mybank

Interim Report Q1 2023

Short summary of the quarter

- The bank reported a positive 2.1% ROE in Q1 2023 (positive 18.5% in Q1 2022) and an underlying ROE of 6.1%.
- The net profit was positive MNOK 1.3 (positive MNOK 11.0 in Q1 2022) and the underlying net profit was MNOK 3.7 (MNOK 12.8 in Q1 2022).
- Restart loans decreased by MNOK 82.2 net to MNOK 1 231.
- The cost ratio was 85.1% (45.1% in Q1 2022).
- The loan losses in the quarter were MNOK 1.4 (MNOK 3.1 in Q1 2022).
- The bank has a capital ratio of 23.6% (24.7% in Q1 2022)

Mybank reported a pre-tax profit of positive MNOK 1.3 in the quarter. The underlying result for the quarter was MNOK 3.7, excluding non-recurring items (non-recurring items are presented in note 5).

Net interest income for the quarter was MNOK 16.9, a decrease of 36.4% from MNOK 26.6 in Q1 2022. Operating costs for the quarter were MNOK 15.1, an increase of 30.2% from MNOK 11.6 in Q1 2022.

The pre-provisions profits decreased to MNOK 2.6 from MNOK 14.1 in Q1 2022 and the underlying ROE was 6.1% in the first quarter 2023.

Loan loss provisions totaled MNOK 2.5 this quarter, compared to loan loss provisions of MNOK 2.8 in Q1 2022. This corresponds to a loan loss provisions ratio of 0.4% annualized (compared to 0.7% in Q1 2022).

The capital ratio was 23.6%, a decrease from 24.7% in Q1 2022.

CEO comments

The first quarter has been impacted by the final report from the Norwegian Financial Supervisory Authority. During the quarter, **mybank** has not granted any new loans 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 operations costs using consultancy and legal resources.

The bank has been through a major change process over the past year, where it has been major changes in its management and control processes. All policies have been reviewed and many internal processes have been improved.

Due to the temporary additional capital requirement from the NFSA of MNOK 30, the bank is in breach of its capital requirement as of 31.03.2023. The bank carried out an equity share issue of MNOK 35 on April 26th. The shares are issued in April and ensure that the bank no longer will be in breach of its capital requirement as of April.

We are looking forward to resuming our operational work and continue our core activity with helping customers with a challenging economic everyday life.

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 16.9 during the quarter. The bank had operating costs of MNOK 15.1, of which MNOK 6.8 staff costs and MNOK 8.3 other operating expenses (including depreciation).

At the end of the quarter, the bank's gross loans to customers totaled MNOK 1 290, of which MNOK 1 231 restart loans and MNOK 59 unsecured loans.

Gross deposits were MNOK 1 372, hence deposit coverage is at 106.3%.

The bank's cash and cash equivalents were MNOK 356.6 at the end of the quarter, compared to MNOK 672.9 in Q1 2022.

Loan losses

Loan losses for the quarter totaled MNOK 1.4, of which MNOK 2.5 is changes in provisions. This represents a 0.4% annualized of net loans, compared to 0.7% in Q1 2022. The positive effect on loan losses originates from a reduced portfolio through churn and lending freeze.

Of the total loan loss provisions, MNOK 30.7 related to restart loans and MNOK 24.5 related to unsecured loans (the split and flow between stages are presented in note 3 and 4). Provisions represent 11.4% of non-performing loans.

