

Interim Report Q4 2023

Short summary of the quarter

- MyBank ASA (Mybank) reported a negative 17.2 % ROE in Q4 2023 (positive 0.1 % in Q4 2022) and an underlying ROE of negative 21.2 %.
- The net loss was MNOK 11.9 (positive MNOK 0.1 in Q4 2022), and the underlying net loss was MNOK 14.4 (positive MNOK 5.2 in Q4 2022).
- Restart loans decreased by MNOK 64.7 net to MNOK 1 097.
- The cost ratio was 94.2 % (78.1 % in Q4 2022).
- The loan losses in the quarter were MNOK 12.9 (MNOK 5.2 in Q4 2022).
- The bank has a capital ratio of 29.1 % (23.5 % in Q4 2022)

Mybank reported a pre-tax loss of MNOK 11.9 in the quarter. The underlying result for the quarter was negative MNOK 14.4, excluding non-recurring items (non-recurring items are presented in the APMs).

Net interest income for the quarter was MNOK 13.8, a decrease of 36.0 % from MNOK 21.7 in Q4 2022. Operating costs for the quarter were MNOK 16.1, a decrease of 14 % from MNOK 18.8 in Q4 2022.

The pre-provisions profits decreased to MNOK 1 from MNOK 5.3 in Q4 2022 and the underlying ROE was negative 21.2 % in Q4 2023.

Loan loss provisions totaled MNOK 12.9 this quarter, compared to loan loss provisions of MNOK 5.2 in Q4 2022. This corresponds to a loan loss provisions ratio of 4.5 % annualized (compared to 1.5 % in Q4 2022).

The capital ratio was 29.1 %, an increase from 23.5 % in Q4 2022.

CEO comments

This quarter has been another slow quarter for Mybank. The bank continues with limited new production due to the substantial part of the capital currently being tied up in defaulted loans and a high capital requirement. The temporary increase in capital requirements is still present and further restricts the bank's ability to go back to normal operations.

The results in fourth quarter are negatively impacted by an increase in loan loss provisions to account for a more challenging macro environment and lower prices in the real estate market. The result for 2023 as a whole is also weak but the bank is putting behind a very challenging transitioning year for the bank.

The bank has about 400 million in defaulted mortgage loans, equal to 37 percent of the portfolio. 300 million relates to 20 customers, and the bank has had a strong focus on these in 2023. During the fourth quarter, the majority of these customers have either sold their real estate or are in process to do so, and the bank expects the share of defaulted loans to be reduced substantially during the upcoming year.

Mybank closely monitors our customers, resulting in a low number of new loans defaulting in the fourth quarter. This process is important as the increase in both interest rates and costs on everyday household goods are challenging to both our customers and the general public. The bank has over the past twelve months focused on getting an efficient and good process for the bank and the customers in debt collection and we see a positive effect from this. The bank will continue this effort entering the new year to keep down the share of defaulted loans.

During the fourth quarter, the bank incurred some higher costs than initially anticipated. The increased costs are related to restructuring costs. The bank identified the need to restructure in order to keep focus on governance and increase the bank's collective competence. The first quarter will include new employments to help bring the bank forward.

During the quarter, Mybank has started some digital marketing to develop the banks direct

distribution. The bank also continues to maintain its relationships with the bank's distribution partners to ensure a seamless transition back to normal operations.

The bank is maintaining its strong focus on governance. This will be Mybank's focus on the coming quarters as well. Mybank is eager to persist in its efforts assisting customers in navigating the complexities of their economic daily lives.

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. An additional capital infusion of MNOK 35 was made in April 2023, strengthening the bank's financial position. The shares are unlisted and are registered at NOTC.

At the end of Q4 2023, Mybank had 20 employees.

Financial information for the quarter

Mybank recorded net interest income of MNOK 13.8 during the quarter. The bank had operating costs of MNOK 16.1, of which MNOK 8.4 staff costs and MNOK 7.7 other operating expenses (including depreciation).

At the end of the quarter, the bank's gross loans to customers totaled MNOK 1 160, of which MNOK 1 097 restart loans and MNOK 63 unsecured loans.

Gross deposits were MNOK 1 194, hence deposit coverage was at 102.9% at the end of the quarter.

The bank's cash and cash equivalents were MNOK 348.8 at the end of the quarter, compared to MNOK 253.8 in Q4 2022.

