

Interim Report Q4 2022

Short summary of the quarter

- The bank reported a positive 0.1% ROE in Q4 2022 (positive 19.4% in Q4 2021) and an underlying ROE of 8.2%.
- The net profit was positive MNOK 0.1 (positive MNOK 10.9 in Q4 2021) and the underlying net profit was MNOK 5.0 (MNOK 11.5 in Q4 2021).
- Restart loans decreased by MNOK 131.2 net to MNOK 1 313.
- The cost ratio was 78.1% (47.3% in Q4 2021).
- The loan losses in the quarter were MNOK 5.2 (MNOK 2.6 in Q4 2021).
- The bank has a capital ratio of 23.5% (25.2% in Q4 2021)

Mybank reported a pre-tax profit of positive MNOK 0.1 in the quarter. The underlying result for the quarter was MNOK 5.0, excluding non-recurring items (non-recurring items are presented in note 5).

Net interest income for the quarter was MNOK 21.7, a decrease of 17.8% from MNOK 26.4 in Q4 2021. Operating costs for the quarter was MNOK 18.8, an increase of 55.0% from MNOK 12.1 in Q4 2021.

The pre-provisions profits decreased to MNOK 5.3 from MNOK 13.5 in Q4 2021 and the underlying ROE was 8.2% in the fourth quarter 2022.

Loan loss provisions totaled MNOK 6.7 this quarter, compared to loan loss provisions of MNOK 2.4 in Q4 2021. This corresponds to a loan loss provisions

ratio of 1.5% annualized (compared to 0.6% in Q4 2021).

The capital ratio was 23.5%, a decrease from 25.2% in Q4 2021.

CEO comments

MyBank received the final report from the Norwegian Financial Supervisory Authority in January. During the quarter, a limited number of new loans were disbursed and our current portfolio had higher churn than previous periods. This resulted in a decreased loan portfolio, while we at the same time had high non-recurring operating costs using consultancy resources and an increase in loan losses.

The bank has executed major improvements in its management and control processes.

The bank received an additional temporary capital requirement from the NFSA of MNOK 30. This will be applicable until the bank has reviewed and improved multiple policies, and until the NFSA consider the banks guiding policies to be adequate and the uncertainty of the loan portfolio to be reduced. Consequently, the bank is in breach of its capital requirement as of 31 December 2022. The bank is in process of raising capital and expects to be in line with the increased capital requirements at the end of the next quarter, including the increased countercyclical buffer that will be made effective from 31 March 2023.

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 include share premium of MNOK 273.3 in 2016 and 2017. Following the capital raise in Q1 2019, the share capital increased to MNOK 299.7. During 2020, the bank raised an additional MNOK 70 in private placements. The shares are unlisted and are registered at NOTC.

At the end of the quarter the bank had 19 employees.

Financial information for the quarter

Mybank recorded net interest income of MNOK 21.7 during the quarter. The bank had operating costs of MNOK 18.8, of which MNOK 6.6 staff costs and MNOK 12.2 other operating expenses (including depreciation).

At the end of the quarter, the bank's gross loans to customers totaled MNOK 1 372, of which MNOK 1 313 restart loans and MNOK 59 unsecured loans.

Gross deposits were MNOK 1 341, hence deposit coverage was at 97.8%.

The bank's cash and cash equivalents were MNOK 256.7 at the end of the quarter, compared to MNOK 474.5 in Q4 2021.

Loan losses

Loan losses for the quarter totaled MNOK 5.2, of which MNOK 6.7 is changes in provisions. This represents a

1.5% annualized of net loans, compared to 0.6% in Q4 2021. The positive effect on loan losses originates from expired proof of finances.

Of the total loan loss provisions, MNOK 29.2 related to restart loans and MNOK 23.5 related to unsecured loans (the split and flow between stages are presented in note 3 and 4). Provisions represent 10.8% of non-performing loans.

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

Regulatory developments

During 2022 the countercyclical buffer increased by 1%. From 31.03.2023 the countercyclical buffer will increase by another 0.5%. The systemic risk buffer will increase from 3% to 4.5% 31.12.2023. Due to the process with the NFSA the bank has received a temporary additional capital requirement of MNOK 30.

