

Interim Report Q3 2022

Summary of the quarter

- The bank reported a - 6.7% ROE in Q3 2022 (3.6% in Q3 2021) and an underlying ROE of 2.5%.
- The net profit was MNOK - 3.9 (MNOK 1.9 in Q3 2021). The underlying net profit was MNOK 1.6 (MNOK 10.4 in Q3 2021). The pre-provisions profits increased to MNOK 4.9 from MNOK 3.2 in Q3 2021.
- Restart loans decreased by MNOK 2.2 net to MNOK 1 444 in this quarter.
- Net interest income for the quarter was MNOK 22.1, a decrease of 0.9% from MNOK 22.3 in Q3 2021.
- The cost ratio was 77.2% (85.6 % in Q3 2021).
- The loan losses in the quarter were MNOK 8.8 (MNOK 1.3 in Q3 2021).
- The bank has a capital ratio of 22.6% (28.6% in Q3 2021) due to increased loss provisions.
- The Norwegian Financial Supervisory Authority (NFSA) has notified an AML monetary sanction to MyBank totaling MNOK 4.5, which is accounted for this quarter.

Mybank reported a pre-tax profit of MNOK - 3.9 in the quarter. The underlying result for the quarter was MNOK 1.6, excluding non-recurring items. (non-recurring items are presented in note 5).

Net interest income for the quarter was MNOK 22.1, a decrease of 0.9% from MNOK 22.3 in Q3 2021. Operating costs for the quarter were MNOK 16.6, a decrease of 13.1% from MNOK 19.1 in Q3 2021.

The pre-provisions profits increased to MNOK 4.9 from MNOK 3.2 in Q3 2021 and the underlying ROE was 2.5% in the third quarter 2022.

Loan loss provisions totaled MNOK 8.7 this quarter compared to loan loss provisions of MNOK 1.3 in Q3 2021. This corresponds to a loan loss provisions ratio of 2.4% annualized (compared to 0.4% in Q3 2021).

The capital ratio was 22.6%, a decrease from 28.6% in Q3 2021. The decline is due to an external review of the bank's balance sheet and non-recurring items. The capital ratio is within the regulatory requirement of 21.6%.

CEO comments

The bank has throughout 2022 invested in improving its internal competencies, processes, policies and routines. This effort continued in the third quarter and has impacted the bank's growth ambitions in the quarter. Despite the zero-growth in this quarter, we kept focus on improving our customers annual liquidity by reducing their interest burden through our products. In the third quarter we on average improved the annual liquidity of our new customers by almost NOK 77.200. At the same time 225 of our customers churned and were refinanced in the traditional banks. We see this as a positive development. This shows that customers have regained financial control.

As part of its ongoing process with the NFSA, the bank has conducted an independent external review of its assets and has on this basis increased its loan loss provisions in the quarter. Combined with the potential AML-related administrative sanction of MNOK 4.5 and higher consultancy costs, the bank's results for the quarter were MNOK - 3.9.

As mentioned on 16 September 2022, the NFSA notified the bank that it considered to impose an additional capital requirement of MNOK 40.0, until the bank had carried out the independent external review and having in place certain renewed policies.

The non-recurring items in the quarter combined with the increased loan loss provisions from the independent external review have resulted in a capital ratio of 22.6%. The bank is within the regulatory capital requirement of 21.6%.

In parallel, the bank is in the process of drawing up a capital plan which will address the increased

buffer capital requirements effective from 31 December 2022 and 31 March 2023, and to ensure that the bank at all times fulfils regulatory capital requirements.

The bank expects to continue to invest in improving its internal competencies, processes, policies and routines throughout the fourth quarter and does not expect to refocus on growth until 2023. At the same time, the market for the bank's products is expanding as the cost of living and the economy is increasingly at risk of deteriorating.

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 22.1 during the quarter. The bank had operating costs of MNOK 16.6 of which MNOK 6.0 staff costs and MNOK 10.6 other operating expenses (including depreciation).

At the end of the quarter, the bank's gross loans to customers totaled MNOK 1 503, of which MNOK 1 444 restart loans and MNOK 59 unsecured loans.

Gross deposits were MNOK 1 623, hence deposit coverage is at 107.9%.

The bank's current assets were MNOK 400.7 at the end of the quarter, compared to MNOK 435.8 in Q3 2021.

