of three lines of defense, whereby the different lines of defense have different tasks but a shared responsibility for achieving good internal governance and control. The Bank's entire organization participates in this control environment.

The first line of defense - risk management of the business operation

The first line of defense consists of the entire operation and all employees except those who belong to the control functions, i.e., the second and third lines of defense. The first line of defense is overseen by the CEO and consists of business and operational activities. The first line of defense also includes support functions. The first line of defense is the part of the business that takes risks and must therefore manage the risks that arise on a daily basis. This is achieved by, among other things, complying with internal and external regulations.

Second line of defense – independent control functions

The second line of defense consists of the risk control function and the compliance function, which constitute independent control functions. The functions in the second line of defense are responsible for checking that the first line of defense is complying with internal and external regulations. The independent control functions continuously monitor the business's compliance and act proactively to minimize the regulatory risks of the business operations. The second line of defense must also support the first line of defense with work on internal governance and control and work proactively to create a good and effective control environment at the bank. The second line of defense is also responsible for analyzing, monitoring and reporting on the work to the Board and the CEO.

The risk control function

The risk control function is directly subordinate to the CEO and reports regularly to the CEO and also regularly directly to the Board about the Bank's risks. The risk control function's work is based on the Bank's overall risk policy as adopted by the Board. The risk control function is responsible for ensuring that all the material risks to which the Bank is exposed are identified and managed by relevant functions within the business. The risk control function also checks that the Bank's internal rules regarding risk management, the risk framework and the appetite for risk in general are appropriate and effective and, if necessary, proposes changes to the rules. In addition, the risk control function assists the business operations with the implementation of the requirements set by external regulations and continuously works towards and contributes to good risk awareness within the organization. The function must report to the Board at least quarterly on the Bank's overall risks and, if any deficiencies are identified, describe the action taken. In addition, at least once a year the function must evaluate the procedure for and results of the completed internal capital and liquidity assessment, and report the outcome to the Board of Directors. Instructions for the risk control function and an annual plan are adopted by the Board. See also the section on Financial risk management in Note 3.

The compliance function

The compliance function is the Bank's function for ensuring compliance with regulations. The compliance function is directly subordinate to the CEO and reports regularly to the CEO and also regularly (at least once a quarter) directly to the Board. The compliance function must identify the risks of regulatory non-compliance within the Bank's operations and check that these risks are being managed by the relevant functions within the business. The compliance function is also responsible for checking compliance with the external and internal regulations relating to the Bank's activities that require a permit and for regularly assessing whether the Bank's regulatory compliance procedures and measures are appropriate and effective. Furthermore, the function must evaluate the measures the business takes to remedy shortcomings in regulatory compliance and provide advice, assistance and training regarding internal and external regulations. The compliance function reports to the CEO and to the Board on rule changes and compliance, and the results of any checks carried out. The reporting must include a check of any previously reported significant deficiencies or risks and describe any new such deficiencies or risks that are identified. An impact assessment and a recommendation on the action to be taken must be included at the same time. The function also has overall responsibility for the Bank's monitoring of regulatory compliance and conflict of interest management.

Instructions for the compliance function and an annual plan are established by the Board.

Third line of defense – internal audit

The third line of defense is internal audit, which is a review function separate from and completely independent of the business. The internal audit function at the Bank is outsourced to the auditing firm Deloitte. The internal audit function is responsible for, among other things, reviewing the work carried out by the first and second lines of defense and regularly reports directly to the Board. The internal audit function is one of the Board's tools for meeting the requirements for good and effective internal governance and control, and internal audit regularly reviews and evaluates whether the Bank's internal governance and control is effective and appropriate. Within this framework, the function must review and regularly evaluate the Bank's risk management, compliance with external and internal regulations and the work of the other two control functions. The work of the internal audit function is based on a risk analysis and the audit plan adopted annually by the Board.

External audit

External audit is an independent review function covering the company's financial statements and determines whether they are in all material respects accurate and complete and whether they give a true and fair presentation of the Bank's financial position and earnings. External audit also examines whether these have been prepared in accordance with the applicable rules. The external auditor reviews and submits an audit report on its audit of Norion Bank's annual report, Norion Bank's allocation of profits and the management of the Board of Directors and the CEO. External audit also reviews the sustainability report, the corporate governance report and the ESEF digital reporting.

According to the Articles of Association, the Bank must have at least one and no more than two auditors, who are appointed for a period until the end of the Annual General Meeting held the year after the appointment of the auditor. At the 2024 Annual General Meeting, the audit firm Ernst & Young AB was elected as Norion Bank's auditor for the period until the end of the Annual General Meeting held in 2025. The Auditor-in-Charge is Daniel Eriksson, Authorized Public Accountant.

The 2024 Annual General Meeting resolved that the auditor's fee be paid in accordance with the approved invoice. For detailed information about the auditor's remuneration, see Note 11.

The external auditor attended a Board meeting to report on Ernst & Young AB's audit process at the Bank and to give the members of the Board an opportunity to ask questions without the presence of the senior executives. In addition, the external auditor attended four of the Board's Audit Committee meetings during 2024.

Policy documents

The Bank's policy documents constitute its internal rules. The internal regulatory framework consists of policy documents at three levels, level 1 policies (decided by the Board of Directors), level 2 CEO instructions (decided by the CEO) and level 3 guidelines (decided by the head of a specific business area or functional manager). The aim of internal regulations is to maintain good internal governance and control at the Bank. The internal regulatory framework is based on the CEO instruction that describes the Bank's process and uniform structure and that also aims to ensure proper implementation. The process clarifies responsibility in the organization, which further creates the conditions for the Bank to comply with the internal and external regulations that have been defined.

Internal control over financial reporting

The Board is ultimately responsible for ensuring that the financial reporting complies with external regulations and that the internal control over financial reporting is followed up. Internal control over financial reporting is part of the combined internal control system within Norion Bank and aims to provide reasonable assurance that the external financial reporting is reliable and compliant with the external regulations, and that the risk of errors has been minimized. The information must be reliable and transparent.

Norion Bank's internal control over financial reporting is structured as follows. The Board annually adopts rules of procedure that clarify the Board's responsibilities and that govern the division of the Board members' responsibilities. The Board has appointed an Audit Committee to assist the Board with its role overseeing audit issues. Without prejudice to the responsibilities and tasks of the Board, the Audit Committee shall ensure the fulfillment of the Board's oversight responsibility for adequate risk management controls over financial reporting, sustainability reporting, accounting and financial reporting. The committee shall evaluate the reliability, effectiveness and internal control of financial reporting, including sustainability reporting, and ensure that the external auditors perform their work effectively and impartially. The committee must in particular contribute to good financial and sustainability reporting and to the maintaining of the market's trust in Norion Bank.

The Board exercises its control by annually adopting instructions for the CEO, policies and strategy. In the instructions for the CEO, the Board has clarified that the CEO is responsible for ensuring that financial reporting takes place in accordance with the Board's instructions for financial reporting. In accordance with the Board's instructions for financial reporting, Norion Bank's CFO has been appointed as the person responsible for financial reporting at the Bank. The CFO is responsible for preparing Norion Bank's financial statements and for them being presented in accordance with the applicable regulations, and for ensuring that the Board receives sufficient information to be able to continuously assess Norion Bank's financial position and otherwise be able to fulfill its tasks.

In addition to policies and instructions adopted by the Board, there are further procedures and guidelines within the business, and process descriptions, which aim to ensure the quality of Norion Bank's accounting and reporting. Another important basis for the Bank's control environment is the organizational structure, which is described in more detail in previous sections of the corporate governance report.

Risk management is an integral part of the business and Norion Bank conducts continuous assessments of financial reporting-related risks. Risk management aims to evaluate and limit the risks that the Bank is exposed to and ensure that these are managed in accordance with the adopted policies and instructions.

Various control activities aimed at preventing, detecting and correcting any errors that may arise in the accounting and reporting are carried out on an ongoing basis. The business's financial results are continuously monitored by the organization, partly through decentralized responsibility for these results, with clear guidelines and terms of reference, and partly through the finance function's control and follow-up work together with the CEO and CFO. In addition to the ongoing monitoring, a structured process takes place quarterly for the monitoring of the financial results, in which those responsible for these results participate together with the finance function, CEO and CFO.

Norion Bank has information and communication channels that are designed to ensure the efficient and accurate provision of information for financial reporting. The finance function is responsible for ensuring that essential instructions and descriptions of procedures relating to financial reporting are available to those concerned within the organization.

Norion Bank's external auditor is tasked with reviewing accounting issues that are critical to financial reporting and presenting their findings to the Audit Committee and the Board of Directors. As well as the audit of the annual accounts, a review is performed of the interim report for January to September, and a review of Norion Bank's management and internal control.



Board of Directors



Erik Selin

Chairman of the Board of Directors since 2020. Deputy Chairman of the Board of Directors since 2014. Board member since 2011. Born 1967, Swedish citizen. Independent of the company and its management. Dependent in relation to major shareholders in the company.

Education

Upper secondary economics program.

Other assignments in selection

CEO and Board member of Fastighets AB Balder (publ). Board member in Erik Selin Fastigheter AB, K-Fast Holding AB, Brinova Fastigheter AB, Hexatronic Group AB, Hedin Mobility Group AB and Neudi & Co AB.