Prospects

Mybank is a focused provider of mortgage loans. The bank remains focused on helping customers with their economic situation. There has been carried out an extensive internal and external review of the banks policies and there have been made significant upgrades to current policies and control functions. The bank will continue to invest in systems and competencies during 2023.

Post balance sheet date events

Due to the process with the NFSA, the bank has received a temporary additional capital requirement of MNOK 30. This means that the bank must have MNOK 30 excess capital in addition to the Pillar 1 and 2 requirements, at Tier 2 level. The bank is in breach of this requirement as of 31.12.2022. There is close dialogue with the NFSA on this requirement. It is expected that the bank will be in line with the new requirement as of Q1 2023. Because of this the bank will most likely continue normal operations again at the end of Q1 2023.

Risk factors

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

- A significant drop in the housing market leading to a weaker economy and deteriorating credit quality,
- 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,
- a need to raise capital within a short period in time.

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.

Oslo, 10. February 2023, Board of Directors of mybank ASA

Key figures

Alternative Performance Measures (APMs) are defined on pages 23 and 24.

	Q4 2022	Q4 2021	2022	2021
Profitability				
Cost percentage	78.1 %	47.3 %	59.8 %	63.4 %
Return on equity (annualized)	0.1 %	19.4 %	8.4 %	16.0 %
Loss and default				
Loan loss percentage	1.5 %	0.6 %	1.4 %	0.0 %
Balance sheet				
Total assets on the balance sheet date	1 601 357	2 144 168	1 601 357	2 144 168
Average total assets during the period	1 720 420	1 996 435	2 054 285	1 617 387
Profit as a percentage of total assets	0.0 %	2.1 %	1.0 %	1.9 %
Equity in % of total assets	15.1 %	10.5 %	15.1 %	10.5 %
Lending growth (gross) last 12 months	-18.4 %	56.4 %	-18.4 %	56.4 %
Deposit growth over the last 12 months	-29.4 %	68.7 %	-29.4 %	68.7 %
Deposits in % of loans	97.8 %	113.1 %	97.8 %	113.1 %
Liquidity Coverage (LCR)	657 %	1050 %	657 %	1050 %
NSFR	138 %	181 %	138 %	181 %
Solidity				
Capital adequacy	23.5 %	25.2 %	23.5 %	25.2 %
Tier 1 capital adequacy	23.5 %	25.2 %	23.5 %	25.2 %
Net tier 1 capital adequacy	23.5 %	25.2 %	23.5 %	25.2 %
Leverage ratio	14.6 %	10.1 %	14.6 %	10.1 %
Total tier 1 capital	232 154	217 296	232 154	217 296
Crew				
Average number full-time equivalent	18.8	19.8	18.8	19.8

Financial Statement

Income statement

	Note	Q4 2022	Q4 2021	2022	2021
Interest income and similar income		31 958	37 037	127 260	107 241
Interest costs and similar costs		-10 210	-10 671	-30 802	-17 305
Net interest income		21 749	26 365	96 458	89 936
Commissions and fee income from bank services		3	-4	3	21
Commissions and fee expense from bank services		-192	-162	-766	-833
Income (loss) from trading activities	6	2 459	-619	1 352	124
Net other income		2 270	-785	589	-688
Total operating income		24 019	25 580	97 047	89 249
Staff cost		-6 560	-5 836	-23 594	-27 858
Other operating costs	5	-11 241	-5 272	-30 478	-24 579
Depreciation	5	-964	-1 002	-3 996	-4 171
Total operating costs		-18 766	-12 111	-58 068	-56 608
Operating profit (loss) before loan impairments		5 253	13 469	38 979	32 641
Loan losses	4	-5 188	-2 556	-19 435	648
Profit (loss) before tax		65	10 913	19 544	33 289
Tax		0	0	0	0
Profit (loss) for the period		65	10 913	19 544	33 289
Other income and expenses (after tax)		0	0	0	0
Total result		65	10 913	19 544	33 289

