

Interim Report Q3 2021

Short summary of the quarter

- The bank reported a 3.6% ROE in Q3 2021 (negative 26.4% in Q3 2020) and an underlying ROE of 18.8%
- The net profit was NOK1.9m (negative NOK11.9m in Q3 2020) and the underlying net profit was NOK10.4m
- Restart loans increased by NOK405m gross and NOK 279m net to NOK1 419m
- The cost ratio was 85.6% (224.0 % in Q3 2020), underlying cost ratio was 50.1%
- The risk results in the quarter was NOK1.3m
- The bank remains overcapitalized with a capital ratio of 28.6% (30.6% in Q3 2020)
- Underlying the result was NOK10.4m

MyBank recorded its strongest quarter to date with a net growth of NOK 279 million representing a 26% growth in the quarter and an underlying ROE of 18.8%. The bank ended the quarter with a total portfolio of NOK 1 419 million, consisting of NOK 1 357 million restart loans and NOK 62 million unsecured loans.

Mybank reported a pre-tax profit of NOK 1.9 million in the quarter, resulting in a profit of NOK 22.4 million year to date. The underlying result for the quarter was NOK 10.4 million, excluding non-recurring items related to marketing costs that was not capitalized and some restructuring costs.

Net interest income for the quarter was NOK 22.3 million, an increase of 0.7% from NOK 22.1 million in the previous quarter. During the third quarter the bank booked a one-off fee expense of NOK 1.8 million which resulted in an underlying net interest income of NOK 24.0 million corresponding to an increase of 8.6% for the quarter.

Operating costs for the quarter was NOK 19.1 million, an increase of 40.9% from NOK 13.5 million last quarter. The increase in operating costs is mainly due to marketing costs which were fully booked in the third quarter. The underlying operating costs is at approx. NOK 12 million excluding the one-offs for the quarter.

The underlying operating profit before loan losses increased by 24% from NOK 9.4 million in Q2 to NOK 11.7 million this quarter.

Loan loss provisions totaled a negative NOK 1.3 million this quarter compared to a positive risk result of NOK 2.1 mill last quarter. This corresponds to a negative loan loss provisions ratio of 0.4% annualized (compared to positive 0.7 % previous quarter).

The capital ratio was 28.6%, a decrease from 30.9% in the second quarter. This reflects the strong growth in the quarter as well as a larger liquidity portfolio.

About mybank

mybank is an online retail bank offering restart loans, refinancing of unsecured loans with security in real estate, and a deposit account with a high interest rate.

The bank was granted a banking license in July 2016 and commenced operations during the first quarter of 2017. The bank has previously raised a total share capital of NOK 273.3 million in 2016 and 2017. Following the capital raise in Q1 2019, the share capital increased to NOK 299.7 million. During 2020, the bank raised an additional NOK 70 million in private placements. The shares are unlisted and are registered at NOTC.

Mybank utilises loan agents as its most important sales channel, combined with direct digital marketing.

At the end of the quarter the bank had 21 employees.

Financial information for the quarter

Growth in net loans to customers was NOK 279 million during the quarter. Gross new mortgage loans paid out to customers during the quarter was NOK 405 million, compared to NOK 259 million the previous quarter.

Mybank recorded net interest income of NOK 24.4 million during the quarter. The bank had operating costs of NOK 19.1 million of which NOK 8.1 million in staff costs and NOK 11.0 million in other operating expenses (including depreciation).

At the end of the quarter, the bank's gross loans to customers totaled NOK 1 419 million, of which NOK 1 357 million in restart loans and NOK 62 million in unsecured loans.

Gross deposits were NOK 1 594 million, hence deposit coverage is at 112.3%.

The bank's liquidity position was NOK 435.8 million at the end of the quarter, compared to NOK 284.9 million in the previous quarter. This increase reflects the increase in deposits.

Loan losses

Loan losses for the quarter totaled negative NOK 1.3 million, of which NOK 1.3 million is changes in

provisions. This represents negative 0.4% annualized of net loans, compared to positive 0.7% last quarter.

