

30 minutes on Nordic niche banks (Q4 2024)

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What's happened in Q4?

RATING 2024-12-18

Norion Bank long-term issuer rating lowered to 'BB+'; Outlook stable

Avida Finans AB (publ) has completed the planned acquisition of Santander's credit card and sales financing business.



Morrow Bank has submitted its application for a Swedish banking license to the Swedish Financial Supervisory Authority (SFSA).

Ronneby UK nådde inte 90 procent i Resurs Bank

20 DECEMBER 2024

FINANSWATCH

Lea Bank klar för börshandel i Stockholm

Norion Bank förvärvar kreditkortsportfölj från DNB

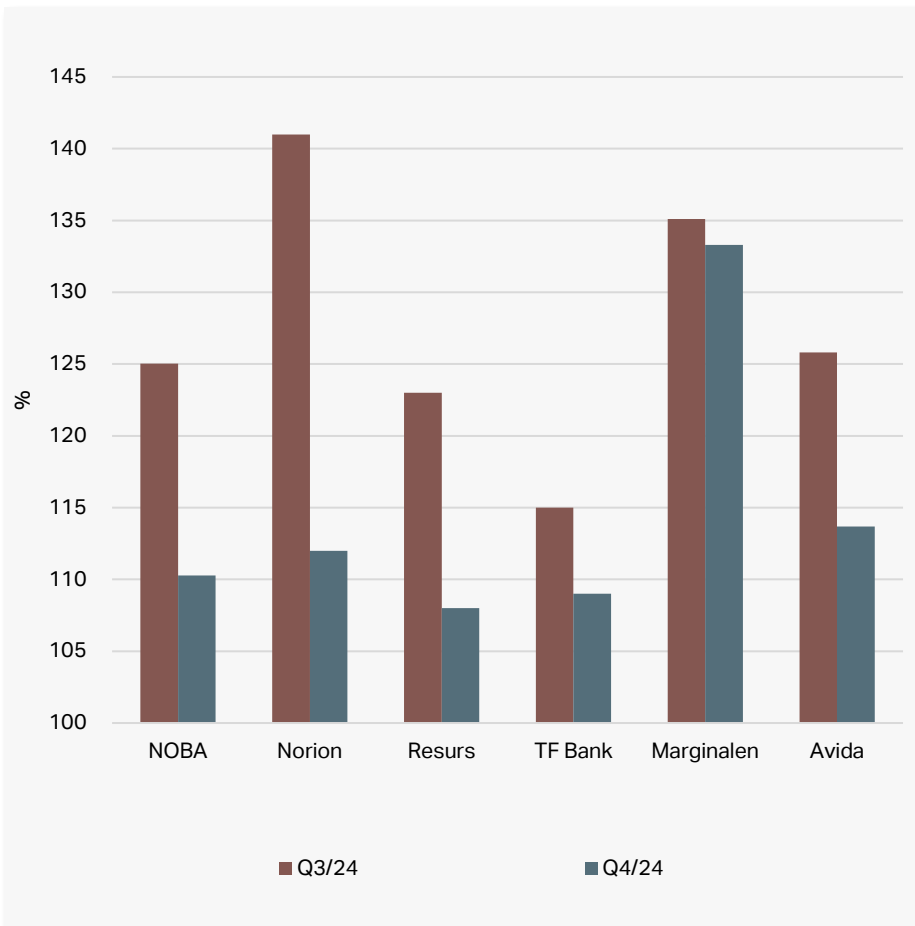
Marginalen Bank får en varning

2024-10-16 | NYHETER SANKTIONER BANK

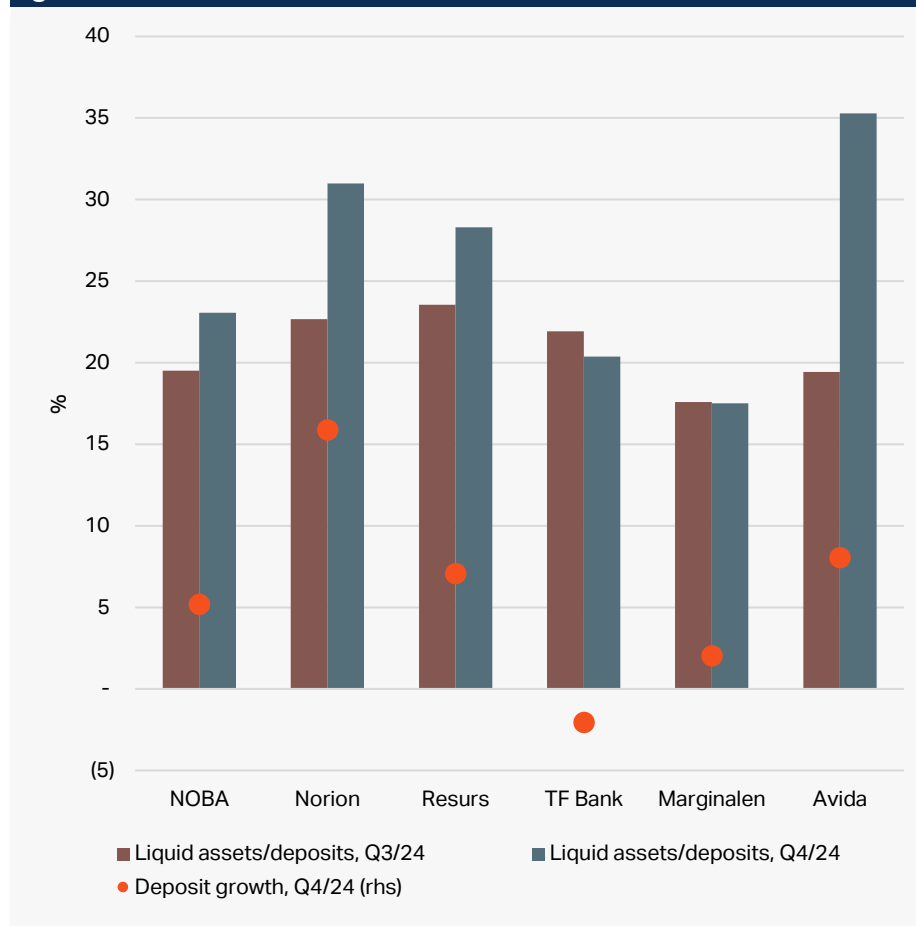
FI ger Marginalen Bank en varning för överträdelser av reglerna om stora exponeringar och kraven på en god riskhantering.