Balance sheet

Balance sheet is presented in NOK 1 000

	Note	2022	2021
<u>Assets</u>			
Cash and central bank deposits	7	50 464	50 088
Loans to, and deposits at, credit institutions	7	30 157	70 962
Net loans to customers	3,7	1 325 108	1 647 615
Short term financial investments	7,8	176 041	353 409
Intangible assets		13 678	16 594
Fixed assets		0	0
Leases	9	3 414	4 552
Other assets	7	2 495	947
Total assets		1 601 357	2 144 168
<u>Liabilities</u>			
Deposits from customers		1 341 285	1 900 260
Accounts payable		6 093	7 706
Accrued expenses and unearned income		9 365	6 746
Lease liability	9	3 496	4 595
Provisions on financial instruments	4	2	402
Total liabilities		1 360 241	1 919 709
<u>Equity</u>			
Share capital		82 974	82 974
Share premium fund		237 396	240 284
Other equity		-79 254	-98 798
Total equity		241 116	224 459
Total liabilities and equity		1 601 357	2 144 168

Oslo, February 10, 2023

The **Board of Directors of mybank ASA**

(electronically signed)

Rune Brunborg
Chairman of the Board

(electronically signed)

Elisabeth Wiger
Board member

(electronically signed)

Izabella Kibsgaard-Petersen
Board member

(electronically signed)

Ellen Merete Hanetho
Board member

(electronically signed)

Fabian Haugan
Board member

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Madiha Ghazanfar
Board member

(electronically signed)

Caroline Kvam Stokke
CEO

Cash flow

	Q4 2022	Q4 2021	2022	2021
Cash flows from operating activities				
Interest payments from central banks and credit institutions	634	0	1 231	0
Deposits / disbursements of deposits from customers	-281 666	306 033	-558 974	773 655
Interest payments on deposits from customers	-9 507	-4 799	-28 476	-15 976
Payments on loans to customers	137 837	-277 825	325 658	-600 392
Interest payments on loans to customers	28 535	29 079	114 937	97 519
Deposits / disbursements of deposits from credit institutions	-703	-435	-2 326	-1 329
Interest payments on deposits from credit institutions	2 459	-619	1 352	124
Commission payments from bank services	-189	-166	-762	-812
Fee amortization	2 789	2 521	11 092	9 722
Payment for operation	-23 954	-14 667	-77 503	-56 353
Net cash flow from operating activities	-143 764	39 121	-213 772	206 159
Cash flows from investing activities				
Payments on shares, participations, and equity certificates	66 552	-44 380	177 368	-217 911
Net cash flow from investing activities	66 552	-44 380	177 368	-217 911
Cash flows from financing activities				
Rent (financial liabilities)	-278	-969	-1 138	-931
Deposited equity (payment on issue / capital increase)	0	506	-2 887	506
Net cash flow from financing activities	-278	-463	-4 025	-425
Net cash flow during the period	-77 490	-5 721	-40 430	-12 177
Liquidity at the beginning of the period	158 111	126 772	121 051	133 228
Liquidity at the end of the period	80 621	121 051	80 621	121 051
Cash and central bank deposits	50 464	50 088	50 464	50 088
Loans to, and deposits at, credit institutions	30 157	70 962	30 157	70 962
Liquidity	80 621	121 050	80 621	121 051

Changes in equity

	Share capital	Share premium	Other equity	Total
Equity 31.12.2019	41 409	242 548	-126 414	157 543
Transition to IFRS	0	0	-19 579	-19 579
Adjusted equity 01.01.2020	41 409	242 548	-145 993	137 964
Profit (loss) for the period	0	0	-15 079	-15 079
Capital increase and reduction	41 160	-2 367	28 986	67 779
Equity 31.12.2020	82 569	240 181	-132 086	190 664
Profit (loss) for the period	0	0	22 375	22 375
Capital increase and reduction	405	101	0	506
Equity 30.09.2021	82 974	240 282	-109 711	213 545
Profit (loss) for the period	0	0	10 913	10 913
Capital increase and reduction	0	0	0	0
Equity 31.12.2021	82 974	240 282	-98 798	224 458
Profit (loss) for the period	0	0	19 544	19 544
Purchase of subscription rights	0	-2 887	0	-2 887
Equity 31.12.2022	82 974	237 396	-79 254	241 116

*Purchase of subscription rights are referred to in note 11.

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.

For a full review of the accounting principles the bank refers to the annual accounts of 2021.

Mybank uses the transitional rule after the change from NGAAP to IFRS with simplifications in 2021.

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

Summary of the most important accounting principles

Segment information

The bank only operates in the mortgage market and thus only reports one segment.