Loan losses

Loan losses for the quarter totaled MNOK 8.8, of which MNOK 8.7 is changes in provisions. This represents a negative 2.4% annualized of net loans, compared to negative 0.4% in Q3 2021.

Of the total loan loss provisions, MNOK 22.1 related to restart loans and MNOK 23.9 related to unsecured loans (the split and flow between stages are presented in note 3 and 4). Provisions represent 3.1% of non-performing loans.

Mybank changed from NGAAP to IFRS regulation on 01.01.2020. This resulted in increased loan loss provisions of MNOK17.1, 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 will increase by 1% and the systemic risk buffer will increase from 3% to 4.5% by 31.12.2022.

At the end of the first quarter of 2023, the countercyclical buffer will further increase by 0.5%.

Due to the process with the NFSA and the external review of the bank's balance, the capital ratio of 22.6% is still within the bank's regulatory capital requirement. The NFSA has given notice of a potential temporary increase of MNOK 40.0. The bank is in process with the NFSA and awaits a final decision on the excess capital requirement, in light of the already increased loss provisions and non-recurring items.

Prospects

Mybank is a focused provider of restart 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 bank's 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 2022.

Post balance sheet date events

See note 12 for specifications on after balance sheet date events.

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,
- Increased regulatory requirements from the NFSA, leading to a need to raise capital,
- 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, 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.

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, 14 November 2022, Board of Directors of MyBank ASA

Key figures

Alternative Performance Measures (APMs) are defined on pages 24 and 25

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profitability					
Cost percentage	77.2 %	85.6 %	53.8 %	69.9 %	63.4 %
Return on equity (annualized)	-6.7 %	3.6 %	11.2 %	14.0 %	16.0 %
Loss and default					
Loan loss percentage	2.4 %	0.4 %	0.9 %	-0.4 %	0.0 %
Balance sheet					
Total assets on the balance sheet date	1 879 051	1 852 700	1 879 051	1 852 700	2 144 168
Average total assets during the period	2 003 668	1 583 399	2 165 573	1 574 657	1 617 387
Profit as a percentage of total assets	-0.8 %	0.4 %	1.3 %	1.6 %	1.9 %
Equity in % of total assets	12.8 %	11.5 %	12.8 %	11.5 %	10.5 %
Lending growth (gross) last 12 months	5.9 %	64.1 %	5.9 %	64.1 %	56.4 %
Deposit growth over the last 12 months	1.8 %	66.4 %	1.8 %	66.4 %	68.7 %
Deposits in % of loans	107.9 %	112 %	107.9 %	112 %	113.1 %
Liquidity Coverage (LCR)	1367 %	977 %	1367 %	977 %	1050 %
Solidity					
Capital adequacy	22.6 %	28.6 %	22.6 %	28.6 %	25.2 %
Tier 1 capital adequacy	22.6 %	28.6 %	22.6 %	28.6 %	25.2 %
Net tier 1 capital adequacy	22.6 %	28.6 %	22.6 %	28.6 %	25.2 %
Leverage ratio	12.3 %	11.1 %	12.3 %	11.1 %	10.1 %
Total tier 1 capital	230 948	206 305	230 948	206 305	217 296
Crew					
Average number full-time equivalent	18.8	22.8	18.8	22.8	19.8

Financial Statement

Income statement

	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Interest income and similar income		30 585	33 251	95 302	94 039	107 241
Interest costs and similar costs		-8 470	-10 969	-20 593	-30 468	-17 305
Net interest income		22 116	22 282	74 709	63 571	89 936
Commissions and fee income from bank services		0	3	0	25	21
Commissions and fee expense from bank services		-217	-177	-574	-671	-833
Income (loss) from trading activities	6	-345	145	-1 107	744	124
Net other income		-562	-29	-1 681	98	-688
Total operating income		21 554	22 253	73 028	63 669	89 249
Staff cost		-6 046	-8 036	-17 034	-22 021	-27 858
Other operating costs	5	-9 624	-9 968	-19 237	-19 307	-24 579
Depreciation	5	-966	-1 047	-3 032	-3 168	-4 171
Total operating costs		-16 635	-19 051	-39 302	-44 497	-56 608
Operating profit (loss) before loan impairments		4 919	3 202	33 727	19 172	32 641
Loan losses	4	-8 834	-1 283	-14 247	3 204	648
Profit (loss) before tax		-3 915	1 919	19 479	22 376	33 289
Tax		0	0	0	0	0
Profit (loss) for the period		-3 915	1 919	19 479	22 376	33 289
Other income and expenses (after tax)		0	0	0	0	0
Total result		-3 915	1 919	19 479	22 376	33 289