Experience

CEO of Fastighets AB Balder (publ). Several appointments as Board Chairman and Board member of real estate companies.

Shareholding in Norion Bank*
Privately and through wholly owned companies: 39,842,160 shares.

Privately, through wholly owned companies and through shares of related parties' holdings: 84,398,213 shares.

Holdings by related parties:
Fastighets AB Balder owns a total of 90,501,180 shares in Norion Bank AB. JME Invest AB owns a total of 4,200,000 shares in Norion Bank AB. 11,000 shares through related private persons.



Charlotte Hybinette

Board member since 2019. Born 1973, Swedish citizen. Independent of the company and its management. Independent of major shareholders in the company.

Education

Law degree from Stockholm University.

Other assignments in selection

Chairman of the Board of Bellman Group AB (publ), Hybinette & Partners AB and SBF Fonder.

Experience

Former Chairman of the Board of Platzer Fastigheter AB and Head of Legal at NatWest Nordisk Renting. Chairman of the Board and board member in companies within the NatWest Nordisk Renting Group. Partner and Managing Partner at MAQS Advokatbyrå.

Shareholding in Norion Bank*

Privately and through wholly owned companies: 3,333 shares. Privately, through wholly owned companies and through shares of related parties' holdings: 3,333 shares.
Holdings by related parties: -



Bengt Edholm

Board member since 2020. Born 1956, Swedish citizen. Independent of the company and its management. Independent of major shareholders in the company.

Education

MSc in Economics from Uppsala University.

Other assignments in selection

Board member of Hoist Finance AB (publ).

Experience

Previous experience as Head of Treasury at Handelsbanken, Head of Treasury at Stadshypotek and Bond Trader/Portfolio Manager at Nordea, Danske Bank and Handelsbanken.

Shareholding in Norion Bank*

Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -

*At December 31, 2024



Marie Osberg

Board member since 2020.
Born 1960, Swedish citizen.
Independent of the company and its management. Independent of major shareholders in the company.

Education

MSc in Economics from Lund University and MBA from Webster University Geneva.

Other assignments in selection
Board member of AcadeMedia, Almi AB, ATG and Nordisk Bergteknik AB.

Experience

Previous experience as Head of Product Sales & Category at DNB Northern Europe and before that regional manager for Western Sweden at DNB Bank. Group Treasurer at Nobel Biocare and a number of senior positions in the banking sector.

Shareholding in Norion Bank*

Privately and through wholly owned companies: 10,000 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 11,200 shares.
Holdings by related parties: 1,200 shares.



Ulf Croona

Board member since 2020.
Born 1958, Swedish citizen.
Independent in relation to the company and its management. Independent in relation to the company's major shareholders.

Education

MSc in Economics from the School of Business, Economics and Law at the University of Gothenburg.

Other assignments in selection
Chairman of the Board of the Gothenburg Association of Bankers and member of the Board of Örgryte IS.

Experience

Previous experience as regional manager for Western Sweden at Catella Bank. Prior to that, senior positions within Swedbank, focusing on corporate lending, and corporate lending at SEB.

Shareholding in Norion Bank*

Privately and through wholly owned companies: 5,000 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 5,000 shares.
Holdings by related parties: -



Arian Falck Raoof

Board member since 2024
Born 1992, Swedish citizen.
Independent of the company and its management. Independent of major shareholders in the company.

Education

MBA in Business Economics at University of Gothenburg.

Other assignments in selection
Chief Investment Officer at Alektum Group.

Shareholding in Norion Bank*

Privately and through wholly owned companies: 4,587 shares.
Privately, through wholly owned companies, and through shares of related parties: 4,587 shares.
Related party holdings: -

*At December 31, 2024

Senior management



Martin Nossman
Chief Executive Officer
Not a member of the Board of Directors.
Employed since 2018.
Born 1971, Swedish citizen.

Education
Master of Economics, Lund University.

Experience
Several senior positions within Handelsbanken Capital Markets.

Other assignments in selection
Chairman of the Board of Credian Partners AB, Credian Investment Management AB, Credian Nordic Opportunities AB and board member of JME Invest AB.

Shareholding in Norion Bank*
Privately and through wholly owned companies: 851,666 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 2,951,666 shares.
Holdings by related parties: JME Invest AB owns a total of 4,200,000 shares in Norion Bank AB.



Peter Olsson
Chief Financial Officer
Employed since 2019.
Born 1978, Swedish citizen.

Education
Master's Degree from the Stockholm School of Economics.

Experience
Managing Director and several other positions in SEB Corporate Finance. JP Morgan Investment Banking.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: 135,000 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 135,000 shares.
Holdings by related parties: -



Alexandra Kaber
COO
Employed since 2024.
Born 1976, Swedish citizen.

Education
Economics Master's degree from the University of Gothenburg.

Experience
Several roles in leading positions in banking and finance at SEB and Swedbank.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -



Tarek Omeirat
Group Chief Credit Officer
Employed since 2021.
Born 1984, Swedish Citizen.

Education
Master's degree in economics from the Gothenburg School of Economics.

Experience
Twelve years at SEB in Gothenburg with various roles within Retail and LC&FI. The last three years as Corporate and Real Estate Credit Manager at Norion Bank.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -



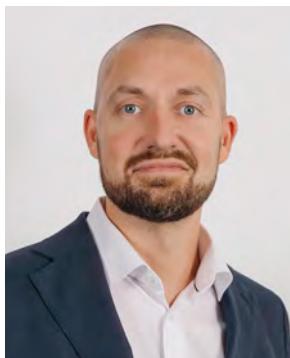
Robert Bergström
Head of Corporate Banking
Employed since 2022.
Born 1969, Swedish citizen.

Education
MSc in Economics from Stockholm University and MBA from Stockholm School of Economics Executive Education.

Experience
Various management roles at Swedbank with primarily focus on corporate and real estate lending.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: 7,500 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 7,500 shares.
Holdings by related parties: -



David Lundqvist
General Manager, Payments
Employed since 2024.
Born 1984, Swedish citizen.

Education
-

Experience
Over 15 years of experience in e-commerce and payments solutions with roles at Instabox/Instabee, Qliro and Klarna.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -



Patrik Hankers
Head of Consumer
Employed since 2022.
Born 1965, Swedish citizen.

Education
Bachelor's degree in communications from Jönköping University and in economics from the University of Gothenburg.

Experience
Country Manager at Ikano Bank, Head of Consumer Loans at Resurs Bank, Branch Manager and other roles at SEB.

Other assignments in selection
Board member Finansell IDteknik/ BankID.

Shareholding in Norion Bank*
Privately and through wholly owned companies: 45,000 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 45,000 shares.
Holdings by related parties: -

*At 31 december 2024



Jonas Björkman

Chief Information Officer
Employed since 2019.
Born 1965, Swedish citizen.

Education
Master of Science in Industrial and Management Engineering at Chalmers University of Technology.

Experience
IS Manager and Director of IT AB Lindex, Department Manager and Regional Manager Semcon, Project Manager and Department Manager FlexLink, Consultant at Andersen Consulting, among other places.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: 22,486 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 22,486 shares.
Holdings by related parties: -



Sarah Olofsson

Chief Sustainability Officer
Employed since 2021.
Born 1978, Swedish citizen.

Education
Master's Degree from the Stockholm School of Economics.

Experience
Head of Sustainability at Swedbank Försäkring, several positions at Swedbank Robur, including Responsible Investments Manager, Institutional Sales Manager and Fixed Income Trader, and Client Relationship Manager at Alfred Berg.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -



Teresa Åkemar

Chief HR
Employed since 2019.
Born 1981, Swedish citizen.

Education
Bachelor's degree in Human Resource Management, University of Gothenburg, and physiotherapy, Lund University.

Experience
Senior position at Adecco and KFX HR Partner, HR Business Partner and other positions at Lowell, HR Business Partner at Norion Bank.

Other selected assignments
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -



Josefin Eriksson

Head of CEO Office
Employed since 2015.
Born 1985, Swedish citizen.

Education
Bachelor of Laws from Stockholm University, International Business Law at KU Leuven University, Belgium and Political Science at Lund University.

Experience
Lawyer at the law firm Vinge, active in M&A, general company law, stock market law and commercial agreements.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: 4,324 shares.
Privately, through wholly owned companies and through shares of related parties' holdings: 4,324 shares.
Holdings by related parties: -



Anna-Klara Heldring

Head of Compliance
Employed since 2023.
Born 1975, Swedish citizen.

Education
Bachelor of Laws from Stockholm University, European Law at Université de Liège, Belgium.

Experience
Legal & Compliance Officer in Winterthur Group, Luxembourg. Different roles in SEB's Compliance organisation, most recently as Head of Compliance, division Corporate & Private customers.

Other assignments in selection
-

Shareholding in Norion Bank*
Privately and through wholly owned companies: -
Privately, through wholly owned companies and through shares of related parties' holdings: -
Holdings by related parties: -

*At 31 december 2024

The auditor's opinion on the corporate governance report

To the Annual General Meeting of Norion Bank AB (publ), corporate identity number 556597-0513

Engagement and division of responsibilities

The Board of Directors is responsible for the Corporate Governance Report for 2024 on pages 106-112 and for it being prepared in accordance with the Annual Accounts Act.