Banks took significant steps to improve NSFR/LCR

Net stable funding ratio, Q3/24 and Q4/24



Liquid assets*/customer deposits (Q3/24–Q4/24) & deposit growth Q4/24



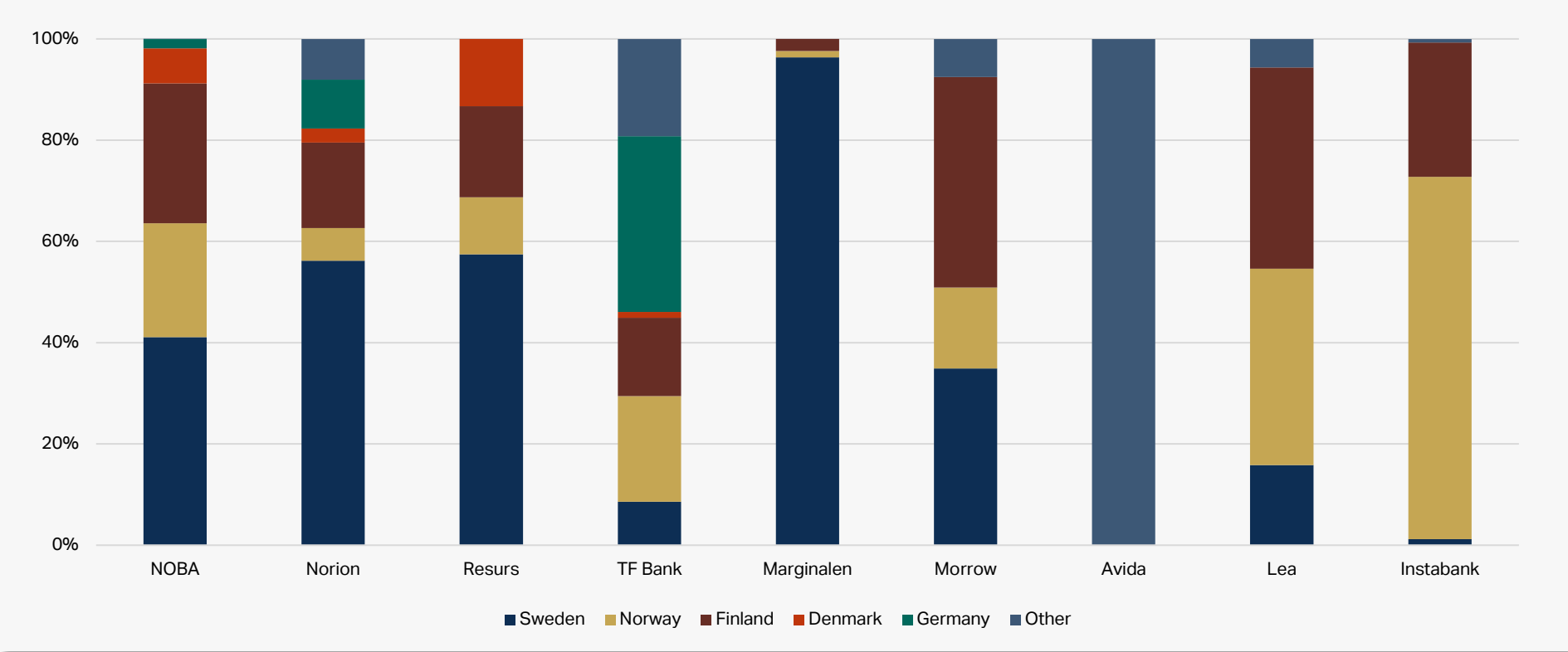
Morrow, Lea and Instabank are leaving Norway

Decisions largely to improve capital position and level playing field vs Swedish peers