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

Mybank have an internal model for calculating loss given default (LGD). Probability of default (PD) are calculated based on historical data and earlier default. The bank's data center, SDC, has developed a solution for exposure in the event of default (EAD) and calculation of loan losses. Expected credit losses (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 carries out routine 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 based on Norges Bank and DNB's outlook. The expectations are based on three different scenarios (static, downside, and base). 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 weighting 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 Bankpassen 1A. The agreement expires 30. April 2026. Yearly rent is MNOK 1.1.

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

	Q4 2022	Q4 2021
Share capital	82 974	82 974
Share premium reserve	237 396	240 284
Other equity	-98 798	-132 087
Retained earnings	19 544	33 289
Deduction of retained earnings	0	0
Total core equity	241 116	224 459
Deduction of intangible assets	-13 678	-16 594
Transitional rule for loss write-down according to IFRS9	4 892	9 785
Adjustment for assets and liabilities at fair value	-176	-353
Core equity tier 1 capital *	232 154	217 296
Additional tier 1 capital instruments	0	0
Tier 1 capital *	232 154	217 296
Subordinated loans	0	0
Tier 2 capital *	232 154	217 296
Capital requirements	25.1 %	21.1 %
Risk weighted capital		
Credit risk	835 603	743 214
Operational risk	152 148	119 081
Total risk-weighted assets	987 751	862 295
Core equity tier 1 capital ratio	23.5 %	25.2 %
Tier 1 capital ratio	23.5 %	25.2 %
Capital ratio	23.5 %	25.2 %
Leverage ratio	14.6 %	10.1 %
Institutions	6 031	14 202
Unsecured loans to retail customers	2 324	4 849
Restart loans secured by property	335 970	555 295
Overdue commitments	467 264	104 703
Investment funds	0	16 943
Equity	2 827	2 327
Other	21 187	44 895
Credit risk	835 603	743 214
Operational risk	152 148	119 081
Total risk-weighted assets	987 751	862 295
Calculations without transitional rule for loss write-downs according to IFRS9		
Core equity tier 1 capital ratio	23.1 %	
Tier 1 capital ratio	23.1 %	
Capital ratio	23.1 %	
Leverage ratio	14.3 %	

* The result has not been revised for the fourth quarter but has been included in the calculation bases as the result will be revised.

Note 3 Loans to customers

Net loans and receivables from customers	31.12.2022	31.12.2021
Loans and receivables from customers - Unsecured loans	58 807	60 771
Loans and receivables from customers - Restart loans	1 318 998	1 619 476
Net loans and receivables from customers at amortized cost*	1 377 804	1 680 247
Provisions for losses - Unsecured loans	23 468	23 838
Provisions for losses - Restart loans	29 229	8 795
Net loans and receivables from customers at amortized cost**	1 325 107	1 647 614

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2022	2 843	2 492	55 436	60 771
Transfers				
Transfer stage 1 to stage 2	-9	9		0
Transfer stage 1 to stage 3	-553		440	-113
Transfer stage 2 to stage 1	356	-403		-47
Transfer stage 2 to stage 3		-1 885	1 989	105
Transfer stage 3 to stage 1	331		-858	-527
Transfer stage 3 to stage 2		60	-200	-140
New loans	453	0	0	453
Repaid loans	-1 096	-85	-4 356	-5 538
Changes in not migrated loans	-670	-12	4 525	3 843
Gross loans per 31.12.2022	1 656	176	56 975	58 807

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2022	1 262 566	257 269	99 850	1 619 685
Transfers				
Transfer stage 1 to stage 2	-137 862	132 131		-5 731
Transfer stage 1 to stage 3	-242 519		242 338	-182
Transfer stage 2 to stage 1	5 856	-5 960		-105
Transfer stage 2 to stage 3		-110 469	113 358	2 888
Transfer stage 3 to stage 1	8 536		-8 602	-66
Transfer stage 3 to stage 2		0	0	0
New loans	246 170	64 948	25 826	336 943
Repaid loans	-483 063	-111 972	-30 192	-625 226
Changes in not migrated loans	-5 390	-410	-9 405	-15 205
Gross loans per 31.12.2022	654 293	225 537	433 172	1 313 003