Balance sheet

Balance sheet is presented in NOK 1 000

	Note	30.09.2022	30.09.2021	2021
<u>Assets</u>				
Cash and central bank deposits	7	50 216	134	50 088
Loans to, and deposits at, credit institutions	7	107 895	126 638	70 962
Net loans to customers	3,7	1 456 845	1 380 952	1 647 615
Short term financial investments	7,8	242 593	309 029	353 409
Intangible assets		14 753	16 715	16 594
Fixed assets		0	0	0
Leases	9	3 699	4 935	4 552
Other assets	7	3 051	14 297	947
Total assets		1 879 051	1 852 700	2 144 168
<u>Liabilities</u>				
Deposits from customers		1 622 951	1 594 227	1 900 260
Accounts payable		7 550	35 427	7 706
Accrued expenses and unearned income		2 528	3 842	6 746
Lease liability	9	3 774	5 564	4 595
Provisions on financial instruments	4	1 198	96	402
Total liabilities		1 638 000	1 639 156	1 919 709
<u>Equity</u>				
Share capital		82 974	82 974	82 974
Share premium fund		237 396	240 282	240 284
Other equity		-79 319	-109 712	-98 798
Total equity		241 051	213 544	224 459
Total liabilities and equity		1 879 051	1 852 700	2 144 168

Oslo, November 14, 2022

The Board of Directors of mybank ASA

(electronically signed)

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Chairman of the Board

(electronically signed)

Elisabeth Wiger
Board member

(electronically signed)

Ellen Hanetho
Board member

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Fabian Haugan
Board member

(electronically signed)

Madiha Ghazanfar
Board member

(electronically signed)

Caroline Kvam Stokke
CEO

Cash flow

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Cash flows from operating activities					
Interest payments from central banks and credit institutions	309	0	596	0	0
Deposits / disbursements of deposits from customers	-347 017	402 301	-280 323	467 621	773 655
Interest payments on deposits from customers	-7 766	-3 347	-18 970	-11 363	-15 976
Payments on loans to customers	12 029	-253 495	190 828	-333 648	-600 392
Interest payments on loans to customers	28 186	24 425	86 403	68 440	97 519
Deposits / disbursements of deposits from credit institutions	-704	-406	-1 623	-707	-1 329
Interest payments on deposits from credit institutions	-345	145	-1 107	744	124
Commission payments from bank services	-217	-174	-573	-646	-812
Fee amortization	2 090	1 610	8 303	7 201	9 722
Payment for operation	-25 469	-20 334	-53 549	-30 482	-56 353
Net cash flow from operating activities	-338 903	150 725	-70 016	167 160	206 159
Cash flows from investing activities					
Payments on shares, participations, and equity certificates	325 357	-125 145	110 816	-173 531	-217 911
Net cash flow from investing activities	325 357	-125 145	110 816	-173 531	-217 911
Cash flows from financing activities					
Rent (financial liabilities)	-306	-300	-853	-591	-931
Deposited equity (payment on issue / capital increase)	0	506	-2 887	506	506
Net cash flow from financing activities	-306	206	-3 740	-85	-425
Net cash flow during the period	-13 852	25 786	37 060	-6 456	-12 177
Liquidity at the beginning of the period	171 963	100 986	121 051	133 228	133 228
Liquidity at the end of the period	158 111	126 772	158 111	126 772	121 051
Cash and central bank deposits	50 216	134	50 216	134	50 088
Loans to, and deposits at, credit institutions	107 895	126 638	107 895	126 638	70 962
Liquidity	158 111	126 772	158 111	126 772	121 050

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	19 479	19 479
Purchase of subscription rights	0	-2 887	0	-2 887
Equity 30.09.2022	82 974	237 396	-79 319	241 051

*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 1 a, Oslo. The bank offers mainly financial services such as restart loans and deposit accounts.

Basis for preparation of the financial statements

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

The interim financial report has been reviewed in accordance with ISRE 2410 by the Independent Auditor of the bank.