The focus and scope of the review

Our review has taken place in accordance with FAR's standard RevU 16 The auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

We believe that this review provides us with a sufficient basis for our opinion.

Opinion

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7 section 31, second paragraph, of the same Act are compatible with the annual accounts and consolidated financial statements and are in accordance with the Annual Accounts Act for the Parent Company and, as regards the consolidated financial statements, in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies.

Stockholm, 3 April 2025
Ernst & Young AB

Daniel Eriksson
Authorized public accountant



Sustainability report

in accordance with the Swedish Annual Accounts Act

Governance

The ultimate responsibility for sustainability issues lies with the Norion Bank Board of Directors, which sets the Bank's policy framework and control processes. For 2024, the Board has provided quarterly updates on sustainability, and a more detailed review has taken place every six months. The CEO and Chief Sustainability Officer are responsible for integrating sustainability into the business.

The Ethics Committee¹ deals with sustainability issues of complex nature, that need to be considered outside of normal procedures by the relevant department. The governance work is based on the Bank's Sustainability policy² and the UN Global Compact's ten principles on respect for human rights, labor, environment and anticorruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business. Norion Bank is a member of the Swedish Bankers' Association, a signatory to the UN Global Compact and the UN Principles for Responsible Banking (PRB).

Processes, governance and principles

Having well-functioning processes and procedures in place within the Bank is central to Norion Bank's strategy and governance. This is an ongoing project, and we strive to further enhance and improve its procedures and processes. The Bank has a number of policies and policy documents that operationalize our key sustainability areas and aspects, which among other things comprise: Sustainability policy, Environmental policy, Diversity policy for the Board of Directors, Anticorruption policy, Policy on inclusion and human rights, Code of Conduct, and Risk and Credit policy³. Norion Bank's policy documents are revised annually and are published on the website to increase transparency to our stakeholders.

To ensure the implementation of, and compliance with the Bank's policy documents, responsibility is given to relevant member of the management team, for implementation of strategies, training of employees and following-up of results.

Goal

In 2024, we have further developed our sustainability work and have intensified our work on collecting relevant data to measure the identified targets in each focus area, as well as updating and developing new targets according to plan. This work is part of the Bank's overall sustainability ambition to contribute, in a measurable way, to the UN Sustainable Development Goals and the Paris Agreement by 2030.

Our three strategic focus areas

Norion Bank wants to make a difference where the greatest impact can be made. This is why we have grouped our key sustainability aspects together into three strategic focus areas.

Business-minded

We are a business-minded, professional partner providing responsible financing, thereby enabling sustainable development for the Bank and our customers.

Sustainability targets:

- Contribute annually to improving the financial health and preventing over-indebtedness of our private customers.
- In 2025, set science-based climate targets for the Bank's credit portfolio in the Corporate and Real Estate segments.
- By 2026, engage with corporate clients on specific sustainability topics where Norion Bank has identified opportunities for development.

Committed

We create conditions for our employees to feel ownership and responsibility in their roles, as well as give them the necessary sustainability skills to build long-term success for both the Bank and our customers.

Sustainability targets:

- Annually achieve an eNPS of over 50, continue to develop the skills of our employees in sustainability, and integrate sustainability into employee evaluation.
- In 2025, start working with sustainability ambassadors to integrate sustainability across the Bank's different departments.
- By 2026, set targets directly linked to sustainability for relevant departments.

Caring

With a structured and transparent approach, we are a reliable partner that does business with care for our environment, our customers and our employees.

Sustainability targets:

- Annually deliver on Norion Bank's vision of zero complaints about customer privacy, anticorruption and marketing.
- In 2025, reduce the share of cost-based emission factors in favor of supplier-specific emission factors.
- By 2026, have assessed 90% of significant suppliers against sustainability criteria.

Follow-up on sustainability targets

With this sustainability report, Norion Bank states that the company is developing and following up on our set targets. Norion Bank's sustainability strategy leads to three focus areas with timed targets that are updated yearly, to bring us closer to our ambition of contributing in a measurable way to the UN Sustainable Development Goals and the Paris Agreement.

In 2024, work continued on mapping the corporate portfolio from a sustainability perspective, with 84% of the portfolio reviewed according to updated ESG analysis procedures. This work is based, among other things, on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which are also integrated into our updated lending processes. The Bank has previously set the interim target of being climate-neutral in its own operations (Scope 1 and 2) by 2025. The target has been met since 2022 by offsetting our scope 1

¹ The Ethics Committee must be consulted in the case a new customer or a credit case is considered difficult to assess from a sustainability risk perspective. Each business unit has a delegated responsibility for ensuring that policies and processes are continuously updated, followed and complied with. See more information on page 37.

² Norion Bank Sustainability Policy: www.Norionbank.se/hallbarhetsarbete.

³ More information on Norion Bank Policies and Guidelines: www.Norionbank.se/hallbarhetsarbete.

and 2 emissions. During the year, the Bank set a new target: to achieve net zero emissions by 2045. Furthermore, an important step in the mapping and understanding of our financed emissions has been to conduct a climate calculation on the Corporate and Real Estate credit portfolio in accordance with the PCAF methodology. The results show that data collection and ensuring reliable data quality is of utmost importance to obtain relevant, comparable figures. For Real Estate credits, the calculations have been based on actual size and EPC class, using existing buildings as collateral and reaching a data coverage rate of 61% of the portfolio. It has been assumed that the remaining part of the real estate portfolio, where data are missing, replicates the portion with data. The CO₂ intensity of the real estate portfolio thereby totaled 11.67 kg CO₂e/m². For corporate loans, the calculation was based on estimates, based on the companies' NACE code and geographical location, resulting in an issue factor multiplied by the Bank's outstanding balance. This means that it is currently not possible to compare the different segments with each other. To enable comparison, increased data quality is required, which is part of the continued work in 2025.

With Norion Bank issuing green bonds in 2024, we have developed the necessary processes, committees and structured data collection to set targets for the development of the Bank's green assets. An increase in the Bank's green assets is an important step in our future work to reduce the Bank's climate impact.

Through Corporate Accelerator, Norion Bank's training program to support companies with skills, we aim to contribute to better financial health. In 2024, sustainability has had a more present role in the program.

A further example of how our work promotes financial health is the increased use of proprietary channels in retail lending. This allows us to have a closer dialogue with customers, giving us better insight into their specific needs and circumstances. Furthermore, focus groups have analyzed the possibility of including ESG aspects in the evaluation process of the Bank's employees and decided to do so in 2025.

Material sustainability aspects for Norion Bank

Double materiality analysis

Norion Bank conducted a double materiality analysis in 2023 in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). The results form the basis for our continued efforts to be a sustainable and responsible business.

The new regulations will apply at different times for different types of companies. Norion Bank is in scope from 2025 and does not intend to report in accordance with ESRS for the sustainability report in 2024.

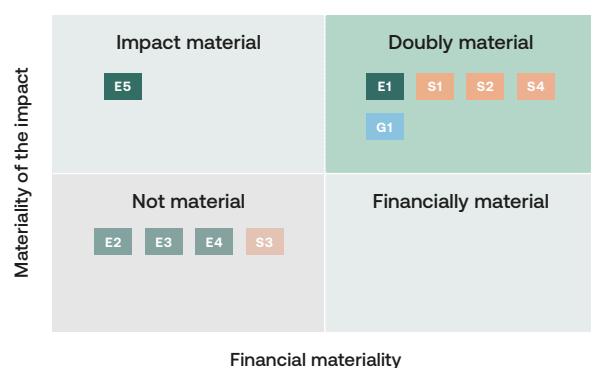
As a next step in the preparation for the CSRD, we have conducted a Gap Analysis during the year to verify which data points are available and which are missing, in order to initiate an internal allocation of responsibilities. In 2024, a revision of the 2023 double materiality analysis has been conducted, resulting in the standards "biodiversity and ecosystems" and "water and marine resources" being reassessed to be categorized as not material. The assessment is based on the development of EU recommendations published during the year and industry practice. As preparation for the future CSRD reporting, we will approach reporting for the areas S1 – Own workforce and G1– Business conduct in this year's report.

The double materiality analysis included an assessment of both internal (actual or potential positive or negative impacts) and external (risks or opportunities) factors that may affect Norion Bank's operations and stakeholders. Full details of the double materiality analysis methodology will be published in the 2025 report.

In the initial work, we have mapped our own operations and taken into account the Bank's specific product and service offering, but also placed great emphasis on the Bank's value chain, which includes our customers and how they can influence or be influenced by the Bank's operations. As part of the work, stakeholders who know the business have been identified and interviewed, and workshops have been conducted to gain a deeper understanding of where Norion Bank has the greatest impact. The Bank's financing to corporate customers represents a large part of our business, and the composition of the loan portfolio has been taken into account in the assessment. In evaluating impacts, risks and opportunities for the various sustainability issues and the financial effects, Norion Bank has identified a number of categories in environmental, social and governance aspects.

The significance of the impact has been assessed on the basis of four criteria: type of impact, severity, assessed likelihood and for negative impacts, recoverability. Financial materiality has been assessed on the basis of risk or opportunity, the potential impact on financial position and assessed likelihood. The results have been validated by the Bank's management team to ensure internal ownership. As part of the work on future reporting, we are using a digital platform to report and monitor our data.