Lea and Morrow

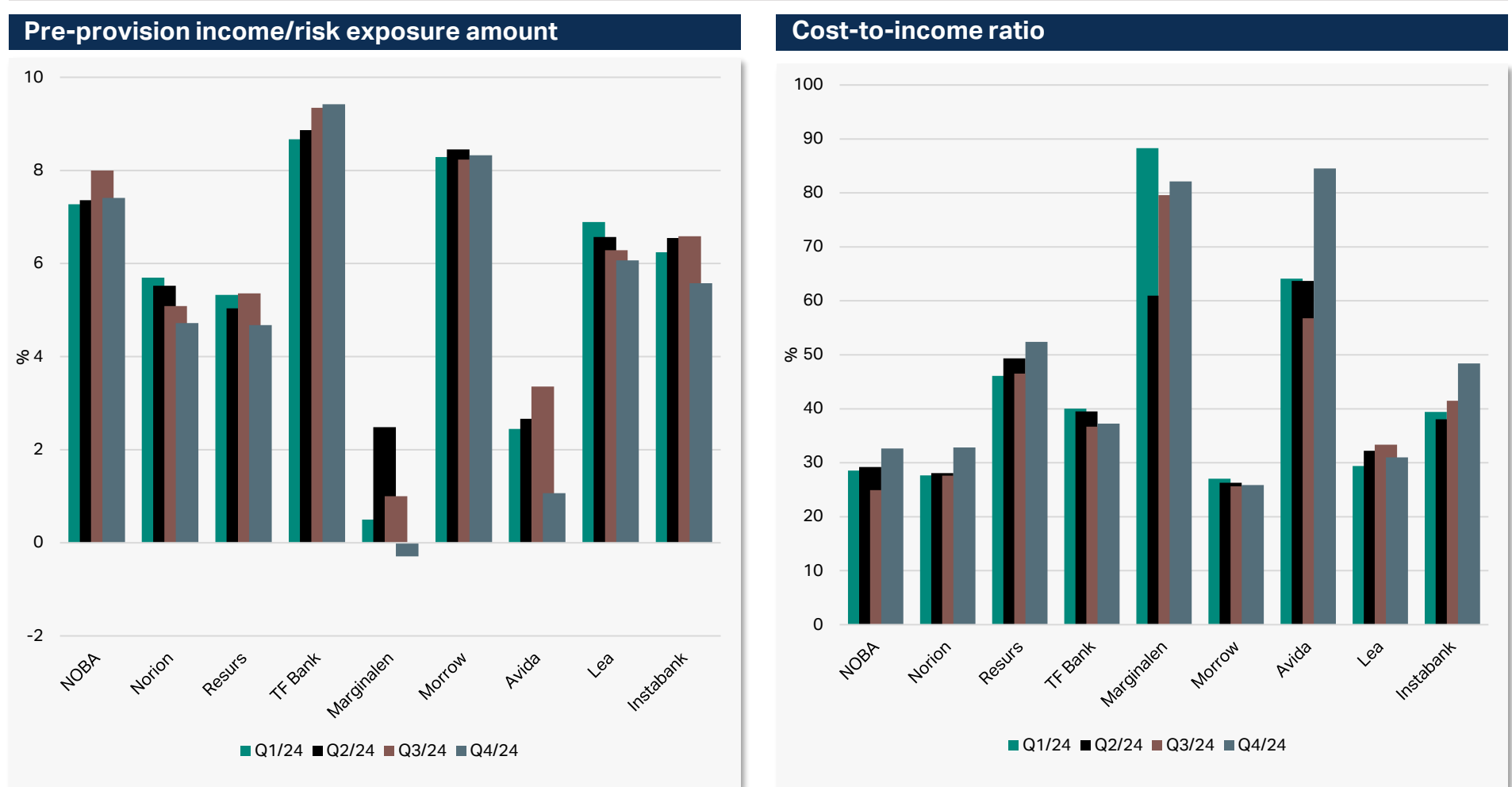
Instabank

Loans by country*, Q4 2024



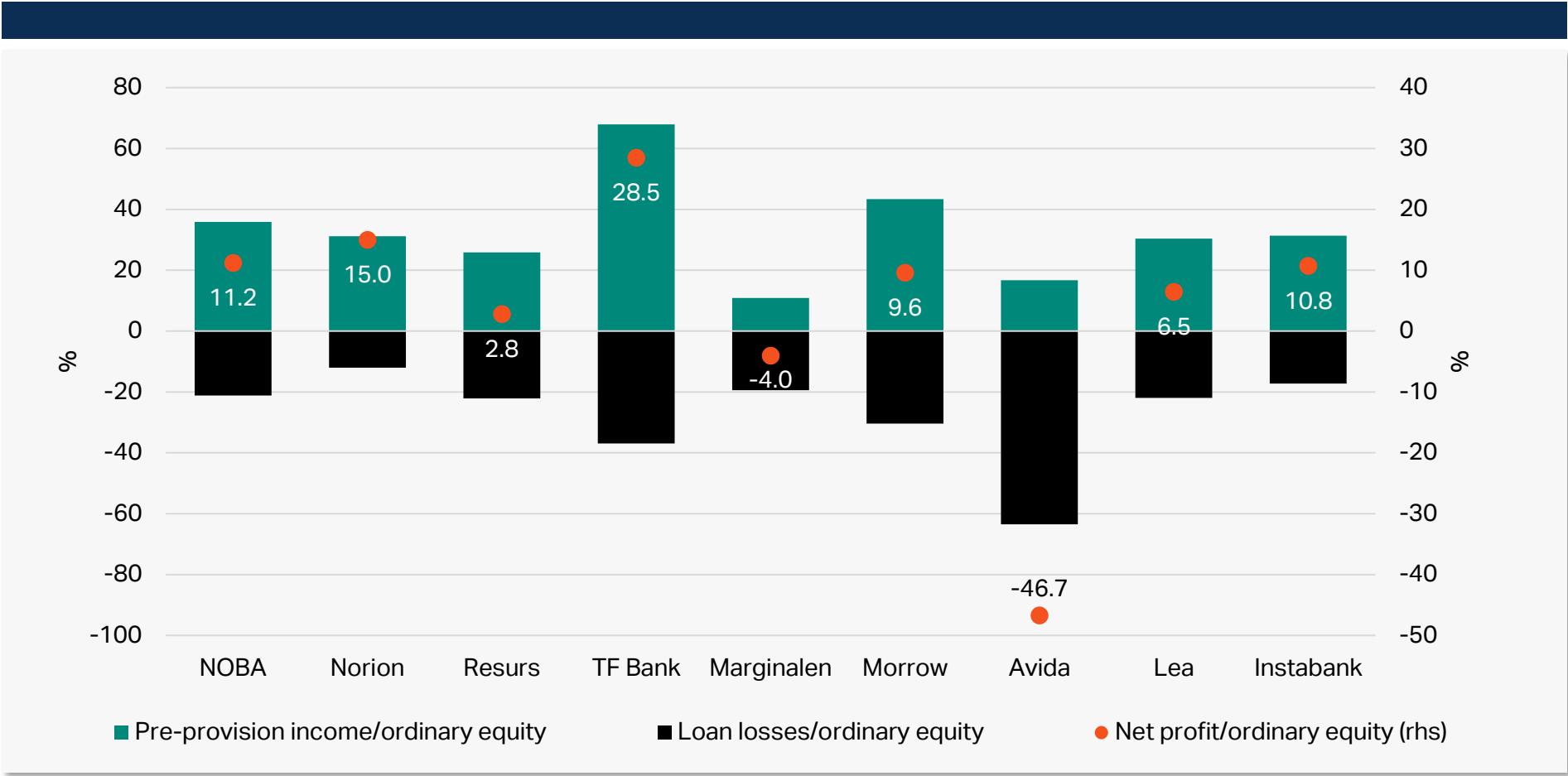
Source: bank reports.
*Avida does not report on country split in its quarterly reports.
*Morrow does not separate its payments business between Sweden/Norway/Finland.