Of the total loan loss provisions, NOK 5.7 million related to restart loans and NOK 24.5 million related to consumer finance loans (the split and flow between stages are presented in note 3 and 4). Provisions represent 2.1% of non-performing loans.

Mybank changed from NGAAP to IFRS regulation on 01.01.2020. This resulted in increased loan loss provisions of NOK 17.1 million, from NOK 19.4 million to NOK 36.5 million, and a reduction in equity of NOK 17.1 million. The bank has implemented the regulatory transitional arrangement on capital adequacy in the period 2020 – 2022.

Regulatory developments

In Q1 2020, **mybank** received an inquiry from the NFSA to send in the bank's ICAAP with additional information as a part of a SREP-process to use as base to determine the new Pillar 2 buffer requirements. The bank received a decision of 6.6% additional total buffer that took effect September 30th, 2020. **mybank** are well capitalized going forward with a total capital requirement of 21.1%.

Prospects

mybank is a focused provider of mortgage loans. The disposal of the majority of the consumer loan portfolio has significantly improved mybank's capital position leaving ample room to grow and effectively marks the end of mybank's transformation into a pure mortgage bank.

The bank expects its current portfolio of mortgage loans, cost base and growth prospects to lead to continued profitable growth going forward.

Mybank has throughout 2021 worked to handle the impact of Covid-19 on our customers and the market and will continue this work. Most indications are that the pandemic has not significantly impacted credit quality, although this may change if the period of reduced economic activity is prolonged in some sectors, leading to permanent job losses. The temporary nature of the crisis may also increase demand for restart loans, as customers

need to recover their financial health after a period of unemployment or furlough.

Risk factors

The most important risk factors for **mybank**'s prospects includes:

- uncertainty around the banks' ability to attract new customers for future growth, because of increased competition or strategic and operational conditions in **mybank**,
- reduced growth capacity from high loan losses or market conditions preventing further capital raises,
- pressure on interest income as a result of price war in the market for restart loans, or higher funding costs for the bank or market in general,

- higher costs from a lack of cost-effectiveness or an inappropriate choice of technology
- lower growth and higher loan losses as a result of a severe economic recession, and
- increased loan losses following a severe downturn in residential property prices in Norway

In addition to having a flexible and scalable business model, the board and management have implemented sound practices for planning, control, and adaptability to reduce any potential losses related to operational and strategic risks. The bank continuously monitors its exposure to potential losses from most of the above risk factors using stress testing and value at risk methods.

Key figures

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Profitability					
Cost percentage	85.6 %	220.4 %	69.9 %	135.6 %	98.2 %
Return on equity (annualized)	3.6 %	-26.4 %	14.0 %	-18.4 %	-7.9 %
Loss and default					
Loan loss percentage	0.4 %	0.5 %	-0.3 %	2.0 %	1.6 %
Balance sheet					
Total assets on the balance sheet date	1 852 700	1 157 185	1 852 700	1 157 185	1 324 215
Average total assets during the period	1 574 657	1 066 775	1 574 657	1 066 775	1 104 661
Profit as a percentage of total assets	0.4 %	-4.1 %	1.6 %	-2.9 %	-1.1 %
Equity in % of total assets	11.5 %	15.6 %	11.5 %	15.6 %	14.4 %
Lending growth (gross) last 12 months	64.1 %	24.8 %	64.1 %	24.8 %	51.9 %
Deposit growth over the last 12 months	66.4 %	36.7 %	66.4 %	36.7 %	59.0 %
Deposits in % of loans	115 %	114 %	115 %	114 %	109 %
Liquidity Coverage (LCR)	977 %	1171 %	977 %	1171 %	905 %
Solidity					
Capital adequacy	28.6 %	30.6 %	28.6 %	30.6 %	27.2 %
Tier 1 capital adequacy	28.6 %	30.6 %	28.6 %	30.6 %	27.2 %
Net tier 1 capital adequacy	28.6 %	30.6 %	28.6 %	30.6 %	27.2 %
Leverage ratio	11.1 %	14.2 %	11.1 %	14.2 %	14.0 %
Total tier 1 capital	206 305	173 765	206 305	173 765	184 875
Crew					
Average number full-time equivalent	20.8	17.8	20.8	17.8	18.8