Mybank changed from NGAAP to IFRS regulation on 01.01.2020. 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 increased by 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. An extensive and internal review of the bank's policies has been carried out 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 Pilar 1 and 2 requirements, at Tier 2 level. The bank is in breach of this requirement as of 31.03.2023. The bank carried out an equity share issue of MNOK 35 on April 26th. As a result, the bank will be in line with the new capital requirement as of April 2023. **Mybank** will slowly start normal operations again in April 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 of 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, 27th. April 2023, Board of Directors of mybank ASA

Key figures

Alternative Performance Measures (APMs) are defined on pages 22 and 23

	Q1 2023	Q1 2022	2022
Profitability			
Cost percentage	85.1 %	45.1 %	59.8 %
Return on equity (annualized)	2.1 %	18.5 %	8.4 %
Loss and default			
Loan loss percentage	0.4 %	0.7 %	1.4 %
Balance sheet			
Total assets on the balance sheet date	1 626 056	2 340 930	1 601 357
Average total assets during the period	1 626 553	2 242 549	2 054 285
Profit as a percentage of total assets	0.3 %	1.9 %	1.0 %
Equity in % of total assets	14.9 %	10.1 %	15.1 %
Lending growth (gross) last 12 months	-23.2 %	65.2 %	-18.4 %
Deposit growth over the last 12 months	-34.2 %	68.2 %	-29.4 %
Deposits in % of loans	106.3 %	124.1 %	97.8 %
Liquidity Coverage (LCR)	1479 %	1400 %	657 %
NSFR	144 %	190 %	138 %
Solidity			
Capital adequacy	23.6 %	24.7 %	23.5 %
Tier 1 capital adequacy	23.6 %	24.7 %	23.5 %
Net tier 1 capital adequacy	23.6 %	24.7 %	23.5 %
Leverage ratio	14.1 %	9.5 %	14.6 %
Total tier 1 capital	228 152	223 366	232 154
Crew			
Average number full-time equivalent	18.8	19.8	18.8

Financial Statement

Income statement

	Note	Q1 2023	Q1 2022	2022
Interest income and similar income		28 098	33 101	127 260
Interest costs and similar costs		-11 172	-6 481	-30 802
Net interest income		**16 926**	**26 620**	**96 458**
Commissions and fee income from bank services		5	0	3
Commissions and fee expense from bank services		-253	-201	-766
Income (loss) from trading activities	6	1 093	-734	1 352
Net other income		**845**	**-935**	**589**
Total operating income		**17 771**	**25 685**	**97 047**
Staff cost		-6 770	-6 318	-23 594
Other operating costs	5	-7 420	-4 242	-30 478
Depreciation	5	-932	-1 035	-3 996
Total operating costs		**-15 122**	**-11 595**	**-58 068**
Operating profit (loss) before loan impairments		**2 649**	**14 090**	**38 979**
Loan losses	4	-1 399	-3 139	-19 435
Profit (loss) before tax		**1 251**	**10 951**	**19 544**
Tax		0	0	0
Profit (loss) for the period		**1 251**	**10 951**	**19 544**
Other income and expenses (after tax)		0	0	0
Total result		**1 251**	**10 951**	**19 544**

Balance sheet

Balance sheet is presented in NOK 1 000

	Note	Q1 2023	Q1 2022
Assets			
Cash and central bank deposits	7	51 190	50 097
Loans to, and deposits at, credit institutions	7	88 273	75 092
Net loans to customers	3,7	1 247 040	1 645 070
Short term financial investments	7,8	217 131	547 673
Intangible assets		12 747	16 389
Fixed assets		0	0
Leases	9	3 130	4 268
Other assets	7	6 547	2 341
Total assets		**1 626 056**	**2 340 930**
Liabilities			
Deposits from customers		1 371 901	2 085 182
Accounts payable		3 193	8 024
Accrued expenses and unearned income		5 379	7 194
Lease liability	9	3 216	4 323
Provisions on financial instruments	4	0	797
Total liabilities		**1 383 690**	**2 105 520**
Equity			
Share capital		82 974	82 974
Share premium fund		237 396	240 284
Other equity		-78 004	-87 847
Total equity		**242 366**	**235 410**
Total liabilities and equity		**1 626 056**	**2 340 930**