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

The bank's data center, SDC, has developed its own models for calculating the probability of default (PD). **Mybank** have an internal model for calculating loss given default (LGD). SDC has further developed a solution for exposure in the event of default (EAD) and calculation of losses. The bank has decided to use this model in its calculations of impairments. Expected credit 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 Bankplassen 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

	Q3 2022	Q3 2021	Q4 2021
Share capital	82 974	82 974	82 974
Share premium reserve	237 396	240 282	240 284
Other equity	-98 798	-132 087	-132 087
Retained earnings	19 479	22 375	33 289
Deduction of retained earnings	0	0	0
Total core equity	241 051	213 544	224 459
Deduction of intangible assets	-14 753	-16 715	-16 594
Transitional rule for loss write-down according to IFRS9	4 892	9 785	9 785
Adjustment for assets and liabilities at fair value	-243	-309	-353
Core equity tier 1 capital	230 948	206 305	217 296
Additional tier 1 capital instruments	0	0	0
Tier 1 capital	230 948	206 305	217 296
Subordinated loans	0	0	0
Tier 2 capital	230 948	206 305	217 296
Capital requirements	21.6 %	21.1 %	21.1 %
Risk weighted capital			
Credit risk	902 776	635 710	743 214
Operational risk	119 081	85 636	119 081
Total risk-weighted assets	1 021 857	721 345	862 295
Core equity tier 1 capital ratio	22.6 %	28.6 %	25.2 %
Tier 1 capital ratio	22.6 %	28.6 %	25.2 %
Capital ratio	22.6 %	28.6 %	25.2 %
Leverage ratio	12.3 %	11.1 %	10.1 %
Institutions	21 579	25 328	14 202
Unsecured loans to retail customers	2 646	4 591	4 849
Restart loans secured by property	394 850	463 598	555 295
Overdue commitments	452 250	72 823	104 703
Investment funds	0	13 945	16 943
Equity	2 834	2 371	2 327
Other	28 617	53 054	44 895
Credit risk	902 776	635 710	743 214
Operational risk	119 081	85 636	119 081
Total risk-weighted assets	1 021 857	721 345	862 295

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

Core equity tier 1 capital ratio	22.2 %
Tier 1 capital ratio	22.2 %
Capital ratio	22.2 %
Leverage ratio	12.1 %

Note 3 Loans to customers

Net loans and receivables from customers	30.09.2022	30.09.2021
Loans and receivables from customers - Unsecured loans	59 374	62 147
Loans and receivables from customers - Restart loans	1 443 496	1 349 031
Net loans and receivables from customers at amortized cost*	1 502 870	1 411 178
Provisions for losses - Unsecured loans	23 889	24 489
Provisions for losses - Restart loans	22 135	5 737
Net loans and receivables from customers at amortized cost**	1 456 846	1 380 952

Unsecured loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	2 843	2 492	55 436	60 771
Transfers				
Transfer stage 1 to stage 2	-30	24		-6
Transfer stage 1 to stage 3	-546		406	-140
Transfer stage 2 to stage 1	360	-403		-43
Transfer stage 2 to stage 3		-1 885	1 934	49
Transfer stage 3 to stage 1	386		-1 002	-615
Transfer stage 3 to stage 2		57	-282	-225
New loans	193	0	0	193
Repaid loans	-975	-85	-2 613	-3 673
Changes in not migrated loans	-242	-3	3 308	3 063
Gross loans per 30.09.2022	1 990	197	57 187	59 374

Restart loans

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	1 262 566	257 269	99 850	1 619 685
Transfers				
Transfer stage 1 to stage 2	-149 323	133 803		-15 520
Transfer stage 1 to stage 3	-220 534		234 213	13 679
Transfer stage 2 to stage 1	5 371	-5 430		-59
Transfer stage 2 to stage 3		-117 011	119 448	2 437
Transfer stage 3 to stage 1	8 543		-8 602	-58
Transfer stage 3 to stage 2		0	0	0
New loans	320 904	36 504	4 134	361 542
Repaid loans	-390 507	-105 429	-22 327	-518 264
Changes in not migrated loans	-9 786	-352	-9 093	-19 231
Gross loans per 30.09.2022	827 234	199 352	417 624	1 444 210

Total

	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.01.2021	1 265 409	259 760	155 286	1 680 456
Transfers				
Transfer stage 1 to stage 2	-149 353	133 827		-15 526
Transfer stage 1 to stage 3	-221 080		234 619	13 539
Transfer stage 2 to stage 1	5 731	-5 833		-102
Transfer stage 2 to stage 3		-118 896	121 382	2 486
Transfer stage 3 to stage 1	8 930		-9 604	-674
Transfer stage 3 to stage 2		57	-282	-225
New loans	321 096	36 504	4 134	361 735
Repaid loans	-391 482	-105 515	-24 940	-521 936
Changes in not migrated loans	-10 028	-356	-5 786	-16 169
Gross loans per 30.09.2022	829 224	199 549	474 811	1 503 584