Financial Statement

Income statement

	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Interest income and similar income		33 251	22 448	94 039	63 151	76 487
Interest costs and similar costs		-10 969	-12 607	-30 468	-29 591	-18 633
Net interest income		22 282	9 841	63 571	33 560	57 854
Commissions and fee income from bank services		3	51	25	163	181
Commissions and fee expense from bank services		-177	-1 324	-671	-1 519	-2 199
Income (loss) from trading activities	6	145	385	744	2 045	1 305
Net other income		-29	-888	98	690	-713
Total operating income		22 253	8 954	63 668	34 249	57 140
Staff cost		-8 036	-8 057	-22 021	-19 766	-24 742
Other operating costs	5	-9 968	-6 112	-19 307	-19 195	-22 774
Depreciation	5	-1 047	-5 563	-3 168	-7 496	-8 586
Total operating costs		-19 051	-19 732	-44 497	-46 457	-56 102
Operating profit (loss) before loan impairments		3 202	-10 779	19 171	-12 208	1 038
Loan losses	4	-1 304	-1 105	3 300	-12 698	-16 117
Write-downs on financial instruments		21	0	-96	0	0
Profit (loss) before tax		1 919	-11 885	22 375	-24 906	-15 079
Tax		0	0	0	0	0
Profit (loss) for the period		1 919	-11 885	22 375	-24 906	-15 079
Other income and expenses (after tax)		0	0	0	0	0
Total result		1 919	-11 885	22 375	-24 906	-15 079

Balance sheet

	Note	30.09.2021	30.09.2020	2020
Assets				
Cash and central bank deposits	7	134	50 326	50 277
Loans to, and deposits at, credit institutions	7	126 638	67 443	82 951
Net loans to customers	3,7	1 380 952	841 419	1 031 104
Short term financial investments	7,8	309 029	175 195	135 498
Intangible assets		16 715	20 059	19 349
Leases	9	4 935	0	0
Other assets	7	14 297	2 744	5 036
Total assets		1 852 700	1 157 185	1 324 215
Liabilities				
Deposits from customers		1 594 227	958 009	1 126 605
Accounts payable		35 427	13 733	2 419
Accrued expenses and unearned income		3 842	5 143	4 527
Rental obligation	9	5 564	0	0
Provisions on financial instruments		96	0	0
Total liabilities		1 639 155	976 885	1 133 551
Equity				
Share capital		82 974	82 070	82 569
Share premium fund		240 282	240 145	240 181
Other equity		-109 712	-141 914	-132 086
Total equity		213 545	180 301	190 664
Total liabilities and equity		1 852 700	1 157 185	1 324 215

Cash flow

	YTD 2021	YTD 2020	2 020
Cash flows from operating activities			
Interest payments from central banks and credit institutions	0	0	367
Deposits / disbursements of deposits from customers	467 621	249 481	418 078
Interest payments on deposits from customers	-11 363	-13 510	-17 618
Payments on loans to customers	-333 648	-180 418	-378 628
Interest payments on loans to customers	68 440	57 492	80 133
Deposits / disbursements of deposits from credit institutions	-707	-707	-1 015
Interest payments on deposits from credit institutions	744	2 045	0
Commission payments from bank services	-646	-1 356	-2 018
Fee amortization	7 201	-9 715	-476
Payment for operation	-33 707	-42 718	-66 485
Net cash flow from operating activities	163 935	60 594	32 337
Cash flows from investing activities			
Payments on the purchase of intangible assets	2 634	1 608	4 291
Payments on shares, participations, and equity certificates	-173 531	-111 299	-71 602
Net cash flow from investing activities	-170 896	-109 691	-67 311
Cash flows from financing activities			
Deposited equity (payment on issue / capital increase)	506	67 238	68 574
Net cash flow from financing activities	506	67 238	68 574
Net cash flow during the period	-6 456	18 141	33 600
	0	0	0
Liquidity at the beginning of the period	133 228	99 628	99 628
Liquidity at the end of the period	126 772	117 769	133 228
Cash and central bank deposits	134	50 326	50 277
Loans to, and deposits at, credit institutions	126 638	67 443	82 951
Liquidity	126 772	117 769	133 228