Oslo, 27th April, 2023

The **Board of Directors of MyBank ASA**

(electronically signed)	(electronically signed)	(electronically signed)
Rune Brunborg Chairman of the Board	Elisabeth Wiger Board member	Izabella Kibsgaard-Petersen Board member
(electronically signed)	(electronically signed)	(electronically signed)
Fabian Haugan Board member	Madiha Ghazanfar Board member	Caroline Kvam Stokke CEO

Cash flow

	Q1 2023	Q1 2022	2022
Cash flows from operating activities			
Interest payments from central banks and credit institutions	1 049	64	1 231
Deposits / disbursements of deposits from customers	-30 616	184 922	-558 974
Interest payments on deposits from customers	-10 195	-6 016	-28 476
Payments on loans to customers	45 998	2 335	306 223
Interest payments on loans to customers	25 288	30 369	114 937
Deposits / disbursements of deposits from credit institutions	-977	-465	-2 326
Interest payments on deposits from credit institutions	1 093	-734	1 352
Commission payments from bank services	-248	-201	-762
Fee amortization	1 760	2 668	11 092
Payment for operation	-15 122	-14 268	-58 068
Net cash flow from operating activities	**18 032**	**198 674**	**-213 772**
Cash flows from investing activities			
Purchase/sale and changes of shares	227	-64	500
Deposits/disbursements when trading interest-bearing securities	40 863	-194 200	176 868
Net cash flow from investing activities	**41 090**	**-194 264**	**177 368**
Cash flows from financing activities			
Rent (financial liabilities)	-280	-272	-1 138
Deposited equity (payment on issue / capital increase)	0	0	-2 887
Net cash flow from financing activities	**-280**	**-272**	**-4 025**
Net cash flow during the period	58 842	4 138	-40 430
Liquidity at the beginning of the period	80 621	121 051	121 051
Liquidity at the end of the period	139 463	125 189	80 621
Cash and central bank deposits	51 190	50 088	50 464
Loans to, and deposits at, credit institutions	88 273	70 962	30 157
Liquidity	**139 463**	**121 050**	**80 621**

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**
Profit (loss) for the period	0	0	1 251	1 251
Purchase of subscription rights	0	0	0	0
Equity 31.03.2023	**82 974**	**237 396**	**-78 003**	**242 367**

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 2022.

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 is included in the income statement.

The model of impairments in the bank

Mybank has an internal model for calculating loss given default (LGD). Probability of default (PD) are calculated based on historical data and earlier default, and is updated every quarter. 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 x PD x 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 of 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 the 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 Bankplassen 1A. The agreement expires on 30.04.2026. 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

	Q1 2023	Q1 2022	2022
Share capital	82 974	82 974	82 974
Share premium reserve	237 396	240 284	237 396
Other equity	-79 254	-98 798	-98 798
Retained earnings	1 251	10 951	19 544
Deduction of retained earnings	-1 251	0	0
Total core equity	**241 115**	**235 411**	**241 116**
Deduction of intangible assets	-12 747	-16 389	-13 678
Transitional rule for loss write-down according to IFRS9	0	4 892	4 892
Adjustment for assets and liabilities at fair value	-217	-548	-176
Core equity tier 1 capital	**228 151**	**223 366**	**232 153**
Additional tier 1 capital instruments	0	0	0
Tier 1 capital	**228 151**	**223 366**	**232 153**
Subordinated loans	0	0	0
Tier 2 capital	**228 151**	**223 366**	**232 153**
Capital requirements	25.7 %	21.1 %	25.1 %
Risk weighted capital			
Credit risk	815 225	786 106	835 603
Operational risk	152 148	119 081	152 148
Total risk-weighted assets	967 373	905 187	987 751
Core equity tier 1 capital ratio	**23.6 %**	**24.7 %**	**23.5 %**
Tier 1 capital ratio	**23.6 %**	**24.7 %**	**23.5 %**
Capital ratio	**23.6 %**	**24.7 %**	**23.5 %**
Leverage ratio	**14.1 %**	**9.5 %**	**14.6 %**
Institutions	17 655	15 018	6 031
Unsecured loans to retail customers	2 038	4 004	2 324
Restart loans secured by property	309 054	539 756	335 970
Overdue commitments	465 599	162 913	467 264
Investment funds	0	25 927	0
Equity	3 053	2 262	2 827
Other	17 826	36 226	21 187
Credit risk	**815 225**	**786 106**	**835 603**
Operational risk	152 148	119 081	152 148
Total risk-weighted assets	**967 373**	**905 187**	**987 751**