Total

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2022	1 265 409	259 760	155 286	1 680 456
Transfers				
Transfer stage 1 to stage 2	-137 871	132 140		-5 731
Transfer stage 1 to stage 3	-243 073		242 778	-295
Transfer stage 2 to stage 1	6 212	-6 363		-152
Transfer stage 2 to stage 3		-112 354	115 347	2 993
Transfer stage 3 to stage 1	8 867		-9 460	-593
Transfer stage 3 to stage 2		60	-200	-140
New loans	246 623	64 948	25 826	337 397
Repaid loans	-484 159	-112 057	-34 549	-630 764
Changes in not migrated loans	-6 060	-422	-4 881	-11 363
Gross loans per 31.12.2022	655 949	225 713	490 147	1 371 809

* Net loans to customers including amortization fee, agent commission and accrued interest.

** Net loans to customers.

For restart loans, the development reflects the bank's net growth.

Note 4 Loan losses and loss provisions

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2022	133	597	23 107	23 838
Transfers				
Transfer stage 1 to stage 2	0	1	0	1
Transfer stage 1 to stage 3	-13	0	180	168
Transfer stage 2 to stage 1	15	-59	0	-45
Transfer stage 2 to stage 3	0	-515	815	300
Transfer stage 3 to stage 1	14	0	-532	-518
Transfer stage 3 to stage 2	0	6	-87	-81
New loans	18	0	0	18
Repaid loans	-58	-9	-1 841	-1 907
Changes in not migrated loans	-41	8	1 728	1 695
Loss provisions per 31.12.2022	68	29	23 372	23 468
This period's change in provisions	66	569	-264	370
Provisions in % of gross loans	4,1 %	16,4 %	41,0 %	39,9 %

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2022	2 314	2 140	4 341	8 795
Transfers				
Transfer stage 1 to stage 2	-338	1 449	0	1 111
Transfer stage 1 to stage 3	-797	0	14 892	14 095
Transfer stage 2 to stage 1	9	-75	0	-66
Transfer stage 2 to stage 3	0	-628	7 201	6 573
Transfer stage 3 to stage 1	27	0	-221	-194
Transfer stage 3 to stage 2	0	0	0	0
New loans	489	697	390	1 576
Repaid loans	-967	-1 192	-1 106	-3 264
Changes in not migrated loans	672	142	-210	604
Loss provisions per 31.12.2022	1 409	2 532	25 287	29 229
This period's change in provisions	905	-393	-20 946	-20 434
Provisions in % of gross loans	0,2 %	1,1 %	5,8 %	2,2 %

Total

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2022	2 447	2 737	27 448	32 633
Transfers				
Transfer stage 1 to stage 2	-338	1 449	0	1 111
Transfer stage 1 to stage 3	-809	0	15 072	14 263
Transfer stage 2 to stage 1	24	-135	0	-111
Transfer stage 2 to stage 3	0	-1 143	8 016	6 873
Transfer stage 3 to stage 1	40	0	-753	-712
Transfer stage 3 to stage 2	0	6	-87	-81
New loans	507	697	390	1 594
Repaid loans	-1 025	-1 201	-2 946	-5 172
Changes in not migrated loans	631	150	1 519	2 299
Loss provisions per 31.12.2022	1 477	2 561	48 659	52 697
This period's change in provisions	971	176	-21 211	-20 064
Provisions in % of gross loans	0,2 %	1,1 %	9,9 %	3,8 %

Non-performing commitments 31.12.2022 31.12.2021

Loss-prone commitments before individual write-downs

Defaulted commitment over 90 days	354 310	95 678
Other non-performing commitments	135 837	59 608
Total commitment before individual write-downs	490 147	155 286

Individual write-downs of

Defaulted commitment over 90 days	45 747	25 766
Other non-performing commitments	2 912	1 683
Total individual loss write-downs (stage 3)	48 659	27 449

Loss-prone commitments after individual write-downs

Defaulted commitment over 90 days	308 563	69 912
Other non-performing commitments	132 926	57 925
Total commitment after individual write-downs	441 489	127 837

Loan losses	Q4 2022	Q4 2021	2022	2021
Stage 1	-545	783	-971	-4 232
Stage 2	479	207	-176	-6 760
Stage 3	6 738	1 417	21 211	3 310
Remarks without previous write-downs	0	0	0	244
Remarks with previous write-downs	-1 484	149	-629	6 790
Entered previously established losses	0	0	0	0
Total loan losses	5 188	2 556	19 435	-648