Changes in equity

	Share capital	Share premium	Other equity	Total
Equity 31.12.2018	23 810	235 340	-56 920	202 230
Equity 31.12.2019	41 409	242 548	-145 993	157 533
Profit (loss) for the period	0	0	-15 079	-15 079
Transition to IFRS	0	0	-19 579	-19 579
Equity 31.12.2020	82 569	240 181	-132 086	190 664
Profit (loss) for the period	0	0	22 375	22 375
Capital raise	405	101	0	506
Equity 30.09.2021	82 974	240 283	-109 712	213 545

Note 1 Accounting principles

Company information

Mybank ASA is a Norwegian public limited company with business address Bankplassen 1a, Oslo. The bank offers mainly financial services such as restart loans and deposit accounts.

Basis for preparation of the financial statements

The interim report has been prepared in accordance with IFRS with simplifications after regulations, following IAS 34.

The interim report has been revised by the bank's elected auditor. The audit is performed as a simplified audit control of the financial statements in accordance to ISRE 2410.

For a full review of the accounting principles the bank refers to the annual accounts of 2020.

Mybank uses the transitional rule after the change from NGAAP to IFRS with simplifications in 2020.

If nothing else is noticed, amounts are presented in NOK 1 000.

Summary of the most important accounting principles

Segment information

The banks reporting market are only the private market.

Financial instruments – recognition and derecognition

Financial assets and liabilities are recognized when the bank becomes a party to the instrument's contractual terms.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the bank transfers the financial assets in a transaction where all or substantially all risk and profit opportunities linked to the ownership of the assets transfers to the bank.

Financial instruments - classification

At initial recognition, financial instruments are classified in the following groups:

Financial assets:

- Amortized cost
- Fair value with change in value through other comprehensive income
- Fair value with change in value through the profit and loss

Financial assets are classified based on an assessment of the bank's business model and the cash flows associated with the various instruments.

Financial liabilities:

- Other financial liabilities measured at amortized cost

Measurements

Measurements to fair value

The fair value of financial instruments that are traded in active markets is determined at the end of the reporting period with reference to quoted market prices or prices from traders of financial instruments, without deduction of transaction costs. The change in value are included in the income statement.

The model of impairments in the bank

The bank's data center, SDC, has developed its own models for calculating the probability of default (PD). **Mybank** have an internal model for calculating loss given default (LGD). SDC has further developed a solution for exposure in the event of default (EAD) and calculation of losses. The bank has decided to use this model in its calculations of impairments. Expected credit loss (ECL) are calculated from $EAD \times PD \times LGD$, discounted with the effective interest rate.

Impairment of financial assets

Provisions for losses are recognized under IFRS 9 based on expected credit losses. The general model for write-downs of financial assets comprises financial assets that are measured at amortized cost or at fair value with changes in value through other comprehensive income.

Stage 1

At initial recognition, the assets are defined in stage 1, providing there is no significant change in credit risk on the specific assets or group of assets. In the case of assets in stage 1, a loss corresponding to the 12-month expected loss shall be recognized. 12-month expected loss is the loss that is expected to occur over the life of the instrument, but which can be linked to default events that occur in the first 12 months.

Stage 2

If the credit risk for an asset or group of assets is considered to have increased significantly since the initial recognition, a loss provision corresponding to losses during the entire expected life of the asset shall be made and the asset are in stage 2. This includes mainly cash-flows on assets, with a default over 30 days or if there is information for increased risk prior to the 30 days (forbearance).

Stage 3

For an asset or group of assets that are in default over 90 days, there is done an individual evaluation, resulting in an individual write-down, and defined as stage 3. This individual evaluation relies on an asset prior and expected behavior. Assets defined as unlikely to pay or which have been defaulted last 90 days are also defined in stage 3.