Note 3 Loans to customers

Net loans and receivables from customers	31.03.2023	31.03.2022
Loans and receivables from customers - Unsecured loans	59 378	61 039
Loans and receivables from customers - Restart loans	1 242 837	1 619 425
Net loans and receivables from customers at amortized cost*	**1 302 215**	**1 680 464**
Provisions for losses - Unsecured loans	24 498	24 496
Provisions for losses - Restart loans	30 677	10 898
Net loans and receivables from customers at amortized cost**	**1 247 040**	**1 645 070**

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2023	1 656	176	56 975	58 807
Transfers				
Transfer stage 1 to stage 2	-328	321		-7
Transfer stage 1 to stage 3	-35		36	1
Transfer stage 2 to stage 1	0	0		0
Transfer stage 2 to stage 3		-27	28	1
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		0	0	0
New loans	0	0	0	0
Repaid loans	-72	-11	-779	-863
Changes in not migrated loans	-88	-6	1 532	1 438
Gross loans per 31.03.2023	**1 133**	**452**	**57 793**	**59 378**

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2023	654 293	225 537	433 172	1 313 003
Transfers				
Transfer stage 1 to stage 2	-97 146	97 168		22
Transfer stage 1 to stage 3	0		0	0
Transfer stage 2 to stage 1	19 188	-19 311		-122
Transfer stage 2 to stage 3		-14 213	13 578	-634
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		0	0	0
New loans	0	0	0	0
Repaid loans	-30 597	-23 653	-13 860	-68 110
Changes in not migrated loans	-6 556	-353	-6 556	-13 466
Gross loans per 31.03.2023	**539 183**	**265 175**	**426 334**	**1 230 693**

Total

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2023	655 949	225 713	490 147	1 371 809
Transfers				
Transfer stage 1 to stage 2	-97 473	97 489		16
Transfer stage 1 to stage 3	-35		36	1
Transfer stage 2 to stage 1	19 188	-19 311		-122
Transfer stage 2 to stage 3		-14 240	13 607	-633
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		0	0	0
New loans	0	0	0	0
Repaid loans	-30 669	-23 665	-14 639	-68 972
Changes in not migrated loans	-6 644	-360	-5 025	-12 028
Gross loans per 31.03.2023	**540 316**	**265 627**	**484 127**	**1 290 071**

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

** Net loans to customers.

Note 4 Loan losses and loss provisions

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2023	68	29	23 372	23 468
Transfers				
Transfer stage 1 to stage 2	-13	55	0	42
Transfer stage 1 to stage 3	-1	0	15	14
Transfer stage 2 to stage 1	0	0	0	0
Transfer stage 2 to stage 3	0	-3	12	9
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	0	0	0
New loans	0	0	0	0
Repaid loans	-3	-1	-313	-317
Changes in not migrated loans	3	-4	1 283	1 283
Loss provisions per 31.03.2023	**53**	**76**	**24 369**	**24 498**
This period's change in provisions	15	-47	-997	-1 030
Provisions in % of gross loans	4.7 %	16.9 %	42.2 %	41.3 %

