

**Report for the
fourth quarter 2021**
Bank Norwegian Group

Q4

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Financial highlights

Profit and loss account

<i>Amounts in NOK 1000</i>	Bank Norwegian Group			
	Q4 2021	Q4 2020	2021	2020
Net interest income	1 090 956	1 311 252	4 665 173	5 413 054
Net other operating income	46 875	-11 114	63 294	229 644
Total income	1 137 831	1 300 139	4 728 467	5 642 698
Total operating expenses	539 849	330 839	1 624 767	1 313 162
Provision for loan losses	378 416	397 662	1 498 728	1 830 948
Profit before tax	219 566	571 638	1 604 972	2 498 588
Tax charge	59 820	135 404	404 494	611 613
Profit after tax	159 746	436 234	1 200 478	1 886 975

Balance sheet

<i>Amounts in NOK 1000</i>	Bank Norwegian Group	
	31.12.21	31.12.20
Total assets	56 464 926	63 192 011
Loans to customers	33 649 320	37 943 688
Liquid assets	22 125 894	24 364 666
Deposits from customers	36 393 611	42 677 703
Debt securities issued	6 945 201	6 034 387
Subordinated loans	739 801	877 820
Tier 1 capital	425 000	635 000
Total equity	11 169 309	11 328 161

Key figures and alternative performance measures

	Bank Norwegian Group			
	Q4 2021	Q4 2020	2021	2020
Return on equity (ROE) ¹	5.7 %	16.4 %	10.8 %	18.9 %
Return on assets (ROA) ¹	1.1 %	2.7 %	2.0 %	3.1 %
Earning per share (EPS)	0.82	2.30	6.25	9.90
Dividend per share (DPS) ²	-	-	3.85	6.00
Common equity tier 1 (CET 1)	25.5 %	22.0 %	25.5 %	22.0 %
Leverage ratio	16.4 %	14.5 %	16.4 %	14.5 %
Liquidity coverage ratio (LCR)	338 %	569 %	338 %	569 %
Net interest margin (NIM) ¹	7.6 %	8.2 %	7.9 %	8.8 %
Cost/income ratio ¹	0.47	0.25	0.34	0.23
Loan loss provisions to average loans ¹	4.0 %	3.6 %	3.8 %	4.1 %
Stage 3 loans to loans ¹	19.7 %	23.7 %	19.7 %	23.7 %
Stage 3 loan loss allowance to Stage 3 loans ¹	38.3 %	40.9 %	38.3 %	40.9 %
Loan loss allowance to loans ¹	8.9 %	11.5 %	8.9 %	11.5 %

¹) Defined as alternative performance measure (APM). APMs are described on banknorwegian.no/OmOss/InvestorRelations.

²) Bank Norwegian Board of Directors decided on November 26, 2021 to pay out the previously AGM approved NOK 1 per share as dividend for 2020. The dividend was paid in December.

Report for the fourth quarter 2021

During the last 1.5 years, the BN Group has experienced the adverse effects of the COVID-19 through several quarters with low or negative loan growth. This has given visible impacts on the last years financial statements, through lowering the lending volumes and interest income levels, where Norway has been affected the most. The two most recent quarters have additionally been affected by a non-recurring item totaling NOK 219 million in financial advisors' fees related to the offer from Nordax Bank AB (publ) (Nordax), further reducing our net profit. However, operationally, the positive trend in the lending growth development from the third quarter continued throughout the fourth quarter with growing credit card purchase volumes and increasing instalment loan sales.

The last quarter of the year was eventful for the Bank Norwegian Group (BN Group). We had successful launches in two new countries, as well as the completion of the acquisition made by Nordax. Nordax announced on October 15 that they had acquired 95.7% of the shares in the BN Group and further announced the compulsory acquisition of the remaining shares on November 2nd. In addition, the BN Group has sold a non-performing Swedish loan portfolio with a positive effect on net earnings.

At the end of the fourth quarter 2021 the BN Group had a customer base of 1 670 900 customers, which can be broken down into 1 193 800 credit card customers, 188 600 instalment loan customers and 288 500 deposit customers. The customer base was reduced by 6 308 due to the sale of a non-performing instalment loan portfolio in Sweden. Adjusted for this reduction we see an increase in the customer base in Sweden along with both Finland and Denmark, in addition to a total of 1 300 new customers in Germany and 900 in Spain.