Results of the materiality analysis at ESRS topic level



Results at subject level

		Impact materiality	Financial materiality
ESRS E1	Climate change	✓	✓
ESRS E2	Pollution	x	x
ESRS E3	Water and marine resources*	x	x
ESRS E4	Biodiversity & ecosys.**	x	x
ESRS E5	Circular economy	✓	x
ESRS S1	Own workforce	✓	✓
ESRS S2	Workers in the value chain	✓	✓
ESRS S3	Affected communities	x	x
ESRS S4	Consumers & end-users	✓	✓
ESRS G1	Business conduct	✓	✓

*E3 – Water and marine resources has been reclassified as not material for Norion Bank during the validation for AR 2024.

**E4 – Biodiversity & ecosystems has been reclassified as not material for Norion Bank during the validation for AR 2024.

Each category should be reported in terms of governance, strategy, policies, activities, targets and metrics. These are general disclosures and subject-specific disclosures. Added to this are further reporting layers linked to the general, sectoral and company-specific standards.

Summary of the Bank's identified impacts, risks and opportunities:

Significant sustainability area ⁴	Significant subcategories	Impacts, risks and opportunities ⁵	Current targets/KPI	Policies and policy documents
E1 – Climate changes	- Climate change adaptation - Climate change mitigation - Energy	- The Bank impacts and is impacted by climate change, which includes physical and transition-related risks. - By financing energy-efficient solutions and sustainable buildings, the Bank can position itself in the market.	- Develop processes to include ESG in risk appetite. - Reducing our Scope 1 and 2 CO₂ emissions and use of electricity and heating.	- Environmental policy - Sustainability policy - Green framework
E5 – Resource use and circular economy	Waste	- Financing construction and renovation projects generates waste, which can be reduced by recycling. - The Bank can develop green loans that focus on recycling.	Working towards circularity by helping our customers develop sustainable models.	- Environmental policy - Green framework
S1 – Own workforce	- Working conditions - Equal treatment and equal opportunities for all employees	- The Bank has a positive impact by providing good working conditions, contributing to physical and mental health, and creating safety and security for employees. - Failure to ensure this can have a negative impact.	- Number of new employees and staff turnover. - Skills development and training hours. - Sick leave and diversity work.	- Inclusion and human rights policy - Code of Conduct - Work environment policy - Diversity policy for the Board
S2 – Workers in the value chain	- Working conditions - Equal treatment and opportunities for all - Other work-related rights	- The Bank makes a positive contribution by financing small and medium-sized enterprises (SMEs), which can create jobs and economic growth. - Negative impacts can occur if human rights are not respected.	- Number of high-risk suppliers. - Risk management processes.	- Inclusion and human rights policy - Conflict of interest management policy
S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users	- The Bank may be adversely affected by false or misleading information. - Opportunity to create positive impact through access to finance for small businesses.	- Number of cases of noncompliance in product communications. - Developing products with a sustainability focus.	- Information security policy - Personal data policy
G1 – Responsible business conduct	- Corporate culture - Protection of whistle-blowers - Corruption and bribery - Cybersecurity and data privacy	- The Bank is at risk of bribery, corruption and cybersecurity incidents that could lead to negative impacts and financial risks. - The Bank actively promotes an inclusive culture and good leadership.	- Number of cases of data breaches, bribery and discrimination. - KYC compliance and implementation of climate/environmental risks in the lending process. - Number of complaints regarding customer data and identity.	- Operational risk policy - Risk policy - Whistleblowing policy - Inclusion and human rights policy

Sustainability risks

Identifying, measuring, managing and preventing sustainability risks is important from an economic and legal perspective, and also for Norion Bank's actions as a community stakeholder. These are also crucial for ensuring public confidence and our relationship with customers, investors and employees. Failing to manage our sustainability risks could ultimately have serious financial consequences for the Bank, and could also damage our reputation. Acting responsibly is therefore a prerequisite for long-term value creation at Norion Bank. Sustainability risks are risks that can be triggered by factors in the area of sustainability and that can negatively affect the Bank. The material sustainability risks the Bank has identified in the dual materiality analysis are related to corruption, working conditions in our own operations and in our value chain, and environmental risks such as climate⁶.

In our Risk policy, sustainability risk is categorized within the risk group business risk⁷. This involves how we as a Bank act and manage issues in the identified areas where we are able to make the biggest contribution to more sustainable development, for instance through responsible financing and lending,

by acting as a responsible employer, by combating financial crime, and by taking into account and acting on climate risks.

In all financial activities, there is a risk of corruption, which is therefore strongly regulated by law and practice for banking activities. We have a solid system for the combating of bribery, fraud, terrorist financing, money laundering and other forms of corruption within the Bank. In addition, continuous efforts are maintained to ensure cyber and data security and strong privacy protection for all customers.

All our customers are treated equally, and respect for human rights guides our treatment of the people we deal with. Our open-minded and accepting culture create opportunities to make the financial community more inclusive. At the same time, it is important to minimize the risk of over-indebtedness, not having enough financial information about loans and over-spending. We manage this daily in our contacts with customers through responsible lending and a strict customer due diligence process. Climate risks are an obvious risk to long-term business, not least for our corporate customers and their ability to continue to grow and prosper.

⁴ Includes categories from ERS thematic standards.

⁵ This is a summary of identified impacts, risks and opportunities. A complete list has been compiled as a result of the Bank's analysis.

⁶ Climate is categorized into physical and transition risks. See a more detailed description of the Bank's dual materiality analysis on page 121.

⁷ It is mainly in the sustainability policy and in the risk policy, that the Bank has chosen to formulate existing sustainability risks. See more information in the sustainability policy: www.Norionbank.se/om-bolaget/hallbarhet/hallbarhetsarbete.

As a financier, we have the opportunity to influence and work together with our customers to increase access to relevant data, but also by considering nature-related financial risks in business decisions.

Norion Bank has internal procedures and guidelines for how we evaluate ESG in the corporate credit portfolio. The guidelines include sector-specific risks, address physical and transition-related climate risks, and provide guidance to client executives on how to assess social and governance risks.

In 2024, a number of activities were carried out to strengthen our sustainability work and ensure higher transparency and quality in our ESG processes. One consequence of this is our improved performance in external ESG surveys, where we moved from the 59th percentile in 2023 to the 69th percentile in 2024 in S&P's ESG scoring – an increase of 10 percentage points compared to the industry. An improved ESG risk profile strengthens our position in the market.

We have also established a new sustainability monitoring function, which will review and approve all ESG risk assessments as of January 1, 2025. Through this action, we ensure that ESG factors are taken into account in a consistent and rigorous manner, contributing to more robust decision-making for lending and financial assessments.

To safeguard our main asset, which is our employees, Norion Bank has taken proactive steps to prevent work environment-related problems and promote good health. In 2024, we introduced holiday rotation, free medical check-ups, increased wellness allowances and lunch benefits for our staff. An ambassador group was established to create a close dialog with employees on our work climate. The management team carried out vision and strategy work and created the conditions for a structured process around performance management. We are proud that Norion Bank's benefits package has both improved and developed during the year.

Business-minded

By being business-minded, Norion Bank stands for responsible financing for both private and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. The Bank recognizes that the largest impact (both positive and negative) is attributable to the credit portfolio, and by systematically integrating sustainability into the credit process, we can contribute to reducing climate emissions and increasing respect for human rights.

Committed

As an employer, Norion Bank is responsible for ensuring that all its employees are treated equally and with respect. We work proactively to achieve equal levels of remuneration and equal proportions of women and men in management, on the Board, and among the company's employees. Everyone should feel included and be given the same opportunities to achieve professional and personal development.

Caring

Norion Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks. The Bank's main climate impact comes from the activities of our corporate clients and the real estate it finances. Norion Bank's largest climate impact is therefore via our customers in the Corporate and Real Estate segments through financed emissions. We have established internal processes to identify climate risks, are committed to contributing to the climate transition, and maintain continuous dialog with our stakeholders.

Fraud is a growing challenge that Norion Bank is actively working to counter. During the year, we have been involved in Swindled, an initiative that raises awareness of fraud and gives people the tools to protect themselves. We counter this through a combination of prevention, training and technological development, creating a safer banking experience and helping our customers resist fraud attempts. Through our partnership with SvårLurad, we continue to work towards a safer and more resilient society, where more people can feel safe in their everyday lives.



Business-minded

Through its professionalism, Norion Bank stands for responsible financing for both private and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. In 2024, the Bank continued its efforts to classify the corporate portfolio in order to analyze our corporate customers' current carbon footprint and future transition plans. The ambition for the year's figures is that they should establish a baseline for Norion Bank's green credits.

Sustainability monitoring in the corporate portfolio*	2024	2023	2022
Percentage of total credit score systematically reviewed for sustainability	84%	41%	21%

* "Corporate portfolio" refers to the credit portfolio in the Corporate and Real Estate segment.

Financing in green categories*	2024	2023
Financing in green categories (SEK billion)	5.3	4.8
Of which green buildings (SEK billion)	4.3	4.8

* "Green categories" refers to what is formulated in the Bank's Green Framework: Green buildings, energy efficiency, renewable energy, clean transport, climate adaptation and circular economy.

Committed*

As an employer, Norion Bank is responsible for ensuring that all its employees are treated equally and with respect. The Bank works proactively to achieve equal levels of remuneration and equal proportions of women and men in management, on the Board, and among the company's employees.