Note 5 Operating costs

	Q4 2022	Q4 2021	2022	2021
Audit fees	1 185	164	2 366	1 390
Other assistance	802	1 138	8 041	2 079
Consultant fees	6 206	685	8 654	1 977
IKT operating costs	2 091	1 975	7 666	8 260
Cost and reimbursement for travel	55	11	203	86
Sales and advertising costs	0	1 025	0	8 788
Rent	343	355	1 388	898
Other costs rented premises	30	45	134	298
Other administration costs	530	-126	2 027	803
Depreciation	964	1 002	3 994	4 171
Total other operating expenses	12 207	6 274	34 472	28 750

Underlying result	Q4 2022
Total result	65
Income (loss) from trading activities	-2 459
Legal fees	586
Audit fees	770
Consultant fees	6 013
Administrative fine	0
Total underlying result	4 975

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

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2021
Net change in value of shares / units in funds	2 459	-345	-28	-734	124
Net change in value of financial instruments at fair value	2 459	-345	-28	-734	124

Note 7 Classification of financial instruments in the balance sheet

	Valued at fair value through profit or loss	Assessed at amortized cost	31.12.2022 Total
Cash and cash equivalents		50 464	50 464
Loans and advances to credit institutions		30 157	30 157
Lending to and receivables from customers		1 325 108	1 325 108
Shares and units in funds	176 041		176 041
Other assets		2 495	2 495
Total Assets	176 041	1 408 224	1 584 265
Deposits from customers		1 341 285	1 341 285
Other debt		9 365	9 365
Total Liabilities		1 350 650	1 350 650

	Valued at fair value through profit or loss	Assessed at amortized cost	31.12.2021 Total
Cash and cash equivalents		50 088	50 088
Loans and advances to credit institutions		70 962	70 962
Lending to and receivables from customers		1 647 615	1 647 615
Shares and units in funds	353 409		353 409
Other assets		947	947
Total Assets	353 409	1 769 613	2 123 022
Deposits from customers		1 900 260	1 900 260
Other debt		7 706	7 706
Total Liabilities		1 907 966	1 907 966

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	31.12.2022
Shares/units in funds		173 214		173 214
Shares in SDC A/S			2 827	2 827
Total	-	173 214	2 827	176 041

Assets	Level 1	Level 2	Level 3	31.12.2021
Shares/units in funds		351 082		351 082
Shares in SDC A/S			2 327	2 327
Total	-	351 082	2 327	353 409

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

Assets	
Accounted value 01.01.2022	4 552
Depreciation	-1 138
Accounted value 31.12.2022	3 414

Liabilities	
Accounted value 01.01.2022	4 595
Interest expense (calculated based on marginal borrowing rate)*	123
Rent	-1 222
Accounted value 31.12.2022	3 496

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

* 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 MNOK 83.0, divided into 7.682.759 shares. The bank had a total of 179 shareholders.

There are 272 500 subscription rights outstanding.

Subscription	Strike price	Expiration date
18 750	12.6	30.06.2023
187 500	14.4	30.06.2023
23 750	40.0	30.06.2023
18 750	14.4	30.06.2024
23 750	44.0	30.06.2024

Largest shareholders as of 31.12.2022

Rank	Name	Holding	Stake	Nom.	Board/management
1	Skandinaviska Enskilda Banken AB	1 344 136	17.50	Yes	
2	DAIMYO INVEST AS	768 199	10.00		
3	NORDIC DELTA AS	768 198	10.00		
4	COMPANY ONE AS	745 089	9.70		
5	MH CAPITAL AS	730 193	9.50		
6	DANSKE BANK A/S	573 274	7.46	Yes	
7	MIDDELBOURG INVEST AS	321 767	4.19		
8	BIMO KAPITAL AS	308 236	4.01		
9	Nordnet Bank AB	296 076	3.85	Yes	
10	DOBER AS	233 798	3.04		
11	SES AS	176 100	2.29		
12	EWIX AS	140 323	1.83		
13	Skandinaviska Enskilda Banken AB	138 889	1.81	Yes	
14	Swedbank AB	138 055	1.80	Yes	
15	ART GROUP AS	107 593	1.40		
16	MORCO HOLDING AS	92 593	1.21		
17	CAMELBACK HOLDING AS	75 000	0.98		
18	DALEN	50 371	0.66		Yes*
19	TVENGE	50 000	0.65		
20	J AANERØD & SØNN AS	47 099	0.61		
=	20 largest shareholders	7 104 989	92.48		
+	Other shareholders	577 770	7.52		
=	Total	7 682 759	100		