Profit and loss as of December 31, 2021

The BN Group's net profit amounted to NOK 1 200 million, compared with NOK 1 887 million for the same period in 2020. The decrease is mainly caused by reduced interest income through lower loan volumes, of which NOK 168 million stems from lower interest income following the portfolio sales during the year. The net result is affected by currency fluctuations from a strengthened NOK, higher administrative expenses with non-recurring items of NOK 219 million from financial advisors' fees related to the offer from Nordax, where NOK 45 million was provided for in the third quarter and NOK 174 million in the fourth quarter, and high currency gains in 2020 of NOK 94.1 million. The decrease is partly offset by lower provisions for loan losses due to net gains from five portfolio sales during the year, as well as lower interest expense from reduced deposit rates in Norway. Return on equity (ROE) was 10.8% and the return on assets was 2.0%. Excluding the non-recurring fees to advisors, the ROE for 2021 was 12.3%.

Net interest income totaled NOK 4 665 million, net other operating income amounted to NOK 63.3 million, while

total operating expenses were NOK 1 625 million. Provisions for loan losses were NOK 1 499 million.

Profit and loss for the fourth quarter 2021

The BN Group's net profit in the quarter amounted to NOK 159.7 million compared with NOK 276.1 million in the third quarter and down from NOK 436.2 million in the same quarter last year. The large reduction from the previous quarter is due to high non-recurring administrative expenses from financial advisors' fees in connection with the offer from Nordax, of approximately NOK 174 million in the fourth quarter and lower interest income due to portfolio sales both in the previous and current quarter. The decrease was partly offset by increased net commission income in the quarter.

Return on equity was 5.7%, compared with 10.1% in the third quarter and the return on assets was 1.1%, compared with 1.9% in the third quarter. Adjusted for the non-recurring advisors' fee related to the Nordax offer in both the third and fourth quarter, the return on equity was 11.3% and 10.5%, respectively.

Net interest income amounted to NOK 1 091 million, a decrease of NOK 60.0 million from the third quarter. The reduction is mainly explained by lower interest income in both Norway and Sweden, due to a non-performing portfolio sale in Norway by the end of the third quarter and a sale in the fourth quarter of a non-performing portfolio in Sweden. Net interest income was also negatively affected by currency depreciation in the quarter by approximately NOK 19 million. The net interest margin was 7.6%, compared with 7.9% in the third quarter.

Net other operating income amounted to NOK 46.9 million compared with NOK -16.0 million in the third quarter. Net commission income increased NOK 50.2 million to NOK 95.0 million mainly due to seasonal higher commission income from credit card network and insurance incentives. Seasonal kickbacks from Visa and insurance incentives, are in fourth quarter recognized in the year they are earned, instead of annually in arrears, in the first quarter. Net negative change in value on securities and currency amounted to NOK 48.1 million, compared with a net negative value of NOK 60.7 million in the third quarter.

Total operating expenses amounted to NOK 539.8 million, an increase of NOK 131.5 million compared to the third quarter. Personnel expenses increased NOK 7.7 million in the quarter due to increased annual employee bonus provision. Administrative expenses increased NOK 126.2 million due to the non-recurring advisors' fee in connection with the Nordax offer. Depreciation decreased by NOK 1.7 million. Other operating expenses decreased NOK 0.7 million.

Provision for loan losses were NOK 378.4 million, an increase of NOK 18.7 million in the fourth quarter compared to the previous quarter. The BN Group have

sold non-performing loan portfolios in both the fourth and third quarter resulting in combined net gains of approximately NOK 52.7 million in the fourth quarter and NOK 71.6 million in the third quarter reducing the loan loss provisions in the respective quarters. Provisions equalled 4.0% of average gross loans, compared with 3.6% in the third quarter, and adjusted for net gains from portfolio sales the provision equalled 4.6% and 4.2% of average gross loans, respectively. The loan loss provisions stem mainly from Sweden and Finland in the quarter, reflecting the aging portfolio in stage 3 with increased LGD and more defaulted loans fully written down because of our charge off policy.

Stage 3 loans were NOK 7 261 million at year-end, compared with NOK 7 907 million at the end of the third quarter. The decrease from the previous quarter is mainly due to this quarter's portfolio sale. Stage 3 loans accounted for 19.7% of gross loans, compared with 21.0% as of September 30, 2021 and down from 23.7% at end of December 2020. The underlying development during 2021 is as expected and the reduction is due to the five non-performing portfolio sales during the year, with a total effect of stage 3 loan gross reduction of approximately NOK 4 435 million.

Balance sheet as of December 31, 2021

Total assets were down NOK 1 142 million in the quarter and amounted to NOK 56 465 million.