Referring to IFRS9 for further details.

Relative increase in credit risk

Significant increase in credit risk is measured based on mainly days in default. Default in 30 days or forbearance defines an asset or group of assets to stage 2, and an asset defined as default in stage 3. Further, an asset or group of assets are defined as stage 2 if there has been default within last 12 months.

On restart loans, the portfolio is relatively small, and all customers are closely followed up. The bank does consecutively evaluations to see if there are any variables indicating an increase in credit risk.

Expected credit loss based on expectations for the future

Mybank has prepared its own expectations for the future. The expectations are based in three different scenarios (base, downside, and upside). The different scenarios are weighted differently, and the expectations are derived from how the different factors impact probability of default and loss given default. The weighing is based on discretionary assessments.

Leases

A lease is classified as a financial lease if it substantially transfers the risks and rewards of ownership. Other leases are classified as operating leases.

The bank implemented IFRS 16 for leases in their balance from Q2 2021. The bank signed a leasing agreement to rent office premises in Bankplassen 1A. The agreement expires 30. April 2026. Yearly rent is NOK 1.1 million.

***Events after the balance sheet date***

New information after the reporting date about the bank's financial position on the reporting date will be considered in the interim financial statements. Events after the balance sheet date that do not affect the bank's financial position in the future will be disclosed if this is significant.

Note 2 Capital adequacy

	Q3 2021	Q3 2020	2020
Share capital	82 974	82 070	82 569
Share premium reserve	240 282	240 145	240 182
Other equity	-132 087	-117 008	-117 008
Retained earnings	22 375	-24 906	-15 079
Deduction of retained earnings	0	0	0
Total core equity	213 544	180 301	190 664
Deduction of intangible assets	-16 715	-20 059	-19 349
Transitional rule for loss write-down according to IFRS9	9 785	13 698	13 698
Adjustment for assets and liabilities at fair value	-309	-175	-135
Core equity tier 1 capital	206 305	173 765	184 878
Additional tier 1 capital instruments	0	0	0
Tier 1 capital	206 305	173 765	184 878
Subordinated loans	0	0	0
Tier 2 capital	206 305	173 765	184 878
Capital requirements	21,1 %	21,1 %	21,1 %

Risk weighted capital

Credit risk	635 710	511 528	594 693
Operational risk	85 636	56 238	85 636
Total risk-weighted assets	721 346	567 766	680 329
Core equity tier 1 capital ratio	28,6 %	30,6 %	27,2 %
Tier 1 capital ratio	28,6 %	30,6 %	27,2 %
Capital ratio	28,6 %	30,6 %	27,2 %
Leverage ratio	11,1 %	14,2 %	14,0 %

Institutions	25 328	13 489	16 590
Unsecured loans to retail customers	4 591	234 124	188 650
Restart loans secured by property	463 598	236 495	268 644
Overdue commitments	72 823	15 800	73 854
Investment funds	13 945	0	7575
Equity	2 371	2 798	2 845
Other	53 054	8 822	36 535
Credit risk	635 710	511 528	594 693
Operational risk	85 636	56 238	85 636
Total risk-weighted assets	721 346	567 766	680 329

Calculations without transitional rule for loss write-downs according to IFRS9

	Q3 2021	Q3 2021	2020
Core equity tier 1 capital ratio	27,6 %	28,0 %	25,7 %
Tier 1 capital ratio	27,6 %	28,0 %	25,7 %
Capital ratio	27,6 %	28,0 %	25,7 %
Leverage ratio	10,6 %	14,2 %	13,1 %

Note 3 Loans to customers

Net loans and receivables from customers	30.09.2021	30.09.2020
Loans and receivables from customers – Unsecured loans	62 147	279 463
Loans and receivables from customers - Restart loans	1 349 031	599 244
Net loans and receivables from customers at amortized cost	1 411 178	878 707
Provisions for losses - Restart loans	5 737	34 176
Provisions for losses - Unsecured loans	24 489	3 112
Net loans and receivables from customers at amortized cost	1 380 952	841 419