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2023	1 409	2 532	25 287	29 229
Transfers				
Transfer stage 1 to stage 2	-206	856	0	650
Transfer stage 1 to stage 3	0	0	0	0
Transfer stage 2 to stage 1	41	-153	0	-113
Transfer stage 2 to stage 3	0	-113	228	115
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	0	0	0
New loans	0	0	0	0
Repaid loans	-59	-213	-426	-698
Changes in not migrated loans	133	-1	1 362	1 494
Loss provisions per 31.03.2023	**1 317**	**2 909**	**26 451**	**30 677**
This period's change in provisions	92	-377	-1 164	-1 449
Provisions in % of gross loans	0.2 %	1.1 %	6.2 %	2.5 %

Total

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2023	1 477	2 561	48 659	52 697
Transfers				
Transfer stage 1 to stage 2	-219	911	0	692
Transfer stage 1 to stage 3	-1	0	15	14
Transfer stage 2 to stage 1	41	-153	0	-113
Transfer stage 2 to stage 3	0	-115	239	124
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	0	0	0
New loans	0	0	0	0
Repaid loans	-62	-215	-739	-1 015
Changes in not migrated loans	136	-4	2 645	2 776
Loss provisions per 31.03.2023	**1 371**	**2 985**	**50 820**	**55 175**
This period's change in provisions	106	-424	-2 161	-2 479
Provisions in % of gross loans	0.3 %	1.1 %	10.5 %	4.3 %

Non-performing commitments	**31.03.2023**	**31.03.2022**
Loss-prone commitments before individual write-downs		
Defaulted commitment over 90 days	420 430	177 466
Other non-performing commitments	63 697	18 743
Total commitment before individual write-downs	484 127	**196 209**
Individual write-downs of		
Defaulted commitment over 90 days	49 230	28 306
Other non-performing commitments	1 590	941
Total individual loss write-downs (stage 3)	**50 820**	**29 247**
Loss-prone commitments after individual write-downs		
Defaulted commitment over 90 days	371 201	149 160
Other non-performing commitments	62 107	17 802
Total commitment after individual write-downs	**433 307**	**166 962**

Loan losses	**Q1 2023**	**Q1 2022**	**YTD 2022**
Stage 1	-106	-1 727	-971
Stage 2	424	669	-176
Stage 3	2 161	3 820	21 211
Remarks without previous write-downs	0	0	0
Remarks with previous write-downs	-1 080	378	-629
Entered previously established losses	0	0	0
Total loan losses	**1 399**	**3 140**	**19 435**

Note 5 Operating costs

	Q1 2023	Q1 2022	2022
Audit fees	662	173	2 366
Other assistance	1 897	1 040	8 041
Consultant fees	2 024	539	8 654
IKT operating costs	1 828	1 797	7 666
Cost and reimbursement for travel	42	3	203
Sales and advertising costs	0	0	0
Rent	437	342	1 388
Other costs rented premises	16	31	134
Other administration costs	513	317	2 027
Depreciation	932	1 035	3 994
Total other operating expenses	**8 352**	**5 277**	**34 473**

Underlying result	**Q1 2023**
Total result	1 251
Income (loss) from trading activities	-1 093
Legal fees	1 280
Audit fees	0
Consultant fees	2 233
Other administration costs	61
Total underlying result	3 732

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

	Q1 2023	Q1 2022	2022
Net change in value of shares / units in funds	**1093**	**-734**	**1352**
Net change in value of financial instruments at fair value	1093	-734	1352

Note 7 Classification of financial instruments in the balance sheet

	Valued at fair value through profit or loss	Assessed at amortized cost	31.03.2023 Total
Cash and cash equivalents		51 190	51 190
Loans and advances to credit institutions		88 273	88 273
Lending to and receivables from customers		1 247 040	1 247 040
Shares and units in funds	217 131		217 131
Other assets		6 547	6 547
Total Assets	**217 131**	**1 393 049**	**1 610 180**
Deposits from customers		1 371 901	1 371 901
Other debt		5 379	5 379
Total Liabilities		**1 377 281**	**1 377 281**

	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**

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	31.03.2023
Shares/units in funds		214 077		214 077
Shares in SDC A/S			3 053	3 053
Total	**-**	**214 077**	**3 053**	**217 131**