		Number of employees (FTE)				
		2024	2023		2022	
% Participation in appraisal interviews	88%	Sweden	364	306	271	
Of which % are men	n/a	Finland	20	25	26	
Of which % are women	n/a	Norway	14	13	12	
Of which % are not employed	100%					
Total appraisal interviews	324					
Appraisal interviews per employee	0.81					
% of confirmed appraisals during the year	92%					
		2024				
Average hours of training per female employee	5.64		Women	Men	Others	Not reported
Average hours of training per male employee	5.53					Total
Average hours of training per other employee	n/a	Number of employees (FTE)	170	256	0	4 430
Average hours of training per employee with non-reported gender	1.68	Number of permanent employees (FTE)	144	236	0	4 384
Average hours of training per employee	7.25	Number of temporary staff (FTE)	10	4	0	0 14
Average hours of training per non-employee	2.69	Number of on-demand employees (FTE)	16	16	0	0 32
		Number of full-time employees (FTE)	149	238	0	4 391
		Number of part-time employees (FTE)	5	2	0	0 7
		2024	2023		2022	
GENDER DISTRIBUTION						
Incidents of discrimination and harassment	3	1	1		Women in leadership positions 5 (42%) 4 (36%) 4 (33%)	
Complaints submitted through established procedures	0	1	0		DISTRIBUTION OF EMPLOYEES BY AGE GROUP	
Number of complaints lodged with OECD National Contact Points for multinational enterprises	0	0	0		Below the age of 30 27% 29% 29%	
Serious human rights incidents linked to the workforce	0	0	0		Between 30–50 years of age 62% 61% 60%	
Number of serious human rights cases where the company was involved in ensuring action	0	0	0		Aged over 50 11% 10% 11%	
		2024	2023		2022	
Staff turnover (%) 11 14 18						
Number of employees who left* 45 101 105						
* Includes general fixed-term and hourly employees.						
		2024	2023		2022	
Total number not employed 42						
		2024	2023		2022	
% of workforce covered by HS management system 100%						
Number of deaths:						
Employees 0						
Workers in the value chain In own facilities 0						

* The Committed focus area corresponds broadly to CSRD S1 – Own workforce. A transition to ESRS reporting implies a change in data collection, which means that some data is not available for reporting.

	2024
Number of registered work-related accidents	6
Number of registerable work-related accidents	8
Work-related sickness:	
Employees	6
Nonemployees	0
Days lost due to work-related injuries, illness, accidents and death:	
Employees	558
Nonemployees	0
	2024
% OF EMPLOYEES PAID BELOW MARKET PRACTICE	
Total employees	0%

	2024
Total not employed	0%
	2024
Employees entitled to family-related leave	100%
Eligible employees who took family leave	26%
Of which % were men	22%
Of which % were women	32%
	2024
Aggregate gender pay gap (%)	15%
Annual total remuneration (%)	71%

Caring*

Norion Bank's focus on being caring means that we have a structured and transparent way of working, which is a prerequisite for good business ethics and lasting success that contributes to long-term sustainable social development. The Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks.

In 2024, Norion Bank audited and measured its carbon footprint. For 2024, Norion Bank has revised and measured the carbon footprint for all relevant Scope 3 categories identified in the mapping from the previous year. The Bank reports for the year categories not previously measured, which explains the significant increase. Emissions financed through the Bank's loan portfolio are reported separately on page 40.

Anticorruption	2024	2023	2022
Number of incidents of corruption	0	0	0

Marketing and labeling	2024	2023	2022
Number of cases of noncompliant product and service information and labeling	0	0	0
Number of cases of noncompliance in marketing communications*	0	1	0

*In one case, the Swedish Consumer Agency has criticized Norion Bank's design of invoices for the business segment Walley and credit card invoices for private customers. The Bank has rectified the deficiencies highlighted by the Consumer Agency and the case has therefore been closed without any action being taken against the bank.

Customer privacy	2024	2023	2022
Number of cases of breaches relating to personal privacy violations	0	0	0
Number of complaints reported (materially important incidents)	3	2	0

Socio-economic compliance	2024	2023	2022
Number of cases of significant fines or penalties for breaches of the laws and regulations applicable to the organization	0	0	0

Energy consumption, kWh	2024	2023	2022
Electricity	267,848	271,540	266,033
District heating	272,392	337,493	316,533
Air conditioning	27,951	29,609	14,908
Total energy use	568,191	638,642	582,581

Greenhouse gas emissions, tons CO ₂ e	2024	2023	2022
Scope 1	0.5	0.3	1.1
Scope 2 (market-based)	19.0	25.0	52.0
Scope 2 (location-based)	15.2	21.8	17.7
Scope 3	3,113.6	901.2	186.2
Total greenhouse gas emissions*	3,148.3	926.5	239.3

*The reported Scope 3 emissions increased significantly for 2024. This is a result of the Bank having measured all relevant categories, as well as high data uncertainty due to a large number of cost-based emission factors in categories 1 and 2. The main contributors to the increase are operational expenditure, purchased goods and services.

*The focus area Caring corresponds within CSRD to some extent to G1 – Business conduct.

The greenhouse gas emission projections for 2024 are based on the Greenhouse Gas Protocol (GHG Protocol) framework. GHG emissions are broken down into Scope 1 (company cars), Scope 2 (electricity, district heating and cooling for offices) and Scope 3 (data centers, purchase of goods and services, upstream transportation and distribution, use of products sold, business travel and hotel nights). The calculation methodology for GHG emissions from data centers is based on life cycle assessments, where information on usage and conversion factors is taken directly from Norion Bank's supplier.

The other sources of conversion factors are: AIB, DEFRA, Exiobase Energiföretagen, NTM and Statistics Sweden.

Emission intensity*	2024	2023	2022
CO2 emissions per FTE	7.91	2.70	0.78

* Excludes the Bank's financed emissions (category 15 under the GHG protocol). The calculations for the years 2022 and 2023 have been updated to take more Scope 3 categories into account.

Norion Bank's initial alignment with sustainability reporting in accordance with ESRS standards S1 and G1

For the 2024 reporting, we are taking further steps in our sustainability work by including information in the areas of Own workforce (S1) and Business conduct (G1). Although we do not intend to report fully under ESRS, we see the value in making a first effort to report on these aspects and thereby strengthen our transparency and reporting on sustainability.

By integrating S1 and G1 in our reporting, we create a clearer picture of how we work with employee issues, diversity, business ethics and compliance. This report is a step towards a more comprehensive sustainability report that reflects our responsibility and contribution to a sustainable financial sector.

The disclosure of information related to S1 and G1 is based on the result presented in the double materiality analysis (see page 121) related to material impact, risks and opportunities. The following section deals only with the issues of own workforce (S1) and Business conduct (G1).

Significant impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their relationship to business model and strategy

Norion Bank conducted a resilience analysis of its strategy and business model to assess our ability to manage material impact and risk and to seize strategic opportunities. The analysis categorized Norion Bank's material IROs based on conceptual themes and analyzed how these integrate with our business model, strategy and value chain. The analysis was conducted in dialogue with key internal stakeholders who analyzed how each theme could potentially impact Norion Bank, our current strategic actions and level of ambition for each area. Based on an aggregation of these factors, conclusions were drawn for each theme on a scale from low to high resilience.

Resilience of impacts, risks and opportunities related to own workforce

Norion Bank has conducted a resilience analysis of its strategy and business model in relation to diversity, equality and inclusion, and occupational health and safety. The analysis aims to identify the bank's ability to manage risks and seize opportunities related to these areas, and to assess potential impacts on its operations and stakeholders.

The analysis shows that Norion Bank demonstrates a high degree of resilience in diversity, equality and inclusion. The Bank has established a clear policy of inclusion and zero tolerance of discrimination and harassment, supported by internal training and continuous monitoring. By actively working towards an inclusive workplace, investing in employee skills development and promoting work-life balance, Norion Bank creates long-term

value for both the Bank and its employees. Regular employee surveys and analysis of key performance indicators enable identification of areas for improvement and ensure continuous development. Furthermore, the analysis indicates that Norion Bank has strong resilience in occupational health and safety. The Bank works proactively to reduce stress-related illness through regular health checks and management training. A structured approach to health and safety, combined with initiatives to promote well-being, strengthens both employee engagement and the long-term competitiveness of the organization. By ensuring good working conditions, systematically monitoring sick leave, and analyzing work environment indicators, Norion Bank creates a healthy and sustainable workplace.

Resilience of impacts, risks and opportunities related to business conduct

The resilience analysis covered Norion Bank's strategy and business model in relation to regulatory and compliance risks, anti-corruption and ethical business practices, as well as whistleblower protection and corporate culture. The aim was to assess the Bank's ability to maintain compliance, manage risks and promote a strong ethical corporate culture. The analysis shows that Norion Bank has robust processes to manage regulatory and compliance risk. The Bank has established internal controls and a structured risk management process in which the Regulatory Compliance and Risk Control functions work together to monitor new regulations. Proactive measures, such as regular training, a strict approval process for new products and the updated Red List to minimize sustainability risks, ensure that Norion Bank maintains a high level of compliance and strengthens the trust of customers and investors.