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	148 466	52 354	54 162	254 982
Transfers				
Transfer stage 1 to stage 2	-2 203	2 091		-113
Transfer stage 1 to stage 3	-1 182		1 286	104
Transfer stage 2 to stage 1	1	-3		-2
Transfer stage 2 to stage 3		-4 724	5 148	424
Transfer stage 3 to stage 1	415		-893	-478
Transfer stage 3 to stage 2		146	-177	-30
 New loans	 244	 0	 60	 304
Repaid loans*	-143 473	-46 239	-6 319	-196 031
Changes in not migrated loans	-114	-120	3 222	2 988
Gross loans ex. commission fee per 30.09.2021	2 153	3 503	56 491	62 147

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	657 726	114 682	47 213	819 621
Transfers				
Transfer stage 1 to stage 2	-77 215	77 357		142
Transfer stage 1 to stage 3	-12 693		13 643	950
Transfer stage 2 to stage 1	4 747	-4 827		-80
Transfer stage 2 to stage 3		-9 337	9 652	315
Transfer stage 3 to stage 1	828		-844	-16
Transfer stage 3 to stage 2		6 390	-6 474	-83
 New loans	 741 886	 97 235	 15 061	 854 182
Repaid loans	-212 831	-52 233	-20 807	-285 871
Changes in not migrated loans	-17 878	-661	-13 338	-31 877
Gross loans ex. commission fee per 30.09.2021	1 084 570	228 607	44 106	1 357 283

Total

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	806 192	167 036	101 376	1 074 604
Transfers				
Transfer stage 1 to stage 2	-79 418	79 448		30
Transfer stage 1 to stage 3	-13 875		14 929	1 054
Transfer stage 2 to stage 1	4 748	-4 830		-82
Transfer stage 2 to stage 3		-14 062	14 800	738
Transfer stage 3 to stage 1	1 242		-1 736	-494
Transfer stage 3 to stage 2		6 536	-6 650	-114
New loans	742 130	97 235	15 121	854 486
Repaid loans	-356 304	-98 472	-27 126	-481 902
Changes in not migrated loans	-17 992	-781	-10 116	-28 889
Gross loans ex. commission fee per 30.09.2021	1 086 724	232 110	100 597	1 419 430

* For unsecured loans, the development in loans and loss provisions between stages are heavily impacted by the disposal of approx. 73% of the portfolio in the first quarter. This development is shown as repaid loans in addition to regular down payments.

For restart loans, the development reflects the bank's net growth with good securities and hard work on non-performing loans.

Note 4 Loan losses and loss provisions

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2021	5 625	7 636	21 694	34 955
Transfers				
Transfer stage 1 to stage 2	-613	653	0	40
Transfer stage 1 to stage 3	-90	0	528	437
Transfer stage 2 to stage 1	0	0	0	0
Transfer stage 2 to stage 3	0	-801	2 088	1 287
Transfer stage 3 to stage 1	13	0	-366	-354
Transfer stage 3 to stage 2	0	36	-71	-35
New loans	11	0	24	35
Repaid loans	-4 882	-6 633	-2 457	-13 972
Changes in not migrated loans	79	9	2 007	2 095
Loss provisions per 30.09.2021	143	900	23 446	24 489
This period's change in provisions	-5 483	-6 736	1 752	-10 467
Provisions in % of gross loans	6,6 %	25,7 %	41,5 %	39,4 %

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2021	1 054	1 861	2 444	5 359
Transfers				
Transfer stage 1 to stage 2	-90	681	0	591
Transfer stage 1 to stage 3	-16	0	24	7
Transfer stage 2 to stage 1	41	-12	0	29
Transfer stage 2 to stage 3	0	-228	1 118	889
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	0	0	0
New loans	973	152	145	1 271
Repaid loans	-660	-794	-870	-2 324
Changes in not migrated loans	220	-91	-215	-86
Loss provisions per 30.09.2021	1 522	1 570	2 646	5 737
This period's change in provisions	468	-291	201	378
Provisions in % of gross loans	0,1 %	0,9 %	2,5 %	0,4 %