Loan losses

Loan losses for the quarter totaled MNOK 12.9, of which MNOK 12.9 is changes in provisions. This represents a 4.5% annualized of net loans, compared to 1.5 % in Q4 2022.

Of the total loan loss provisions, MNOK 45.3 related to restart loans and MNOK 25.1 related to unsecured loans (the split and flow between stages are presented in note 3 and 4). Provisions represent 15.0% of non-performing loans.

Mybank changed from the NGAAP to the 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 increased from 3 % to 4.5 % 31.12.2023. Due to the process with the

Norwegian Financial Supervisory Authority, the bank has received a temporary additional capital requirement of MNOK 30.

Prospects

Mybank is a focused provider of mortgage loans. The bank remains its' focus on helping customers with their economic situation. A review of the bank's policies has been carried out and there have been made significant upgrades to current policies, including the underlying processes. The bank will continue to invest in systems and competencies in 2024.

Post balance sheet date events

The bank has no material events after balance sheet date.

Risk factors

The most important risk factors for Mybank's prospects include:

- A significant drop in the housing market leading to a weaker economy and deteriorating credit quality,
- compliance risk due to changed and stricter regulatory requirements for the bank and financial institutions in general,
- 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 pressure from other competitors in the market for restart loans, or higher funding costs for the bank and market in general,
- higher costs due to a lack of cost-effectiveness or poor technology choices.

In addition to having a flexible and scalable business model, the board of directors and the management team 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, 13th February 2024, Board of Directors of MyBank ASA

Key figures

Alternative Performance Measures (APMs) are defined on the last pages.

	Q4 2023	Q4 2022	2023	2022
Profitability				
Cost percentage	94.2 %	78.1 %	85.7 %	59.8 %
Return on equity (annualized)	-17.2 %	0.1 %	-2.6 %	8.4 %
Loss and default				
Loan loss percentage	4.5 %	1.5 %	1.4 %	1.4 %
Balance sheet				
Total assets on the balance sheet date	1 476 345	1 601 358	1 476 345	1 601 357
Average total assets during the period	1 500 506	1 720 420	1 543 118	2 054 285
Profit as a percentage of total assets	-3.2 %	0.0 %	-0.4 %	1.0 %
Equity in % of total assets	18.2 %	15.1 %	18.2 %	15.1 %
Lending growth (gross) last 12 months	-15.4 %	5.9 %	-15.4 %	-18.4 %
Deposit growth over the last 12 months	-11.0 %	1.8 %	-11.0 %	-29.4 %
Deposits in % of loans	102.9 %	97.8 %	102.9 %	97.8 %
Liquidity Coverage (LCR)	1493 %	657 %	1493 %	657 %
NSFR	152 %	138 %	152 %	138 %
Solidity				
Capital adequacy	29.1 %	23.5 %	29.1 %	23.5 %
Tier 1 capital adequacy	29.1 %	23.5 %	29.1 %	23.5 %
Net tier 1 capital adequacy	29.1 %	23.5 %	29.1 %	23.5 %
Leverage ratio	17.6 %	14.6 %	17.6 %	14.6 %
Total tier 1 capital	258 492	232 153	258 492	232 154
Crew				
Average number full-time equivalent	19.8	18.8	19.8	18.8

Financial Statement

Income statement

	Note	Q4 2023	Q4 2022	2023	2022
Interest income and similar income		27 984	31 958	112 268	127 260
Interest costs and similar costs		-14 153	-10 210	-49 202	-30 802
Net interest income		13 831	21 749	63 065	96 458
Commissions and fee income from bank services		3	3	13	3
Commissions and fee expense from bank services		-284	-192	-1 115	-766
Income (loss) from trading activities	6	3 546	2 459	8 344	1 352
Net other income		3 265	2 270	7 243	589
Total operating income		17 096	24 019	70 308	97 047
Staff cost		-8 361	-6 560	-27 311	-23 594
Other operating costs	5	-6 775	-11 241	-29 199	-30 478
Depreciation	5	-961	-964	-3 747	-3 996
Total operating costs		-16 097	-18 766	-60 258	-58 068
Operating profit (loss) before loan impairments		999	5 253	10 050	38 979
Loan losses	4	-12 910	-5 188	-16 805	-19 435
Profit (loss) before tax		-11 911	65	-6 755	19 544
Tax		0	0	0	0
Profit (loss) for the period		-11 911	65	-6 755	19 544
Other income and expenses (after tax)		0	0	0	0
Total result		-11 911	65	-6 755	19 544