In the area of anticorruption and ethical business, Norion Bank has a clear zero-tolerance approach to bribery and financial crime. The company provides systematic anticorruption training, has implemented a whistleblowing function, and monitors incidents to ensure compliance with its policy. By investing in an open and transparent corporate culture where employees are encouraged to report misconduct, Norion Bank strengthens its ethical leadership and long-term business value.

Finally, the analysis has identified that Norion Bank has a well-functioning whistleblowing function that ensures that employees can report potential irregularities without risk of retaliation. The company continuously works to promote a culture of openness and fairness, with leadership training and culture improvement initiatives helping to strengthen internal compliance. Regular follow-up of whistleblower reports enables continuous improvement and strengthens the Bank's resilience to potential ethical and legal risks.

S1 – Own workforce

SBM-3 Material impacts, risks and opportunities and their relationship to business model and strategy

In the definition of “Own workforce”, Norion Bank includes all employees who can be significantly affected by the business. This includes both permanent and fixed-term employees of the Bank, as well as agency staff who work for the Bank but are not directly employed. Norion Bank works actively to offer an attractive workplace with a good work-life balance and competitive employment conditions. In some areas, competition for skilled workers can lead to some cost pressures. We identify employment security, fair wages, gender equality, equal pay and diversity as key sustainability issues. These areas are central to our long-term success and to our ability to remain a responsible and attractive employer.

Description of the impact, risk or opportunity	Impact/risk/opportunity	Value chain			Time horizon		
		Upstream	Own activities	Downstream	Short	Medium	Long
Promoting gender equality and inclusion	Positive impact		x		x	x	x
Skills development	Positive impact		x		x	x	x
Risk of discrimination	Negative impact		x		x	x	x
Unadjusted wage differentials	Risk		x		x	x	x
Ensuring equal opportunities	Opportunity		x		x	x	
Norion Bank's work environment and working conditions	Positive impact		x		x	x	x
Health and safety at work	Negative impact		x		x	x	x
Opportunities for workers	Positive impact		x		x	x	x
Challenges in finding the right talent	Risk		x		x	x	
Creating good working conditions through initiatives and benefits	Opportunity		x		x	x	x
Risks of inadequate management of working conditions	Risk		x		x	x	

Management of significant impacts, risks and opportunities

S1-1 – Policies related to own workforce

Norion Bank strives to create a work environment characterized by respect, inclusion and fair working conditions. The Bank has implemented clear policies and guidelines to ensure that all employees are treated equally, work in safe conditions, and have the opportunity to develop within the organization. These policies cover human rights, health and safety, equal treatment and antidiscrimination and apply to the whole Bank, including its branches.

The Bank actively seeks to identify, manage and prevent risks and adverse effects on the workforce through systematic processes and clear lines of responsibility. The Board of Directors has overall responsibility for ensuring that these policies are complied with and continuously updated in accordance with applicable legislation and international standards.

Human rights

Norion Bank actively promotes inclusion, diversity, equality and a work environment free from discrimination. The Bank's operations are based on respect for human rights and zero tolerance of abuse, harassment and bullying, both internally and in external business relationships.

To ensure that these values permeate the entire organization, Norion Bank has implemented an Inclusion and Human Rights Policy, which applies to the entire Bank, including its branches. The policy is available to all employees via the company intranet.

Norion Bank ensures that its operations do not contribute to human rights violations and works actively to prevent such violations in all business areas and processes. The Bank follows international guidelines such as:

- UN Guiding Principles on Business and Human Rights
- ILO Core Conventions on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- UN Global Compact, in which Norion Bank has committed to the ten principles of human rights, labor, environment and anticorruption.

As part of this work, the Bank has also signed the UN Principles for Responsible Banking (PRB), which means that the Bank integrates the Paris Agreement and the UN Sustainable Development Goals (SDGs) into its objectives and business processes.

Norion Bank has zero tolerance for child labor, forced labor and human trafficking and actively works to eliminate all forms of discrimination. The Bank respects employees' right to freedom of association and works to ensure fair working conditions.

Health and safety

Norion Bank's Health and Safety Policy aims to ensure a safe and healthy work environment by preventing illness and accidents caused by organizational, social or physical factors.

The Bank's work environment management is systematic and includes:

- Regular risk assessments and measures to prevent work-related accidents and diseases.

- Clear division of responsibilities and delegation of health and safety tasks within the organization.
- Collaboration between managers and employees to create a safe and pleasant work environment.

Norion Bank has established social, organizational and physical work environment objectives, which include:

- Zero tolerance of bullying, harassment and discrimination.
- Drug-free work environment.
- Reasonable requirements and healthy workload.
- Clear leadership and governance.
- Safe work environment with the right tools.
- An open climate where everyone respects each other.

To ensure the work environment when working remotely, Norion Bank has developed guidelines for how the systematic work environment management is also applied outside the physical workplace.

Equal treatment and opportunities for all

Norion Bank has a zero tolerance policy against discrimination, harassment, victimization and bullying, both within the organization and in external business relationships.

To combat discrimination, Norion Bank works with:

- Structured and competence-based recruitment, where the individual's overall competence is decisive in employment decisions. The recruitment process is free from discrimination based on gender, ethnicity, religion, age, disability, sexual orientation, gender identity or gender expression.
- Active antidiscrimination measures, where working conditions, pay, recruitment, promotion and skills development are regularly reviewed.
- Equal opportunities for training and skills development for both men and women.
- Work to facilitate work-life balance through flexible work hour arrangements.

The Bank's Remuneration Policy is gender-neutral and ensures that equal pay is given for equal or equivalent work. Pay criteria are clearly defined and based on factors such as business minded, commitment, performance and quality.

To ensure that all employees feel safe and respected, Norion Bank has clear procedures for handling complaints and reporting grievances. If an employee experiences discrimination or harassment, or sees a colleague being victimized, there is an obligation to report this to the Chief HR Officer, who is responsible for investigating the situation and taking the necessary action.

Dialogue with own workforce

S1-2 – Procedures for contacting employees and their representatives regarding consequences

Norion Bank is convinced that an open and inclusive dialog with employees and their representatives is key to a sustainable and attractive workplace. By continuously engaging its own workforce on issues related to the work environment, working conditions and career development, it creates a culture of participation, security and transparency.

The Bank strives to empower its staff and give them the opportunity to influence decisions that affect their working lives. This is done through structured dialogues, regular employee surveys and collaboration with trade unions. Norion Bank also works actively to ensure that all employees have access to fair and equal working conditions, skills development and a good work environment.

As a responsible employer, Norion Bank promotes an open and inclusive culture, where management and employees work together to identify and manage risks, opportunities and potential impacts on the workforce. This work is in line with the Bank's overall sustainability strategy and international guidelines such as the ILO conventions on Freedom of Association and Protection of the Right to Organize.

By strengthening the dialogue with its own workforce, Norion Bank creates a long-term and sustainable work environment, where employee engagement and well-being are central to the success of the business.

S1-3 – Processes to remediate negative consequences and channels for own workers to raise concerns

Norion Bank is committed to maintaining an open, ethical and transparent work environment, where employees feel safe to report misconduct and have their views heard. To ensure this, the Bank has established clear processes and channels for handling complaints and reporting potential irregularities.

The Bank's handling of complaints and whistleblowing is based on fairness, confidentiality and protection of the whistleblower, in accordance with Norion Bank's Code of Conduct and Whistleblowing Instruction. The Bank also adheres to international guidelines such as the ILO Conventions and the UN Guiding Principles on Business and Human Rights, ensuring that all employees have access to fair and safe processes for raising complaints and having them dealt with effectively.

Norion Bank has implemented several channels for employees to make complaints or report grievances. One of the primary channels is the Bank's external whistleblowing system provided by 2Secure. This system is available to both employees and external whistleblowers and guarantees anonymity for the reporter. In addition, employees can always turn to their line manager or, if necessary, their manager's manager to raise their questions and concerns. If necessary, the Bank's HR or Compliance function can also be contacted directly to ensure that the case is handled correctly. If a complaint is deemed to be whistleblowing, Norion Bank's Whistleblowing Committee, chaired by the Compliance function, is convened to evaluate the case and decide on the necessary actions. If the complaint is not classified as whistleblowing, it is handled according to the Bank's internal processes, with the HR function playing a central role in most cases to ensure fair and effective handling. These procedures are clearly described in Norion Bank's Code of Conduct and Whistleblowing Instruction, which are available to all employees via the Bank's intranet.

In order to manage any negative consequences that may arise from business decisions or processes, Norion Bank has established governing policies and instructions, as well as supporting processes and tools. If the Bank identifies that it has caused or contributed to a material adverse impact on an employee or the workforce as a whole, corrective action is taken to remedy the situation. These measures may include internal investigations, disciplinary action, support and resources for the staff members concerned, and improvement of internal procedures to prevent similar incidents in the future.

To ensure that all employees are aware of and have confidence in these structures, Norion Bank has integrated information on whistleblowing and complaint handling into its mandatory corporate training. Furthermore, both the Code of Conduct and the Whistleblowing Instruction are easily accessible on the intranet and are regularly communicated through internal channels. The Bank strives to create a culture where employees feel safe to report misconduct and where their concerns are handled confidentially, fairly and promptly.