Earnings metrics are very strong for most banks



We expect profitability to improve for most banks

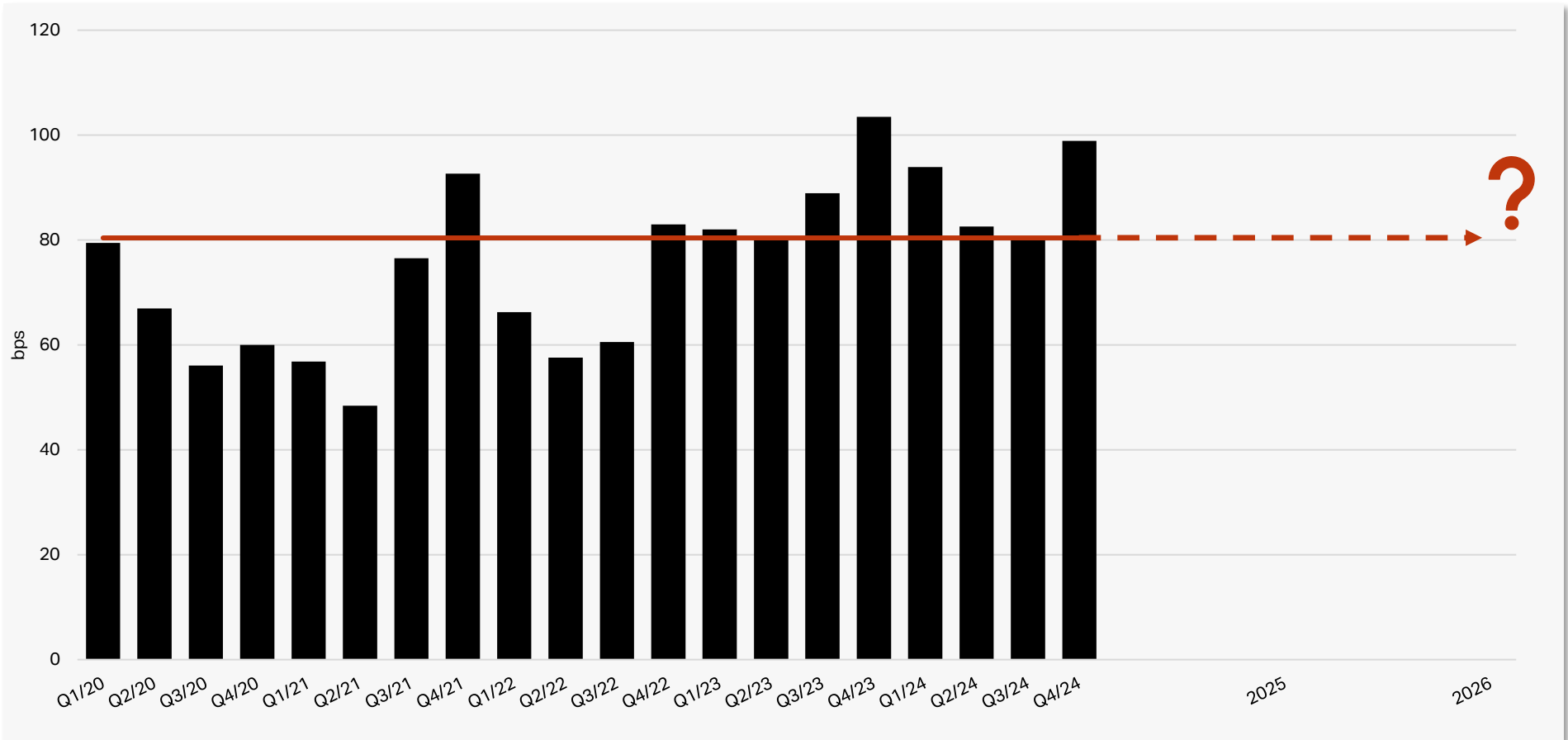
Despite high loan losses, most banks had robust earnings in 2024



Have loss provision reached a new normal?

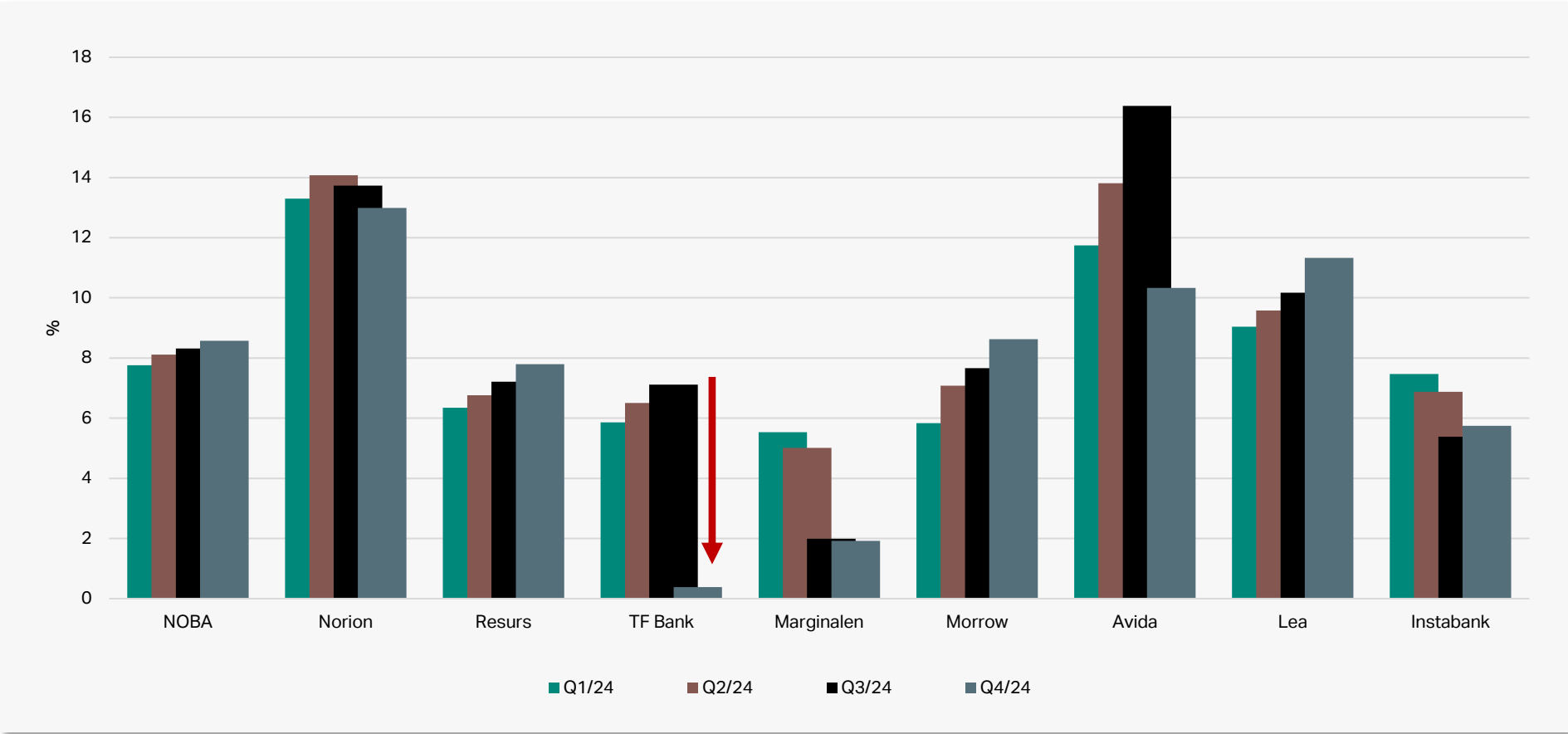
Excluding recent one-offs, loss provision remain around 80bps per quarter