Balance sheet

Balance sheet is presented in NOK 1 000

	Note	2023	2022
Assets			
Cash and central bank deposits	7	70 112	50 464
Loans to, and deposits at, credit institutions	7	28 787	30 157
Net loans to customers	3,7	1 110 219	1 325 108
Short term financial investments	7,8	252 792	176 041
Intangible assets		10 669	13 678
Fixed assets		0	1
Leases	9	2 276	3 414
Other assets	7	1 489	2 495
Total assets		1 476 345	1 601 358
Liabilities			
Deposits from customers		1 193 815	1 341 285
Accounts payable		4 582	6 093
Accrued expenses and unearned income		6 170	9 365
Lease liability	9	2 364	3 496
Provisions on financial instruments	4	0	2
Total liabilities		1 206 931	1 360 241
Equity			
Share capital		108 376	82 974
Share premium fund		247 046	237 396
Other equity		-86 009	-79 254
Total equity		269 414	241 116
Total liabilities and equity		1 476 345	1 601 357

Oslo, 13th February 2024

The Board of Directors of MyBank ASA

(electronically signed)

Rune Brunborg
Chairman of the Board

(electronically signed)

Bengt-Olof Stefan Laler
Board member

(electronically signed)

Izabella Kibsgaard-Petersen
Board member

(electronically signed)

Fabian Haugan
Board member

(electronically signed)

Madiha Ghazanfar
Board member

(electronically signed)

Caroline Kvam Stokke
CEO

Cash flow

	Q4 2023	Q4 2022	2023	2022
Cash flows from operating activities				
Interest payments from central banks and credit institutions	1 331	309	4 116	1 231
Deposits / disbursements of deposits from customers	-5 738	-281 666	-147 470	-558 974
Interest payments on deposits from customers	-13 178	-9 506	-45 293	-28 476
Payments on loans to customers	65 512	132 649	198 529	325 658
Interest payments on loans to customers	26 291	28 861	103 923	114 937
Deposits / disbursements of deposits from credit institutions	-975	-704	-3 909	-2 326
Interest payments on deposits from credit institutions	3 546	2 459	8 344	1 352
Commission payments from bank services	-281	-189	-1 101	-762
Fee amortization	362	2 789	4 228	11 092
Payment for operation	-16 097	-18 766	-60 258	-77 503
Net cash flow from operating activities	60 774	-143 764	61 109	-213 771
Cash flows from investing activities				
Purchase/sale and changes of shares	4	280	-48	500
Deposits/disbursements when trading interest-bearing securities	-72 550	66 272	-76 704	176 868
Net cash flow from investing activities	-72 546	66 552	-76 751	177 368
Cash flows from financing activities				
Rent (financial liabilities)	-286	-278	-1 132	-1 138
Deposited equity (payment on issue / capital increase)	0	0	35 053	-2 887
Net cash flow from financing activities	-286	-278	33 921	-4 025
Net cash flow during the period	-12 058	-77 490	18 279	-40 428
Liquidity at the beginning of the period	110 958	158 111	80 621	121 051
Liquidity at the end of the period	98 900	80 621	98 900	80 621
Cash and central bank deposits	70 112	50 464	70 112	50 464
Loans to, and deposits at, credit institutions	28 787	30 157	28 787	30 157
Liquidity	98 900	80 621	98 900	80 621

Changes in equity

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
Profit (loss) for the period	0	0	3 599	3 599
Purchase of subscription rights	25 403	9 650	0	35 053
Equity 30.06.2023	108 377	247 046	-74 404	281 018
Profit (loss) for the period	0	0	307	307
Purchase of subscription rights	0	0	0	0
Equity 30.09.2023	108 377	247 046	-74 097	281 325
Profit (loss) for the period	0	0	-11 911	-11 911
Purchase of subscription rights	0	0	0	0
Equity 31.12.2023	108 377	247 046	-86 009	269 414

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 used the transitional rule after the change from NGAAP to IFRS with simplifications from 2020-2022.