Through these processes, Norion Bank ensures that its own workforce has effective and safe channels for raising complaints and that any negative consequences are handled in a responsible and structured manner.

S1-4 Actions on material consequences for own workforce and approaches to reducing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions

Norion Bank works systematically to identify, prevent and address potential negative consequences for the workforce and to strengthen the work environment and leadership. Through employee surveys twice a year, dialogue between HR, managers and employees, and concrete action plans, the Bank ensures that working conditions develop positively.

The results of employee surveys are communicated at staff meetings and through managers' briefings to teams to ensure transparency and participation. Norion Bank has also created an annual cycle of activities for staff and managers, as well as an ambassador group that captures both well-being factors and challenges in the organization.

To ensure the effectiveness of the interventions, they are followed up in subsequent staff surveys. Through annual plans, leadership meetings and continuous dialog, the Bank actively promotes a safe, inclusive and engaging work environment.

Metrics and targets

S1-6 Characteristics of the Undertaking's Employees

Norion Bank discloses information on the size and composition of its workforce to ensure transparency and clarity on the Bank's staff structure. The information covers both permanent employees and other forms of employment, providing a representative picture of the workforce and its evolution over time.

The calculation of full-time employees (FTE) excludes hourly paid employees, but their numbers are reported separately to give a more complete picture of the workforce. The Bank's reporting of staff data is designed to be as clear and comparable as possible, in line with both internal and external reporting requirements.

The figures presented for employees and the composition of the workforce also reflect the most representative figure in the Bank's financial reporting of staff-related costs and commitments (see page 80).

Detailed information on the structure of the workforce, including forms of employment and distribution, is presented on page 124.

Employee turnover

S1-7 Data on nonemployees in the Bank's own workforce

Norion Bank reports information on nonemployees in the workforce to provide an overall picture of the resources that contribute to the business. The Bank cooperates with consultants in Corporate Banking, particularly in the real estate business, and in IT and systems development. In addition, external specialists are engaged for project management and AntiMoney Laundering (AML) work.

These nonemployees have a fixed-term or mission-based relationship with the Bank and are used to ensure specialist expertise and flexibility in critical business areas. Detailed information is presented on page 124.

S1-9 Diversity metrics

Norion Bank strives to create an inclusive and diverse workplace, where all employees have equal opportunities to develop

and contribute to the business. The Bank actively works to ensure gender balance, representation of diverse backgrounds, and a work environment free of discrimination. By continuously monitoring and analyzing diversity data, Norion Bank ensures that the work on inclusion and gender equality is developed in line with the Bank's values and sustainability goals. Detailed information is presented on page 124.

S1-10 – Adequate wages

Norion Bank ensures that all employees receive a salary that at least corresponds to adequate and fair remuneration in accordance with market practice. The Bank regularly monitors salary levels to ensure that remuneration is competitive and contributes to a sustainable and financially secure work environment for all staff. Detailed information is presented on page 125.

S1-13 Training and skills development metrics

Norion Bank continuously invests in training and skills development to ensure that employees have the knowledge and skills required to meet both current and future challenges. Through structured training programs, leadership development and professional upskilling, the Bank promotes a learning and dynamic work environment, where staff are given the opportunity to develop and grow within the organization. Detailed information is presented on page 124.

S1-14 – Health and safety metrics

Norion Bank works actively to ensure a safe and healthy work environment for all employees. Through systematic work environment management, regular risk assessments and health promotion initiatives, the Bank strives to prevent illness and accidents and to create a sustainable work environment where employees are happy and can perform at their best. Detailed information is presented on page 125.

S1-15 – Work-life balance metrics

Norion Bank strives to create a sustainable work environment where employees can maintain a healthy work-life balance. Through flexible working arrangements, clear guidelines on work hours and initiatives to promote well-being, the Bank ensures that staff are able to combine their professional lives with their personal needs and commitments.

All staff are covered by parental and other forms of family leave, enabling a safe and inclusive workplace where individual needs are respected and supported. Detailed information is presented on page 125.

S1-16 – Remuneration metrics (pay gap and total remuneration)

Norion Bank ensures a fair and transparent remuneration structure, where salaries and benefits are set on the basis of market criteria and on the principle of equal pay for equal work or work of equal value. The Bank regularly monitors remuneration levels to ensure competitive and fair salaries within the organization. Detailed information is presented on page 125.

S1-17 – Incidents, complaints and severe human rights impacts

Norion Bank strives to maintain a respectful and safe work environment, free from discrimination, harassment, bullying and victimization. To ensure this, the Bank has a zero-tolerance policy and clear procedures to identify, manage and address any incidents.

All employees have a responsibility to know and act in accordance with Norion Bank's Code of Conduct, which summarizes

the rules, values and guidelines that govern our work for an ethical and inclusive corporate culture. Employees are expected to report suspected violations, including criminality or deviations from the Code of Conduct, through the internal reporting channels.

If an employee feels discriminated against or harassed, or sees that a colleague or external contact is being treated inappropriately, they have a responsibility to act by contacting the Chief HR. HR is responsible for investigating the situation and, in consultation with the parties concerned, creating an action plan for the necessary measures.

During the current reporting period, no ongoing cases of discrimination or harassment have been identified within the Bank. Three previous incidents have been reviewed and are no longer subject to further action.

Norion Bank wants to live up to the expectations of customers, owners and employees and ensure a work environment characterized by openness and trust. Our incident management follows an established process that ensures we take responsibility for our actions and create a workplace where all employees feel safe and included. Detailed information is presented on page 124.

G1 Business conduct

SBM-3 Material impacts, risks and opportunities and their relationship to business model and strategy

Norion Bank strives to conduct business in a way that combines business minded with responsibility. As a business-oriented Nordic financing bank, we play a central role in enabling sustainable growth for our customers and contributing to a stable and well-functioning financial market. We see corporate responsibility as an integral part of our business model and integrate sustainability into our operations by ensuring good governance, transparency and compliance.

Our work on corporate responsibility is based on three core principles: business minded, committed and caring. We apply strict ethics and compliance policies to prevent financial crime, ensure customer integrity and strengthen trust in our services. As part of this, we work actively on compliance, risk management and sustainable lending to reduce both financial and sustainability-related risks.

Description of the impact, risk or opportunity	Impact/risk/opportunity	Value chain			Time horizon		
		Upstream	Own activities	Downstream	Short	Medium	Long
Opportunity to freely express opinions	Positive impact		x		x	x	x
Laws and regulations affecting business operations	Risk		x		x	x	
Preventing money laundering and other forms of corruption	Positive impact	x	x	x	x	x	x
Risk in case of deficiencies in internal processes and mechanisms	Risk	x	x	x	x	x	x
Shortcomings in ensuring whistleblower protection	Risk		x		x	x	

Impacts, risks and opportunities management

G1-1 Business ethics policies and corporate culture

Norion Bank has established clear policies and guidelines to ensure ethical, responsible and transparent business behavior. The Bank's efforts to manage material impacts, risks and opportunities in corporate responsibility are governed by several governing documents, including the Conflict of Interest Policy and the AntiCorruption Policy, which complement the Bank's Code of Conduct.

These policies ensure that Norion Bank acts in accordance with the UN Global Compact, the Code against Corruption in Business and the provisions of the Criminal Code on bribery. The Board of Directors has the ultimate responsibility for establishing and updating these policies and ensuring compliance throughout the organization.

Corporate culture

Norion Bank has a publicly available Code of Conduct that applies to all employees and sets out the Bank's basic ethical principles. The Code is based on the ten principles of the UN Global Compact and defines the Bank's expectations of employee behavior, both internally and in external relations.

The Code of Conduct makes it clear that Norion Bank has zero tolerance for victimization, harassment, bullying and discrimination. It also provides guidance on how staff should deal with situations related to conflict of interest, corruption and bribery.

The Bank evaluates its corporate culture through annual employee surveys, where a high and continuously climbing eNPS (Employee Net Promoter Score) shows that Norion Bank's work for a strong corporate culture is paying off.

Whistleblower mechanisms

To ensure an open and transparent reporting culture, Norion Bank has established an external whistleblowing channel, which enables anonymous reporting of suspected irregularities and deviations from the Code of Conduct.

In addition to the whistleblowing system, the Bank's CEO has set up an Ethics Committee (EC) responsible for

- Managing and evaluating incoming reports in accordance with the Bank's anticorruption policy
- Ensuring that reported incidents are followed up and that the necessary measures are taken.
- Reviewing compliance with the Bank's Code of Conduct and, where needed, recommending improvements.

Training for anticorruption corporate conduct

Norion Bank has a training policy to ensure that all employees have a good understanding of ethical guidelines, anticorruption and corporate responsibility.

- Upon recruitment, all employees must undergo training on the Code of Conduct and anticorruption.
- Annual mandatory training is carried out to ensure continuous knowledge and understanding of the regulatory framework.
- The trainings provide practical examples and guidelines to help staff identify and manage conflicts of interest, bribery and unethical business practices.

These efforts strengthen Norion Bank's corporate culture and minimize the risks of breaches of ethical guidelines.

Anticorruption and bribery

Norion Bank has an anticorruption policy that defines how the Bank works to identify and prevent corruption, conflicts of interest, bribery and nepotism. The policy builds on the Business Code of Conduct and the UN Convention against Corruption, and sets out clear guidelines for:

- Management of conflicts of interest, including documentation and reporting.
- Rules on gifts and benefits, to ensure that these do not pose a risk of bribery.
- Use of intermediaries, where high ethical standards are expected of external partners.