Quarterly loan loss provisions (sample), Q1/20 – Q4/24

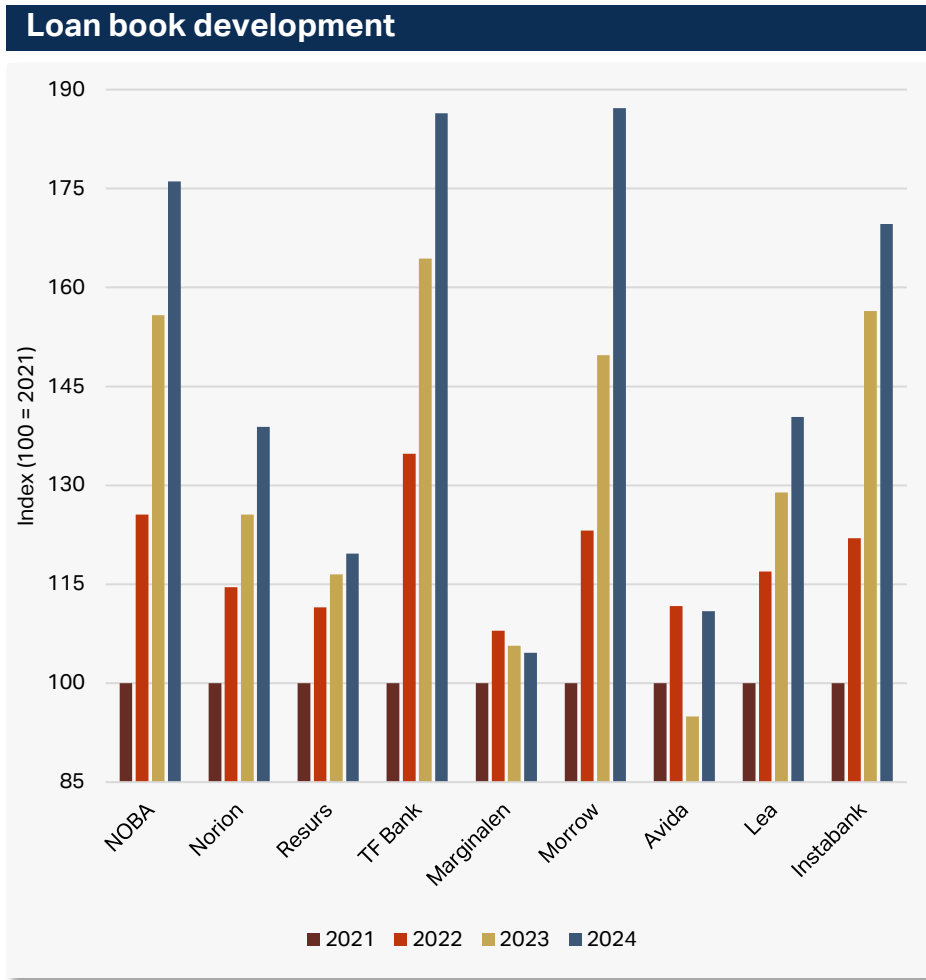
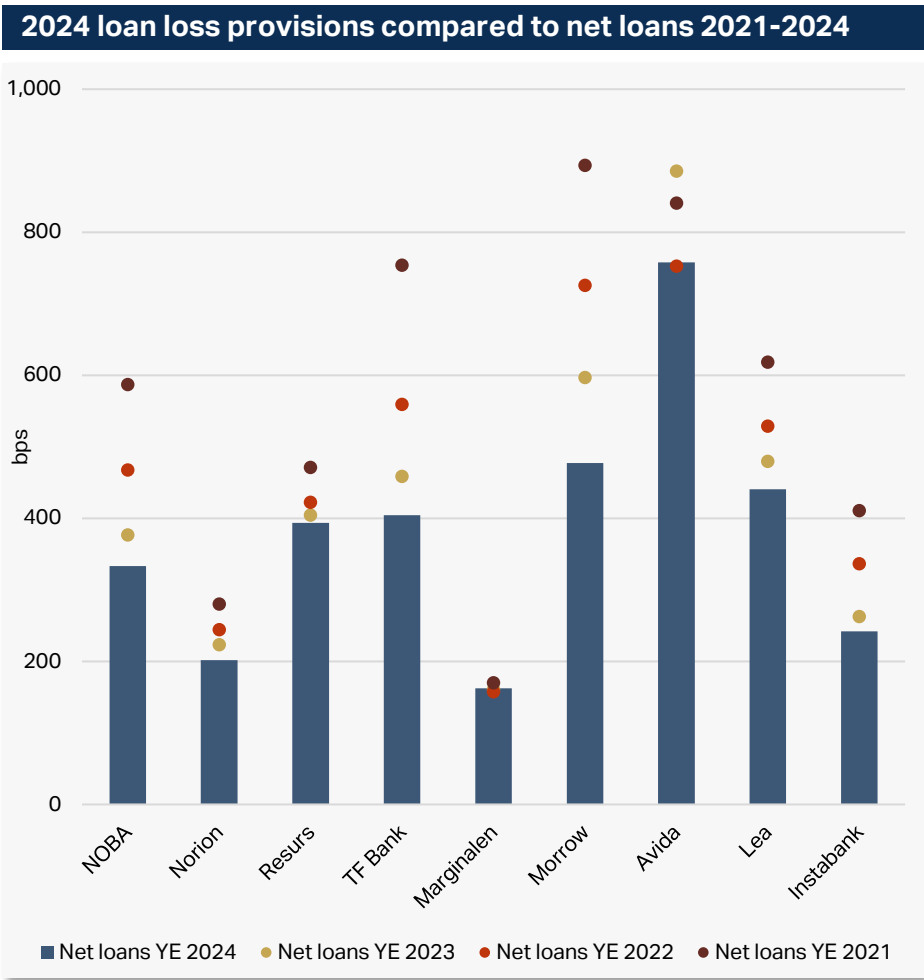