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 $EAD \times PD \times LGD$, 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 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 conducts 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 the central bank of Norway (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

	2023	2022
Share capital	108 376	82 974
Share premium reserve	247 046	237 396
Other equity	-79 254	-98 798
Retained earnings	-6 755	19 544
Deduction of retained earnings	0	0
Total core equity	269 414	241 116
Deduction of intangible assets	-10 669	-13 678
Transitional rule for loss write-down according to IFRS9	0	4 892
Adjustment for assets and liabilities at fair value	-253	-176
Core equity tier 1 capital	258 492	232 153
Additional tier 1 capital instruments	0	0
Tier 1 capital	258 492	232 153
Subordinated loans	0	0
Tier 2 capital	258 492	232 153
Capital requirements	27.5 %	25.1 %
Risk weighted capital		
Credit risk	727 260	835 603
Operational risk	160 377	152 148
Total risk-weighted assets	887 637	987 751
Core equity tier 1 capital ratio	29.12 %	23.5 %
Tier 1 capital ratio	29.12 %	23.5 %
Capital ratio	29.12 %	23.5 %
Leverage ratio		
Institutions	5 757	6 031
Unsecured loans to retail customers	0	2 324
Restart loans secured by property	267 335	335 970
Overdue commitments	438 399	467 264
Investment funds	0	0
Equity	2 874	2 827
Other	12 894	21 187
Credit risk	727 260	835 603
Operational risk	160 377	152 148
Total risk-weighted assets	887 637	987 751

Note 3 Loans to customers

Net loans and receivables from customers	31.12.2023	31.12.2022
Loans and receivables from customers - Unsecured loans	63 386	58 807
Loans and receivables from customers - Restart loans	1 117 321	1 318 998
Net loans and receivables from customers at amortized cost*	1 180 707	1 377 804
Provisions for losses - Unsecured loans	25 142	23 468
Provisions for losses - Restart loans	45 346	29 229
Net loans and receivables from customers at amortized cost**	1 110 219	1 325 107

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2023	1 656	176	57 160	58 992
Transfers				
Transfer stage 1 to stage 2	-322	285		-36
Transfer stage 1 to stage 3	-378		365	-12
Transfer stage 2 to stage 1	0	0		0
Transfer stage 2 to stage 3		-125	136	10
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		0	0	0
New loans	555	0	0	555
Repaid loans	-917	-50	-2 256	-3 223
Changes in not migrated loans	-12	0	7 113	7 101
Gross loans per 31.12.2023	582	285	62 519	63 386

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2023	654 293	225 537	432 987	1 312 818
Transfers				
Transfer stage 1 to stage 2	-51 025	52 505		1 480
Transfer stage 1 to stage 3	-24 271		24 745	474
Transfer stage 2 to stage 1	86 525	-87 367		-842
Transfer stage 2 to stage 3		-44 800	41 726	-3 074
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		10 124	-10 140	-15
New loans	113 424	0	0	113 424
Repaid loans	-156 856	-61 890	-65 548	-284 294
Changes in not migrated loans	-14 516	183	-29 094	-43 428
Gross loans per 31.12.2023	607 574	94 293	394 676	1 096 543

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	-51 347	52 790		1 444
Transfer stage 1 to stage 3	-24 649		25 111	462
Transfer stage 2 to stage 1	86 525	-87 367		-842
Transfer stage 2 to stage 3		-44 925	41 862	-3 064
Transfer stage 3 to stage 1	0		0	0
Transfer stage 3 to stage 2		10 124	-10 140	-15
New loans	113 978	0	0	113 978
Repaid loans	-157 773	-61 940	-67 803	-287 516
Changes in not migrated loans	-14 528	183	-21 981	-36 327
Gross loans per 31.12.2023	608 156	94 578	457 195	1 159 929

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

** Net loans to customers.

Note 4 Loan losses and loss provisions

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2023	68	29	23 374	23 471
Transfers				
Transfer stage 1 to stage 2	-13	50	0	37
Transfer stage 1 to stage 3	-15	0	146	131
Transfer stage 2 to stage 1	0	0	0	0
Transfer stage 2 to stage 3	0	-24	54	31
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	0	0	0
New loans	18	0	0	18
Repaid loans	-38	-5	-916	-959
Changes in not migrated loans	-1	0	2 416	2 415
Loss provisions per 31.12.2023	19	50	25 074	25 142
This period's change in provisions	49	-21	-1 700	-1 671
Provisions in % of gross loans	3.2 %	17.4 %	40.1 %	39.7 %