The Bank's Ethics Committee (EC) is responsible for investigating and dealing with suspected cases of corruption or other breaches of business ethics.

Although no specific risk group has been defined, senior managers and members of the Bank's management team are considered to be particularly exposed to risks related to corruption and bribery.

Norion Bank follows a consistent and independent process to investigate suspected incidents of business ethics violations, including corruption and bribery. The Bank has implemented strict control mechanisms to ensure that all employees and business partners act in accordance with the applicable regulations and internal policies.

G1-3 – Prevention and detection of corruption and bribery

Norion Bank has established structured processes to prevent, detect and manage corruption and bribery in its operations. The Bank's AntiCorruption Policy is formulated in accordance with the Code against Corruption in Business ("Business Code"), which supplements the provisions of the Criminal Code on bribery (Chapter 10, Sections 5a–e). The policy sets out clear guidelines and measures to minimize the risk of corruption-related incidents and ensure that business activities are conducted in an ethical and transparent manner.

As part of the Bank's preventive work, annual risk analyses are carried out to identify and assess corruption risks and determine appropriate measures to address them. The Bank has also set up a benefits register where all gifts and benefits given, offered or not accepted must be reported. The aim is to ensure transparency and reduce the risk of conflicts of interest and undue influence. All staff members are required to follow these guidelines and report their transactions in the register.

In order to raise awareness and ensure that all employees understand the regulations, Norion Bank conducts mandatory anticorruption training. All new employees are trained in the AntiCorruption Policy and the Code of Conduct at the start of their employment, and all employees complete annual digital training on the subject.

Norion Bank's CEO has also established an Ethics Committee (EC), which is responsible for handling and investigating suspicions of corruption. The Committee consists of the CEO, the Chief Sustainability Officer, the Head of CEO Office, the Chief HR Officer and the Head of Compliance, but may be expanded to include other functions, depending on the nature of the case. If necessary, the CEO has the possibility to elevate matters to the Board of Directors for further decision-making. Corruption investigations are conducted independently of the functions and persons who may be involved in the matter, to ensure objectivity and rule of law.

To maintain transparency and accountability, the General Counsel presents the Bank's antibribery and corruption work to the Board annually. If serious incidents or deficiencies are detected, these are immediately reported to the CEO. Minutes of the Ethics Committee meetings are documented and made available to the Governing Board, which may request further transparency and action if necessary.

The Bank's AntiCorruption Policy and AntiCorruption Instructions are available to all employees on the intranet, and all employees undergo annual training to ensure understanding and compliance. To strengthen transparency towards external stakeholders, the AntiCorruption Policy is also published on the Bank's website, making the information available to the public and investors.

Through a combination of risk analysis, transparency in benefit registration, continuous training and an independent investigation function, Norion Bank ensures that anticorruption and antibribery work is an integral part of the business and contributes to a sustainable and responsible business culture.

Metrics and targets

Anticorruption and bribery

G1-4 – Confirmed cases of corruption and bribery

Norion Bank has not had any confirmed cases of corruption or bribery in its operations during the current reporting period. Nor has the Bank received any convictions or fines for breaches of anticorruption and bribery laws.

As no incidents have occurred, there has been no need to take action to address breaches of the Bank's anticorruption procedures and standards. Furthermore, no employees have been dismissed or disciplined due to corruption-related incidents, and no business relationships have been terminated or not renewed due to breaches of anticorruption rules.

Norion Bank continues to work proactively on preventive measures, including mandatory training, risk analysis and strict compliance with the AntiCorruption Policy, to ensure business operations free from corruption and unethical behavior.

Accounting policies

Social – S1

Norion Bank applies a systematic approach to collecting, analyzing and reporting data related to its workforce. Reporting is based on data at the end of the reporting period and uses FTE (Full-Time Equivalent) as the calculation method. FTE is defined by summing the employment rate of each employee, excluding wage-earning employees and excluding employees on long-term leave. Two employees working 50% each count together as one FTE.

For staff turnover, a calculation method is used whereby the number of probationary and permanent contracts terminated during the period is divided by the average number of probationary and permanent staff at the beginning and end of the period. Based on this methodology, Norion Bank has a staff turnover of 11% in 2024.

Consultants are also reported in FTE and calculated on the basis of their employment rate. Two consultants working 50% each count together as one FTE. The Bank's HR system allows for an up-to-date overview of consultants' employment rates, where both HR and managers can record any changes.

When reporting age distribution, all employees are included in terms of actual headcount. The Bank's management team is defined as "top management" in the reporting. For salary data, market data from the Bank's system provider for salary mapping is used, where average salaries in Sweden are reported based on an analysis conducted in the fall of 2024. Separate salary surveys are carried out for Norway and Finland, and salary data are reported by country. As the majority of the Bank's employees are paid monthly, this is used as the basis for reporting.

When calculating salary differences between countries, the figures are adjusted for purchasing power differences, as pay in Norway is generally higher than in Sweden. The total remuneration ratio is calculated based on the salary data from the autumn salary survey, where the CEO is excluded and thus not counted as the highest paid.

Norion Bank ensures that all employees are covered by statutory insurance. Sickness absence and accidents at work are reported based on data from the payroll system and the incident reporting system. Work-related ill health is identified through reported incidents and cases where HR is aware of sick leave due to work-related stress, anxiety or worry, often in the context of a rehabilitation plan.

Parental leave is reported through data from the payroll system, where the calculation is based on how many men and women took one or more parental days during the year. All employees have the right to take parental leave.

When analyzing training hours, these are broken down by gender and consultants are included in the calculation based on an average number of consultants over the year. Performance appraisals are reported based on the number of appraisals signed, which in 2024 amounted to 88% of a total of 368 planned appraisals.

Data collection for employee surveys takes place annually and is used to monitor work environment, engagement and satisfaction. Norion Bank continues to develop its data collection and reporting to ensure a fair and transparent accounting of the composition and conditions of the workforce.

Business conduct – G1

The company reports information on business conduct in accordance with ESRS G1, which includes policies on responsible business conduct (business ethics) and the management of bribery and corruption. Incidents of bribery and corruption are identified through internal reporting and external notifications, and follow-up is done through the number of incidents resolved and internal investigations conducted.

When calculating business performance indicators, primary data from the company's internal reporting system is used. Reporting for 2024 does not include any cases of incidents of corruption or bribery, so the compilation of these KPIs is not relevant.

This report is Norion Bank's annual sustainability report, covering the calendar year 2024. The previous report can be downloaded at www.Norionbank.se and was published on March 30, 2024. More information about this report and sustainability at Norion Bank is available from the Chief Sustainability Officer Sarah Olofsson, sarah.olofsson@Norionbank.se

Auditor's opinion on the statutory sustainability report

To the AGM of Norion Bank AB (publ), corporate registration number 556597-0513.

Engagement and distribution of responsibilities

The Board of Directors is responsible for the sustainability report for 2024 on pages 120-132, and for its preparation in accordance with the Annual Accounts Act.

The focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm, April 3, 2025
Ernst & Young AB

Daniel Eriksson
Authorized public accountant
Auditor in charge

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.

Adjusted C/I ratio

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

Adjusted credit loss level

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

Adjusted net interest income

Net interest income adjusted for non-recurring items.

Adjusted net interest margin (NIM)

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

Adjusted net profit

Net profit adjusted for non-recurring items.

Adjusted operating profit

Operating profit adjusted for non-recurring items.

Adjusted return on equity (RoE)

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

Adjusted total expenses

Total expenses adjusted for non-recurring items.

Adjusted total income

Total income adjusted for non-recurring items.

Average number of full-time employees

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

CET1 ratio (Common Equity Tier 1 ratio) ¹⁾

Common Equity Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 4, pages 74-77.

C/I ratio

Total expenses in relation to total income.

Credit loss level

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

Earnings per share after dilution ²⁾

Net profit attributable to the shareholders of Norion Bank AB, adjusted for interest on convertible bonds, in relation to average number of shares outstanding after dilution.

Earnings per share before dilution ²⁾

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

Net interest margin (NIM)

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

Non-recurring items

Income and expenses that are not expected to appear on a regular basis. See the Director's report, page 43.

Return on equity (RoE)

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

Tier 1 ratio ¹⁾

Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note 4, pages 74-77.

Total capital ratio ¹⁾

Total own funds in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See Note 4, pages 74-77.

Total income margin

Total income in relation to average loans to the public.

¹⁾ Key ratios defined according to the Capital Requirements Regulation (CRR)

²⁾ Not alternative performance measures



CONTACT

Norion Bank Gothenburg

Lilla Bommens Torg 11
Box 119 14
404 39 Göteborg
Tel: +46 10 161 00 00

Norion Bank Stockholm

Linnégatan 2
114 47 Stockholm
Tel: +46 10 161 00 00

Norion Bank Norway

Drammensveien 123
PB 424 Skyen
0213 Oslo, Norge
Tel: +47 23 96 93 54

Norion Bank Finland

Porkkalankatu 20A
PL 79
00180 Helsinki, Finland
Tel: +358 9315 899 00

Norionbank.se
Norionbank.no
Norionbank.fi