Net Stage 3 loans

Net stage 3 loans/net loans



Strong loan growth masks underlying losses





NCR-rated niche banks

	<u>Resurs Bank</u>	<u>Norion Bank</u>	<u>NOBA Bank Group</u>
Long-term issuer rating	BBB	BB+	BBB
Outlook	Negative	Stable	Stable
Subfactors:			
Operating environment (20%)	bbb-	bbb-	bbb-
Risk appetite (50%)	bbb	bb+	bbb
Competitive position (15%)	bb+	bb	bbb-
Performance indicators (15%)	bbb+	bbb+	bbb+
Peer calibration	0	-1	0

Thank you

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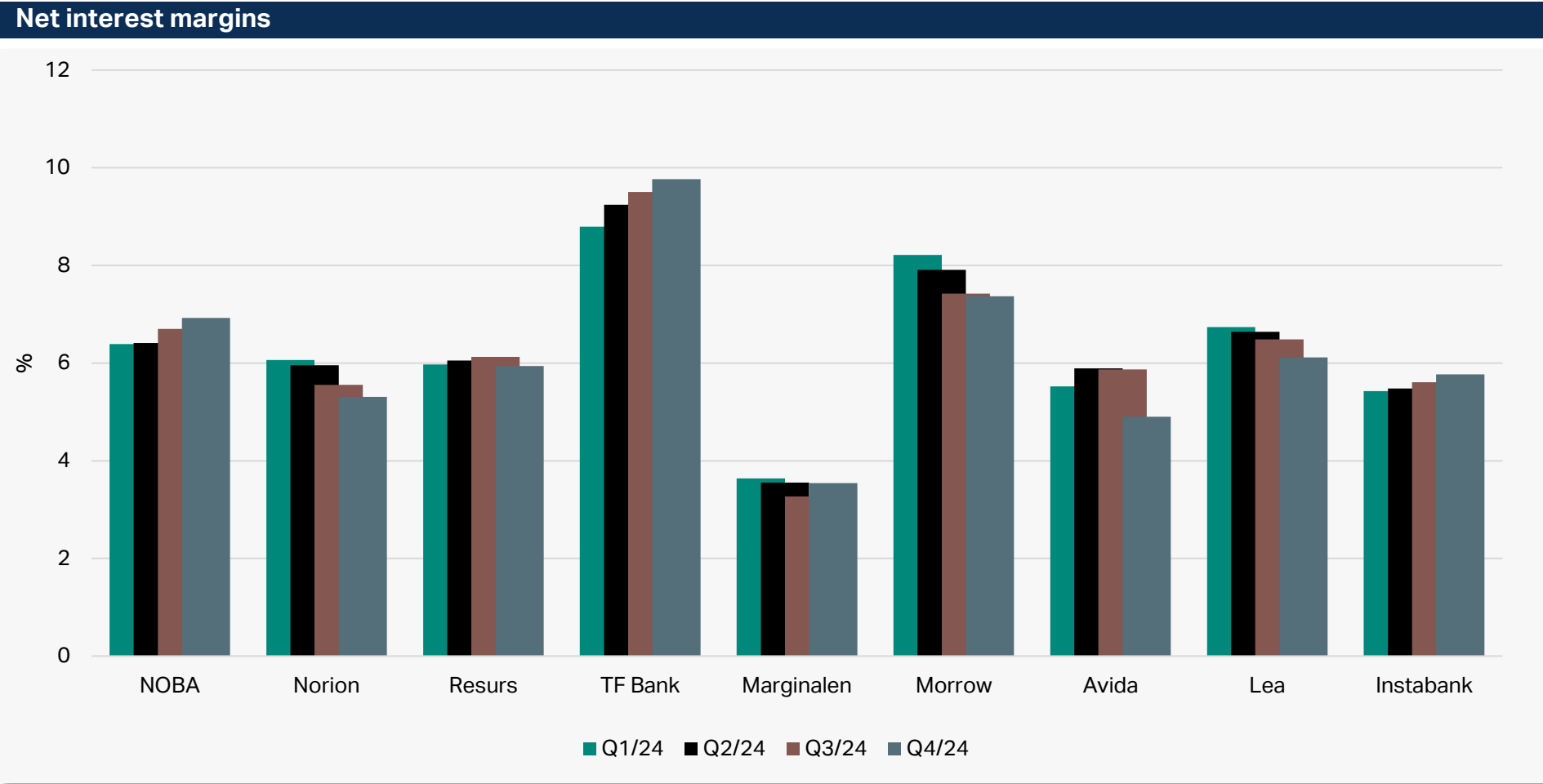
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Net margins showing resilience to falling rates