Assets	Level 1	Level 2	Level 3	31.03.2022
Shares/units in funds		545 411		545 411
Shares in SDC A/S			2 262	2 262
Total	**-**	**545 411**	**2 262**	**547 673**

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 01.01.2023	3 414
Depreciation	-284
Accounted value 31.03.2023	**3 130**

Liabilities	
Accounted value 01.01.2023	3 496
Interest expense (calculated based on marginal borrowing rate)*	26
Rent	-306
Accounted value 31.03.2023	**3 216**

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 172 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	30.06.2023
18 750	14.4	30.06.2024
23 750	44	30.06.2024

Largest shareholders as of 31.03.2023

Rank	Name	Holding	Stake	Nom.	Board/management
1	Skandinaviska Enskilda Banken AB	1 344 136	17,5	Yes	
2	DAIMYO INVEST AS	768 199	10,0		
3	NORDIC DELTA AS	768 198	10,0		
4	COMPANY ONE AS	745 089	9,7		
5	MH CAPITAL AS	730 193	9,5		
6	DANSKE BANK A/S	573 274	7,5	Yes	
7	MIDDELBORG INVEST AS	321 767	4,2		
8	BIMO KAPITAL AS	308 236	4,0		
9	Nordnet Bank AB	296 076	3,9	Yes	
10	DOBER AS	233 798	3,0		
11	SES AS	176 100	2,3		
12	EWIX AS	150 323	2,0		
13	Skandinaviska Enskilda Banken AB	138 889	1,8	Yes	
14	Swedbank AB	138 055	1,8	Yes	
15	ART GROUP AS	107 593	1,4		
16	MORCO HOLDING AS	92 593	1,2		
17	CAMELBACK HOLDING AS	75 000	1,0		
18	SELACO AS	50 691	0,7		
19	DALEN	50 371	0,7		
20	TVENGE	50 000	0,7		
=	20 largest shareholders	7 118 581	92,66		
+	Other shareholders	564 178	7,52		
=	**Total**	7 682 759	**100**		

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)

	Q1 2023	Q1 2022
Gross deposits from customers	1 371 901	2 085 182
Gross loans to customers	1 290 071	1 679 888
Deposits in % of loans	106.3 %	124.1 %

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)

	Q1 2023	Q1 2022
Gross loans to customers	1 290 071	1 679 888
Lending growth (gross) last 12 months	-23.2 %	65.2 %

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)

	Q1 2023	Q1 2022
Gross deposits from customers	1 371 901	2 085 182
Deposit growth over the last 12 months	-34.2 %	68.2 %

Equity in % of total assets

(Total equity / Total liabilities and equity)

	Q1 2023	Q1 2022
Total equity	242 366	235 410
Total liabilities and equity	1 626 056	2 340 930
Equity in % of total assets	14.9 %	10.1 %

Cost percentage

(Total operating costs / total operating income)

	Q1 2023	Q1 2022
Total operating income	17 771	25 685
Total operating costs	-15 122	-11 595
Cost percentage	85.1 %	45.1 %

Return on equity

((Total result / days in the period) * days in a year) / ((opening balance equity + closing balance equity) / 2)

	Q1 2023	Q1 2022
Total result	1 251	10 951
Opening balance equity	235 410	224 459
Closing balance equity	242 366	235 410
Return on equity	2.1 %	18.5 %

Loan loss percentages

((Loan losses / Gross loans to customers) * number of quarters

	Q1 2023	Q1 2022
Loan losses	-1 399	-3 139
Gross loans to customers	1 290 071	1 679 888
Loan loss percentage	0.43 %	0.7 %

Profit as a percentage of total assets

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

	Q1 2023	Q1 2022
Total result	1 251	10 951
Opening balance liabilities and equity	2 340 930	2 144 168
Closing balance liabilities and equity	1 626 056	2 340 930
Profit as a percentage of total assets	0.3 %	1.9 %