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Loss provisions per 01.01.2023	1 409	2 532	25 284	29 226
Transfers				
Transfer stage 1 to stage 2	-97	641	0	545
Transfer stage 1 to stage 3	-46	0	645	599
Transfer stage 2 to stage 1	170	-919	0	-750
Transfer stage 2 to stage 3	0	-372	1 295	923
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	73	-173	-100
New loans	161	0	0	161
Repaid loans	-330	-794	-2 403	-3 527
Changes in not migrated loans	-206	41	18 434	18 269
Loss provisions per 31.12.2023	1 060	1 202	43 084	45 346
This period's change in provisions	348	1 330	-17 799	-16 120
Provisions in % of gross loans	0.2 %	1.3 %	10.9 %	4.1 %

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	-110	691	0	581
Transfer stage 1 to stage 3	-62	0	791	729
Transfer stage 2 to stage 1	170	-919	0	-750
Transfer stage 2 to stage 3	0	-396	1 350	954
Transfer stage 3 to stage 1	0	0	0	0
Transfer stage 3 to stage 2	0	73	-173	-100
New loans	179	0	0	179
Repaid loans	-368	-799	-3 319	-4 486
Changes in not migrated loans	-207	41	20 850	20 684
Loss provisions per 31.12.2023	1 079	1 252	68 158	70 488
This period's change in provisions	398	1 310	-19 499	-17 792
Provisions in % of gross loans	0.2 %	1.3 %	14.9 %	6.1 %

Non-performing commitments

31.12.2023

31.12.2022

Loss-prone commitments before individual write-downs

Defaulted commitment over 90 days	394 494	354 310
Other non-performing commitments	62 701	135 837
Total commitment before individual write-downs	457 195	490 147

Individual write-downs of

Defaulted commitment over 90 days	66 296	45 747
Other non-performing commitments	1 861	2 912
Total individual loss write-downs (stage 3)	68 158	48 659

Loss-prone commitments after individual write-downs

Defaulted commitment over 90 days	328 198	308 563
Other non-performing commitments	60 839	132 926
Total commitment after individual write-downs	389 037	441 489

Loan losses

Q4 2023

Q4 2022

YTD 2023

Stage 1	-120	-545	-398
Stage 2	-1 302	479	-1 310
Stage 3	14 333	6 738	19 499
Remarks without previous write-downs	0	0	0
Remarks with previous write-downs	0	-1 484	-987
Entered previously established losses	0	0	0
Total loan losses	12 910	5 188	16 805

Note 5 Operating costs

	Q4 2023	Q4 2022	YTD 2023
Audit fees	475	1 185	2 597
Other assistance	1 837	802	8 386
Consultant fees	361	6 206	4 600
IKT operating costs	2 451	2 091	8 688
Cost and reimbursement for travel	60	55	266
Sales and advertising costs	303	0	382
Rent	460	343	1 738
Other costs rented premises	83	30	188
Other administration costs	746	530	2 355
Administrative fine	0	0	0
Depreciation	961	964	3 748
Total other operating expenses	7 736	12 207	32 947

Underlying result	Q4 2023
Total result	-11 911
Income (loss) from trading activities	-3 546
Legal fees	0
Audit fees	0
Consultant fees	202
Other administration costs	852
Total underlying result	-14 403

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

	Q4 2023	Q4 2022	2022
Net change in value of shares / units in funds	3 546	2 459	1 352
Net change in value of financial instruments at fair value	3 546	2 459	1 352

Note 7 Classification of financial instruments in the balance sheet

	Valued at fair value through profit or loss	Assessed at amortized cost	31.12.2023 Total
Cash and cash equivalents		70 112	70 112
Loans and advances to credit institutions		28 787	28 787
Lending to and receivables from customers		1 110 219	1 110 219
Shares and units in funds	252 792		252 792
Other assets		1 489	1 489
Total Assets	252 792	1 210 608	1 463 400
Deposits from customers		1 193 815	1 193 815
Other debt		6 170	6 170
Total Liabilities		1 199 985	1 199 985

	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	31.12.2023
Shares/units in funds		249 918		249 918
Shares in SDC A/S			2 874	2 874
Total	-	249 918	2 874	252 792

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

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	-1 138
Accounted value 31.12.2023	2 276

Liabilities	
Accounted value 01.01.2023	3 496
Interest expense (calculated based on marginal borrowing rate)*	91
Rent	-1 223
Accounted value 31.12.2023	2 364

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 108.4, divided into 10 034 843 shares. The bank had a total of 170 shareholders.