* Dalen is owned by Cathrine Birgitte Dalen, Chief Compliance Officer in mybank ASA

Note 11 Transactions with related parties

Transactions	2022
Company One AS*	2 887
Total	2 887

*Pursuant to the EGM resolution in July 2020, the bank entered into a subscription right agreement with Company One AS. 187.500 of these rights expired in June 2022 and was cash settled.

Alternative performance measures (APM)

Mybank presents alternative performance measures (APM) that will provide useful information to substantiate the accounts. APM is used in our reporting to provide an overall picture and understanding of mybank's results. Mybank's APMs are presented in quarterly reports, presentations, and annual reports.

Definitions of APMs used:

Deposit coverage

(Gross deposits from customers / Gross loans to customers)

	Q4 2022	Q4 2021	2022	2021
Gross deposits from customers	1 341 285	1 900 260	1 341 285	1 900 260
Gross loans to customers	1 371 809	1 680 456	1 371 809	1 680 456
Deposits in % of loans	97.8 %	113.1 %	97.8 %	113.1 %

Lending growth (gross) last 12 months

((Gross loans to customers of the year - Gross loans to customers previous year) / Gross loans to customers previous year)

	Q4 2022	Q4 2021	2022	2021
Gross loans to customers	1 371 809	1 680 456	1 371 809	1 680 456
Lending growth (gross) last 12 months	-18.4 %	56.4 %	-18.4 %	56.4 %

Deposit growth over the last 12 months

((Gross deposits from customers of the year - Gross deposits from customers previous year) / Gross deposits from customers previous year)

	Q4 2022	Q4 2021	2022	2021
Gross deposits from customers	1 341 285	1 900 260	1 341 285	1 900 260
Deposit growth over the last 12 months	-29.4 %	68.7 %	-29.4 %	68.7 %

Equity in % of total assets

(Total equity / Total liabilities and equity)

	Q4 2022	Q4 2021	2022	2021
Total equity	241 116	224 459	241 116	224 459
Total liabilities and equity	1 601 357	2 144 168	1 601 357	2 144 168
Equity in % of total assets	15.1 %	10.5 %	15.1 %	10.5 %

Cost percentage

(Total operating costs / total operating income)

	Q4 2022	Q4 2021	2022	2021
Total operating income	24 019	25 580	97 047	89 249
Total operating costs	-18 766	-12 111	-58 068	-56 608
Cost percentage	78.1 %	47.3 %	59.8 %	63.4 %

Return on equity

$((\text{Total result} / \text{days in the period}) * \text{days in a year}) / ((\text{opening balance equity} + \text{closing balance equity}) / 2)$

	Q4 2022	Q4 2021	2022	2021
Total result	65	10 913	19 544	33 289
Opening balance equity	224 459	213 545	224 459	190 664
Closing balance equity	241 116	224 459	241 116	224 459
Return on equity	0.1 %	19.4 %	8.4 %	16.0 %

Loan loss percentages

$((\text{Loan losses} / \text{Gross loans to customers}) * \text{number of quarters})$

	Q4 2022	Q4 2021	2022	2021
Loan losses	-5 188	-2 556	-19 435	648
Gross loans to customers	1 371 809	1 680 456	1 371 809	1 680 456
Loan loss percentage	1.51 %	0.6 %	1.4 %	0.0 %

Profit as a percentage of total assets

$((\text{Total result} / \text{days in the period}) * \text{days in a year}) / ((\text{opening balance liabilities and equity} + \text{closing balance liabilities and equity}) / 2)$

	Q4 2022	Q4 2021	2022	2021
Total result	65	10 913	19 544	33 289
Opening balance liabilities and equity	1 879 051	1 852 700	2 144 168	1 324 215
Closing balance liabilities and equity	1 601 357	2 144 168	1 601 357	2 144 168
Profit as a percentage of total assets	0.0 %	2.1 %	1.0 %	1.9 %