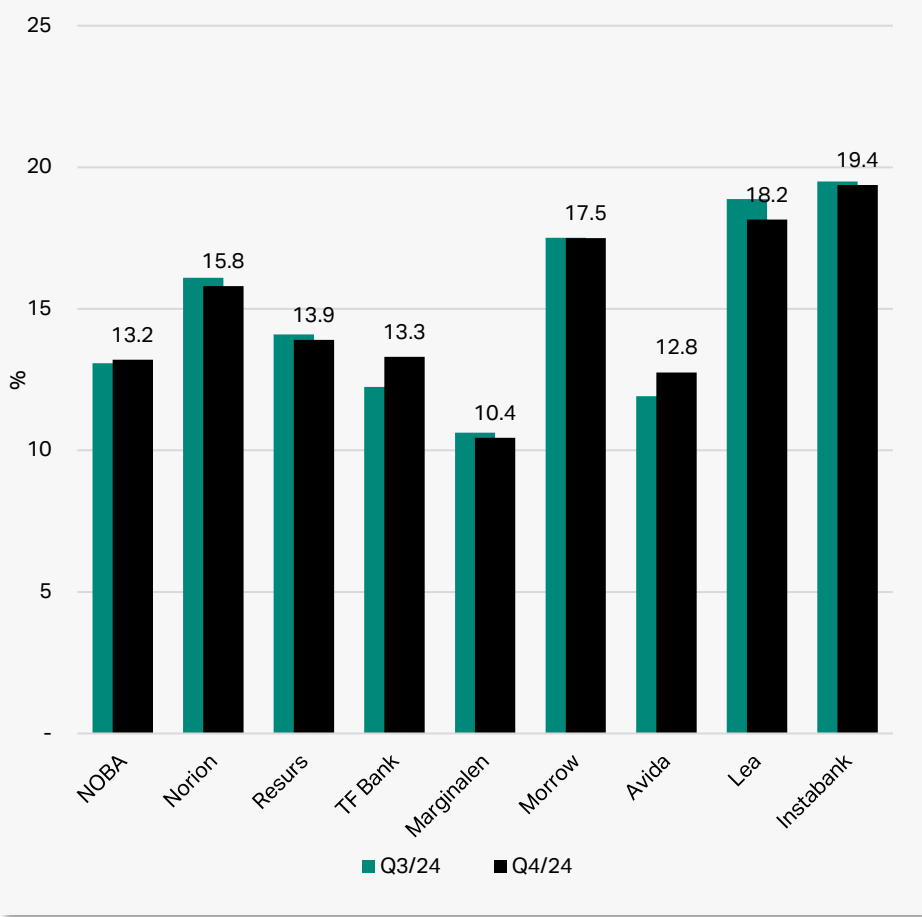
Margins reflect lower funding costs and higher margin lending for some banks



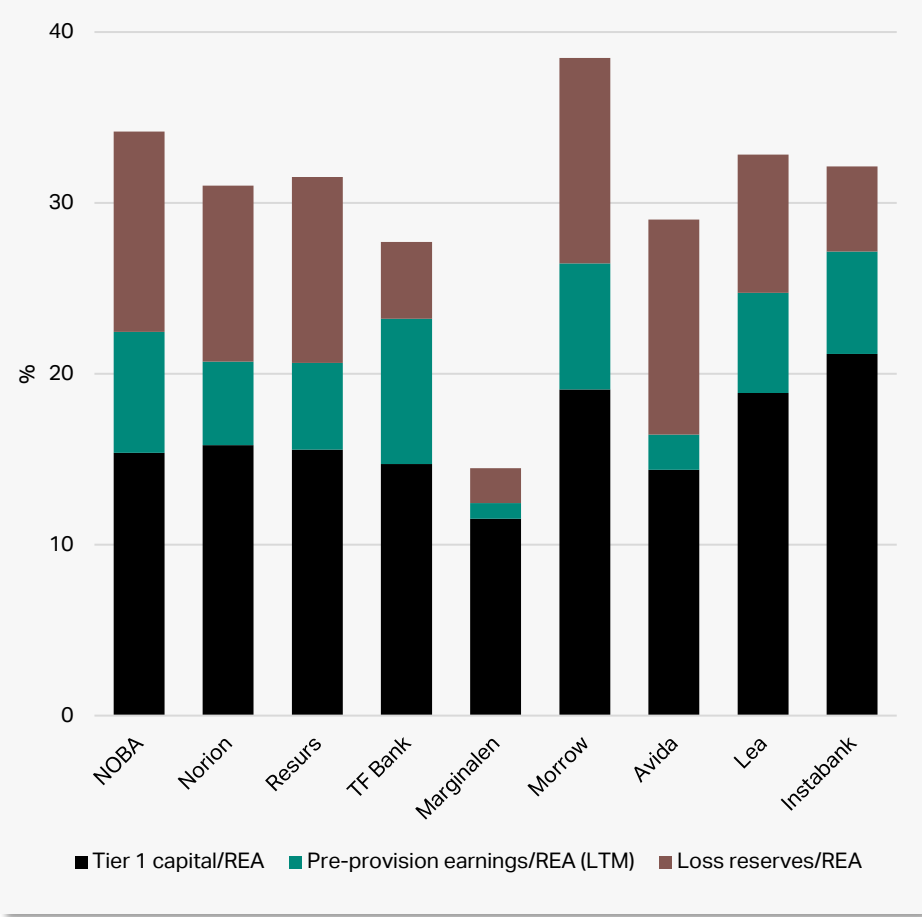
Capital ratios show significant variance