There are 42 500 subscription rights outstanding.

Subscription	Strike price	Expiration date
18 750	14.4	30.06.2024
23 750	44	30.06.2024

Largest shareholders as of 31.12.2023

Rank	Name	Holding	Stake	Nom.	Board/management
1	Skandinaviska Enskilda Banken AB	1 677 469	16.72	Yes	
2	DAIMYO INVEST AS	1 001 509	9.98		
3	NORDIC DELTA AS	1 001 508	9.98		
4	NAVESTA AS	1 001 169	9.98		
5	COMPANY ONE AS	945 089	9.42		
6	MIDDELBORG INVEST AS	619 490	6.17		
7	DANSKE BANK A/S	573 274	5.71	Yes	
8	MH CAPITAL AS	416 193	4.15		
9	BIMO KAPITAL AS	401 850	4.00		
10	DOBER AS	333 798	3.33		
11	Nordnet Bank AB	296 076	2.95	Yes	
12	SES AS	176 100	1.75		
13	EWIX AS	163 323	1.63		
14	Skandinaviska Enskilda Banken AB	138 889	1.38	Yes	
15	Swedbank AB	138 055	1.38	Yes	
16	MORCO HOLDING AS	120 714	1.20		
17	ART GROUP AS	107 593	1.07		
18	CAMELBACK HOLDING AS	100 000	1.00		
19	SELACO AS	74 002	0.74		
20	TVENGE	55 000	0.55		
=	20 largest shareholders	9 341 101	93.09		
+	Other shareholders	693 742	7.09		
=	Total	10 034 843	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 bank'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 2023	Q4 2022	YTD 2023	YTD 2022
Gross deposits from customers	1 193 815	1 341 285	1 193 815	1 341 285
Gross loans to customers	1 159 929	1 371 809	1 159 929	1 371 809
Deposits in % of loans	102.9 %	97.8 %	102.9 %	97.8 %

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 2023	Q4 2022	YTD 2023	YTD 2022
Gross loans to customers	1 159 929	1 371 809	1 159 929	1 371 809
Lending growth (gross) last 12 months	-15.4 %	5.9 %	-15.4 %	5.9 %

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 2023	Q4 2022	YTD 2023	YTD 2022
Gross deposits from customers	1 193 815	1 341 285	1 193 815	1 341 285
Deposit growth over the last 12 months	-11.0 %	1.8 %	-11.0 %	1.8 %

Equity in % of total assets

(Total equity / Total liabilities and equity)

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Total equity	269 414	241 116	269 414	241 116
Total liabilities and equity	1 476 345	1 601 357	1 476 345	1 601 357
Equity in % of total assets	18.2 %	15.1 %	18.2 %	15.1 %

Cost percentage

(Total operating costs / total operating income)

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Total operating income	17 096	24 019	70 308	97 047
Total operating costs	-16 097	-18 766	-60 258	-58 068
Cost percentage	94.2 %	78.1 %	85.7 %	59.8 %

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 2023	Q4 2022	YTD 2023	YTD 2022
Total result	-11 911	65	-6 755	19 544
Opening balance equity	281 325	241 051	241 116	224 459
Closing balance equity	269 414	241 116	269 414	241 116
Return on equity	-17.2 %	0.1 %	-2.6 %	8.4 %

Loan loss percentages

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

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Loan losses	-12 910	-5 188	-16 805	-19 435
Gross loans to customers	1 159 929	1 371 809	1 159 929	1 371 809
Loan loss percentage	4.45 %	1.5 %	1.4 %	1.4 %

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 2023	Q4 2022	YTD 2023	YTD 2022
Total result	-11 911	65	-6 755	19 544
Opening balance liabilities and equity	1 493 059	1 879 051	1 601 357	2 144 168
Closing balance liabilities and equity	1 476 345	1 601 357	1 476 345	1 601 357
Profit as a percentage of total assets	-3.2 %	0.0 %	-0.4 %	1.0 %

Underlying result

	Q4 2023
Total result	-11 911
Income (loss) from trading activities	-3 546
Legal fees	0
Audit fees	0
Consultant fees	202
Other administration costs	852
Total underlying result	-14 403