Total

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2021	6 679	9 497	24 138	40 315
Transfers				
Transfer stage 1 to stage 2	-703	1 334	0	631
Transfer stage 1 to stage 3	-107	0	551	445
Transfer stage 2 to stage 1	41	-12	0	29
Transfer stage 2 to stage 3	0	-1 029	3 206	2 177
Transfer stage 3 to stage 1	13	0	-366	-354
Transfer stage 3 to stage 2	0	36	-71	-35
New loans	984	152	169	1 306
Repaid loans	-5 542	-7 426	-3 327	-16 296
Changes in not migrated loans	299	-82	1 792	2 009
Loss provisions per 30.09.2021	1 664	2 470	26 091	30 226
This period's change in provisions	-5 015	-7 027	1 953	-10 089
Provisions in % of gross loans	0,2 %	1,5 %	15,9 %	2,1 %

Non-performing commitments	30.09.2021	30.09.2020
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Loss-prone commitments before individual write-downs

Defaulted commitment over 90 days	84 533	87 542
Other non-performing commitments	15 914	0
Total commitment before individual write-downs	100 447	87 542

Individual write-downs of

Defaulted commitment over 90 days	24 616	20 153
Other non-performing commitments	1 415	0
Total individual loss write-downs (stage 3)	26 031	20 153

Loss-prone commitments after individual write-downs

Defaulted commitment over 90 days	59 917	67 389
Other non-performing commitments	14 499	0
Total commitment after individual write-downs	74 416	67 389

Loan losses	30.09.2021	30.09.2020
Stage 1	4 973	3 656
Stage 2	7 090	3 225
Stage 3	-1 974	-5 426
Entered previously established losses	-6 789	-14 153
Total loan losses	3 300	-12 698

Note 5 Operating costs

	Q3 2021	Q3 2020
Audit fees	415	125
Other assistance	215	119
Consultant fees	666	1 259
IT operating costs	2 206	2 221
Cost and reimbursement for travel	61	162
Sales and advertising costs	6 261	268
Rent	650	134
Other costs rented premises	78	19
Other administration costs	-584	1 806
Depreciation	1 047	5 563
Total other operating expenses	11 015	11 675

Note 6 Net change in value of financial instruments at fair value

	30.09.2021	30.06.2021	31.03.2021
Net change in value of shares / units in funds	145	316	283
Net change in value of financial instruments at fair value	145	316	283

The bank's liquidity portfolio is invested in fixed income funds adapted to the regulations for liquidity management for banks.

Note 7 Classification of financial instruments in the balance sheet

	Valued at fair value through profit or loss	Assessed at amortized cost	30.09.2021 Total
Cash and cash equivalents		134	134
Loans and advances to credit institutions		126 638	126 638
Lending to and receivables from customers		1 380 952	1 380 952
Shares and units in funds	309 029		309 029
Other assets		14 297	14 297
Total Assets	309 029	1 522 021	1 831 050
Deposits from customers		1 594 227	1 594 227
Other debt		35 427	35 427
Total Liabilities		1 629 653	1 629 653

	Valued at fair value through profit or loss	Assessed at amortized cost	31.12.2020 Total
Cash and cash equivalents		50 277	50 277
Loans and advances to credit institutions		82 951	82 951
Lending to and receivables from customers		1 013 302	1 013 302
Shares and units in funds	135 498		135 498
Other assets		22 837	22 837
Total Assets	135 498	1 169 367	1 304 865
Deposits from customers		1 126 605	1 126 605
Other debt		6 946	6 946
Total liabilities		1 133 551	1 133 551

Note 8 Fair value of financial instruments

Fair value of financial instruments valued at fair value

For financial instruments, fair value has been estimated using valuation techniques as follows:

Level 1: Valuation based on quoted prices in an active market

Level 2: Valuation based on observable market data

Level 3: Valuation based on other than observable data

Assets	Level 1	Level 2	Level 3	30.09.2021
Shares/units in funds		306 657		306 657
Shares in SDC A/S			2 371	2 371
Total	-	306 657	2 371	309 029