* 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	-3	3	0	0
Transfer stage 1 to stage 3	-11	0	165	154
Transfer stage 2 to stage 1	15	-59	0	-44
Transfer stage 2 to stage 3	0	-515	796	281
Transfer stage 3 to stage 1	16	0	-593	-578
Transfer stage 3 to stage 2	0	5	-121	-115
New loans	8	0	0	8
Repaid loans	-55	-9	-1 107	-1 171
Changes in not migrated loans	-22	9	1 530	1 517
Loss provisions per 30.09.2022	81	32	23 776	23 889
This period's change in provisions	52	565	-669	-51
Provisions in % of gross loans	4.1 %	16.2 %	41.6 %	40.2 %

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	-543	1 354	0	811
Transfer stage 1 to stage 3	-573	0	7 563	6 990
Transfer stage 2 to stage 1	8	-75	0	-67
Transfer stage 2 to stage 3	0	-716	7 500	6 784
Transfer stage 3 to stage 1	26	0	-221	-194
Transfer stage 3 to stage 2	0	0	0	0
New loans	731	294	74	1 100
Repaid loans	-942	-1 104	-775	-2 821
Changes in not migrated loans	919	157	-338	738
Loss provisions per 30.09.2022	1 941	2 050	18 144	22 135
This period's change in provisions	373	90	-13 803	-13 340
Provisions in % of gross loans	0.2 %	1.0 %	4.3 %	1.5 %

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	-546	1 357	0	811
Transfer stage 1 to stage 3	-584	0	7 728	7 144
Transfer stage 2 to stage 1	23	-135	0	-112
Transfer stage 2 to stage 3	0	-1 231	8 296	7 065
Transfer stage 3 to stage 1	42	0	-814	-772
Transfer stage 3 to stage 2	0	5	-121	-115
 New loans	 739	 294	 74	 1 108
Repaid loans	-997	-1 113	-1 882	-3 992
Changes in not migrated loans	898	166	1 191	2 255
Loss provisions per 30.09.2022	2 022	2 082	41 920	46 024
This period's change in provisions	425	655	-14 472	-13 392
Provisions in % of gross loans	0.2 %	1.0 %	8.8 %	3.1 %

Non-performing commitments

30.09.2022

30.09.2021

Loss-prone commitments before individual write-downs

Defaulted commitment over 90 days	264 621	84 533
Other non-performing commitments	210 190	15 914
Total commitment before individual write-downs	474 811	100 447

Individual write-downs of

Defaulted commitment over 90 days	37 501	24 616
Other non-performing commitments	4 419	1 415
Total individual loss write-downs (stage 3)	41 920	26 031

Loss-prone commitments after individual write-downs

Defaulted commitment over 90 days	227 120	59 917
Other non-performing commitments	205 770	14 499
Total commitment after individual write-downs	432 891	74 416

Loan losses	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Stage 1	-225	923	-425	-4 973
Stage 2	-1 191	92	-655	-7 029
Stage 3	10 004	288	14 472	1 914
Remarks without previous write-downs	0	0	0	0
Remarks with previous write-downs	246	-21	855	6 884
Entered previously established losses	0	0	0	0
Total loan losses	8 834	1 283	14 247	-3 204

It is per 30/9/2022 granted payment relief, commitment labeled forbearance, of MNOK 59.1 distributed over 10 loans. Of these, MNOK 17.1 is in stage 2 and MNOK 42.0 is in stage 3.

Note 5 Operating costs

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Audit fees	365	415	1 180	1 226
Other assistance	700	215	2 739	941
Consultant fees	1 340	666	2 448	1 292
IKT operating costs	1 770	2 206	5 575	6 285
Cost and reimbursement for travel	14	61	148	75
Sales and advertising costs	0	6 261	0	7 763
Rent	325	650	1 045	1 135
Other costs rented premises	45	78	104	252
Other administration costs	564	-584	1 497	338
Administrative fine	4 500	0	4 500	0
Depreciation	966	1 047	3 031	3 169
Total other operating expenses	10 589	11 015	22 267	22 476

Underlying result	Q3 2022
Total result	-3 915
Income (loss) from trading activities	338
Legal fees	120
Consultant fees	550
Administrative fine	4 500
Total underlying result	1 593