Banks reward shareholders with dividends and buy backs

CET 1 ratios, Q3/24-Q4/24



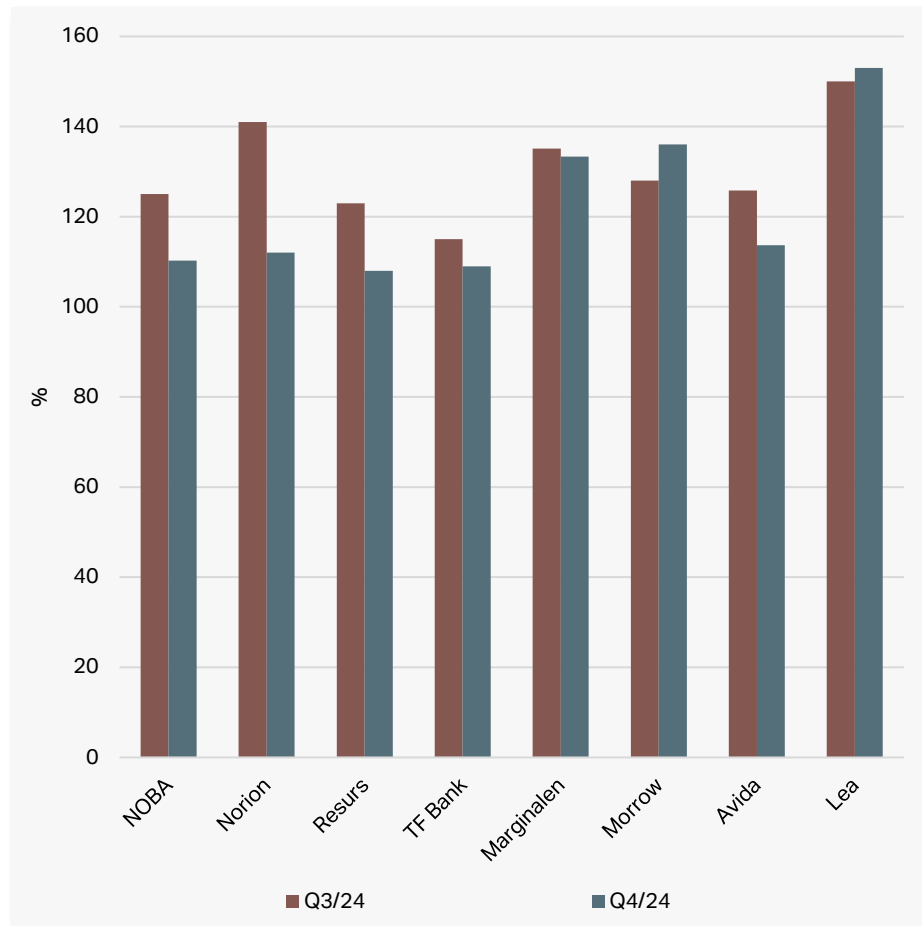
Loss-absorbing buffers / REA, Q4/24



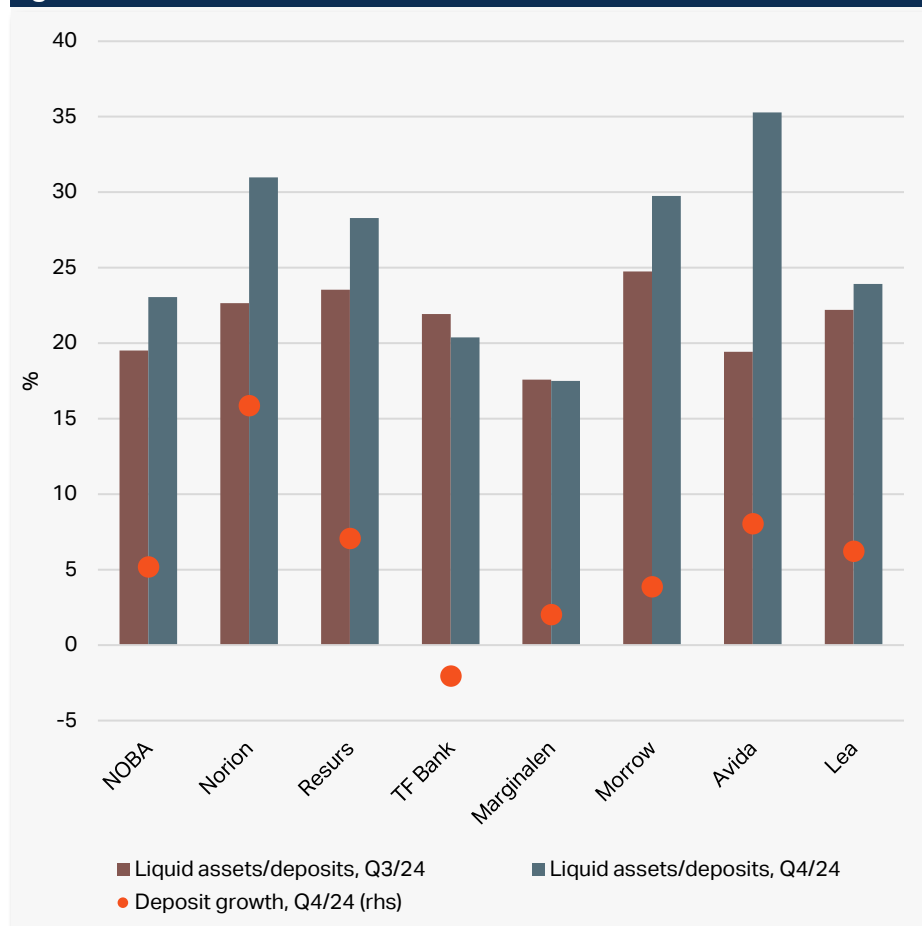
Banks took significant steps to improve NSFR/LCR

Including Lea and Morrow

Net stable funding ratio, Q3/24 and Q4/24



Liquid assets*/customer deposits (Q3/24–Q4/24) & deposit growth Q4/24



Net Stage 3 compared to net loans 2021-2024

Similar trend as seen for loan loss provisions