Assets	Level 1	Level 2	Level 3	30.06.2021
Shares/units in funds		181 511		181 511
Shares in SDC A/S			2 372	2 372
Total	-	181 511	2 372	183 883

Assets	Level 1	Level 2	Level 3	31.03.2021
Shares/units in funds		311 258		311 258
Shares in SDC A/S			2 523	2 523
Total	-	311 258	2 523	313 781

Assets	Level 1	Level 2	Level 3	31.12.2020
Shares/units in funds		132 653		132 653
Shares in SDC A/S			2 845	2 845
Total	-	132 653	2 845	135 498

For equities / funds in level 2, fair value is based on observable market data on underlying investments.

For equities / funds in level 3, fair value is based on the price from recent transactions, the exchange rate and a discretionary assessment of developments in the period between the last transaction price and the balance sheet date.

Note 9 Lease

	YTD 2021
Right of use assets	4 935
Rental obligation	-5 563
Assets	-628
Interest expense (calculated based on marginal borrowing rate) *	37
Depreciation	591
Lease costs	628

The bank has signed a lease agreement for the lease of premises in Bankplassen 1 a. The agreement expires on 30 April 2026. Annual rent amounts are NOK 1.1 million

* Marginal borrowing rates are calculated based on available information on government bonds and treasury bill rates as the bank does not have financial obligations that can be used as a basis. Calculated interest rates have been compared with similar banks in the market and adjusted somewhat to hedge the risk of the lease obligation.

Note 10 Overview of largest shareholders

Mybank has a share capital of NOK 323.3 million, divided into 7.682.759 shares. The bank had a total of 196 shareholders.

There are 968 750 subscription rights outstanding, 234 375 of which with a strike price of NOK 12.60 and expire on 30.06.2022 and 234 375 with a strike price of NOK 14.40 expiring on 30.06.2023. 166 666 with a strike price of NOK39.9 and expire on 15.06.2024, 166 666 with a strike price of NOK43.9 and expire on 15.06.2025 and 166 668 with a strike price of 48.3 and expire on 15.06.2026.

Largest shareholders as of 30.09.2021

Rank	Name	Holding	Stake	Nom.	Board/management
1	Skandinaviska Enskilda Banken AB	1 359 726	17,70	Yes	Yes*
2	DAIMYO AS	1 089 966	14,19		Yes**
3	COMPANY ONE AS	745 089	9,70		Yes***
4	NORDIC DELTA AS	611 766	7,96		
5	DANSKE BANK A/S	573 274	7,46	Yes	
6	NORDIC PROPERTY HOLDING AS	466 411	6,07		
7	BIMO KAPITAL AS	308 236	4,01		
8	Nordnet Bank AB	296 076	3,85	Yes	
9	DOBER AS	233 798	3,04		
10	MH CAPITAL AS	205 309	2,67		
11	SES AS	173 600	2,26		
12	TITAN VENTURE AS	150 000	1,95		
13	Swedbank AB	149 509	1,95	Yes	
14	Skandinaviska Enskilda Banken AB	138 889	1,81	Yes	
15	EWIX AS	110 323	1,44		
16	ART GROUP AS	107 593	1,40		
17	MORCO HOLDING AS	92 593	1,21		
18	DALEN	50 371	0,66		
19	CAMELBACK HOLDING AS	50 000	0,65		
20	TVENGE	50 000	0,65		
= 20 largest shareholders		6 962 529	90,63		
+ Other shareholders		720 230	9,37		
= Total		7 682 759	100,00		

* Holdings by Skandinaviska Enskilda Banken AB include shares owned by Erik Selin Fastigheter AB (ESF) and held in nominee. ESF is represented on the board of directors by Jesper Mårtensson.

** Daimyo AS is controlled by Espen Aubert, member of the board of directors.

*** Company One AS is controlled by Håkon Reistad Fure, CEO of **mybank** ASA. Company One AS has been allocated 375.000 subscription rights in connection with its investment in the Company.

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