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

	Q3 2022	Q2 2022	Q1 2022	2021
Net change in value of shares / units in funds	-345	-28	-734	124
Net change in value of financial instruments at fair value	-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	30.09.2022 Total
Cash and cash equivalents		50 216	50 216
Loans and advances to credit institutions		107 895	107 895
Lending to and receivables from customers		1 456 845	1 456 845
Shares and units in funds	242 593		242 593
Other assets		3 051	3 051
Total Assets	242 593	1 618 008	1 860 600
Deposits from customers		1 622 951	1 622 951
Other debt		7 550	7 550
Total Liabilities		1 630 501	1 630 501

	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	30.09.2022
Shares/units in funds		239 759		239 759
Shares in SDC A/S			2 834	2 834
Total	-	239 759	2 834	242 593

Assets	Level 1	Level 2	Level 3	30.09.2021
Shares/units in funds		306 657		306 657
Shares in SDC A/S			2 372	2 372
Total	-	306 657	2 372	309 029

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	-853
Accounted value 30.09.2022	3 699

Liabilities	
Accounted value 01.01.2022	4 595
Interest expense (calculated based on marginal borrowing rate) *	96
Rent	-917
Accounted value 30.09.2022	3 774

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 85 000 subscription rights outstanding.

Subscription	Strike price	Expiration date
211 250	40.0	30.06.2023
18 750	12.6	30.06.2023
23 750	44.0	30.06.2024
18 750	14.4	30.06.2024

Largest shareholders as of 30.09.2022

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	MIDDELBORG 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, Compliance Officer in mybank ASA

Note 11 Transactions with related parties

Transactions	2022
Company One AS* (Shareholder)	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.

Note 12 Post balance sheet date events

Due to the process with the NFSA and the external review of the bank's balance, the capital ratio of 22.6% is still in excess of the bank's regulatory capital requirement. The NFSA has given notice of a potential temporary increase of MNOK 40.0. The bank is in process with the NFSA and awaits a final decision on the excess capital requirement, in light of the already increased loss provisions and non-recurring items. In parallel, the bank is in the process of drawing up a capital plan which will address the increased buffer capital requirements effective from 31 December 2022 and 31 March 2023, and to ensure that the bank at all times fulfils regulatory capital requirements.

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)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Gross deposits from customers	1 622 951	1 594 227	1 622 951	1 594 227
Gross loans to customers	1 503 584	1 419 403	1 503 584	1 137 018
Deposits in % of loans	107.9 %	112.3 %	107.9 %	112.3 %

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)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Gross loans to customers	1 503 584	1 419 403	1 503 584	1 419 403
Lending growth (gross) last 12 months	5.9 %	64.1 %	5.9 %	64.1 %

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)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Gross deposits from customers	1 622 951	1 594 227	1 622 951	1 594 227
Deposit growth over the last 12 months	1.8 %	66.4 %	1.8 %	66.4 %

Equity in % of total assets

(Total equity / Total liabilities and equity)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total equity	241 051	213 544	241 051	213 544
Total liabilities and equity	1 879 051	1 852 700	1 879 051	1 852 700
Equity in % of total assets	12.8 %	11.5 %	12.8 %	11.5 %

Cost percentage

(Total operating costs / total operating income)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total operating income	21 554	22 253	73 028	63 669
Total operating costs	-16 635	-19 051	-39 302	-44 497
Cost percentage	77.2 %	85.6 %	53.8 %	69.9 %

Return on equity

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

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total result	-3 915	1 919	19 479	22 376
Opening balance equity	224 459	190 664	224 459	190 664
Closing balance equity	241 051	213 544	241 051	213 544
Return on equity	-6.7 %	3.6 %	11.2 %	14.0 %

Loan loss percentages

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

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Loan losses	-8 834	-1 283	-14 247	3 204
Gross loans to customers	1 503 584	1 137 018	1 503 584	1 137 018
Loan loss percentage	2.35 %	0.4 %	0.9 %	-0.4 %

Profit as a percentage of total assets

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

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total result	-3 915	1 919	19 479	22 376
Opening balance liabilities and equity	2 144 168	1 324 215	2 144 168	1 324 215
Closing balance liabilities and equity	1 879 051	1 852 700	1 879 051	1 852 700
Profit as a percentage of total assets	-0.8 %	0.4 %	1.3 %	1.6 %