Gross loans to customers decreased NOK 765.2 million compared with a decrease of NOK 2 722 million in the previous quarter and totaled NOK 36 946 million. Currency adjusted gross loan growth was NOK -298.5 million compared with NOK -2 664 million in the previous quarter. Adjusted for the portfolio sale in Sweden in this quarter, the currency adjusted loan growth was positive with NOK 498.7 million. Broken down by product the currency adjusted loan growth for instalment loans was NOK 406.2 million, adjusted for portfolio sales in Sweden, compared with NOK 21.4 million in the previous quarter, adjusted for portfolio sales in Norway and Denmark. The growth was mainly derived from increased new sales, particularly in Finland. The currency adjusted loan growth for credit cards was NOK 92.5 million, compared with NOK 256.0 million in the previous quarter, adjusted for the portfolio sale in Norway in that quarter. Instalment loans amounted to NOK 26 755 million and credit card loans amounted to NOK 10 191 million as of December 31, 2021.

Customer deposits were reduced by NOK 1 831 million compared with a decrease of NOK 918.8 million in the third quarter and was NOK 36 394 million at the end of the fourth quarter. Currency adjusted growth was NOK -1 375 million compared with NOK -870.0 million in the previous quarter. As in the previous quarters, Norway continues to be the main source of the decrease in deposits, with a reduction of NOK 1 095 million in the quarter.

During the fourth quarter the BN Group issued NOK 1 550 million in MREL eligible restricted senior unsecured loan with a 2.5-year tenor. The BN Group has

also conducted buybacks of NOK 496 million and SEK 76 million in different outstanding senior unsecured loans with less than 1 year to maturity.

Liquid assets decreased NOK 699.9 million and amounted to NOK 22 126 million, equivalent to 39.2% of total assets compared with 39.6% at the end of the third quarter.

Total equity amounted to NOK 11 169 million, compared with NOK 11 203 million as of September 30, 2021. The reduction in equity was due to a dividend of NOK 1 per share, paid during the quarter, totaling NOK 187 million, as approved by AGM in April 2021 related to the 2020 net profits. The total capital ratio ended at 28.6%, the core capital ratio was 26.6% and the common equity tier 1 ratio was 25.5%, including set aside 60% of net results to dividend for 2021.

The financial statements as of December 31, 2021 have been subject to an auditor review of interim financial statements.

Events in the quarter

In April 2021 the Court of Appeal (Borgarting Lagmannsrett) made their decision expressing that Bank Norwegian's practice regarding search engine advertising using competitor's brand name is not in conflict with good business conduct. The appeal court supported Bank Norwegian's view that the Bank's advertising practice is a part of healthy and fair competition and that Bank Norwegian's ads implied no risk for confusion. The plaintiffs appealed the case to the Norwegian Supreme Court. In December, Bank Norwegian won in the Supreme Court. The plaintiffs had to cover Bank Norwegian's legal expenses.

The acquisition of Bank Norwegian ASA by Nordax Bank AB (publ) was executed on November 2, 2021. A new Board of Directors was elected on November 8, 2021 in an Extraordinary General Meeting. Following the completion of the transaction, the BN Group applied for a delisting of Bank Norwegian from the Oslo Stock Exchange and the shares were delisted from November 15, 2021.

November 9, the Board of Directors appointed Klara-Lise Aasen as new CEO of Bank Norwegian ASA. Aasen had been interim CEO since June 2021, and CFO since October 2020.

On December 7, S&P Global Ratings lowered its long- and short-term issuer credit ratings on Bank Norwegian ASA to BBB-/A-3 from BBB/A-2. The outlook is stable. S&P states that: "Bank Norwegian will now operate as a fully owned subsidiary of Nordax, and we consider it core to the Bank, while remaining under the supervision of the Norwegian Financial Supervisory Authority (NFSA). Consequently, the issuer credit rating on Bank Norwegian ASA now reflects our combined view of the bank's 'bbb-' stand-alone credit profile and the broader group's creditworthiness."

At the end of October and beginning of November the Bank launched operations in Spain and Germany as planned with the Bank's product mix; instalment loans, saving accounts and credit card, simultaneously. Following the same operating model as in the BN Group's other Nordic countries with cross border operations from the BN Group's headquarters in Norway. The launch has been conducted in accordance with plans and expectations, and in line with the hypothesis with reusage of large part of the infrastructure while inventing new solutions where relevant on euro-payments and customer identification.

Regulatory update

The Norwegian Financial Supervisory Authority has confirmed that the joint guidelines from EBA and ESMA on the assessment of the suitability of members of the management body and key function holders in financial institutions and investment firms will apply in Norway from December 31, 2021. The NFSA expects all institutions to comply with the guidelines as of that date. The BN Group has in connection with establishment of new Board of Directors in November 2021 implemented these guidelines.

In Norway, the Beneficial Owners Register Act partially entered into effect on November 1, 2021. This means that rules concerning identification and collection of information about beneficial owners in the hands of the legal persons entered into force. The BN Group has implemented measures to comply with the relevant sections of the Act.

The guidelines from the Swedish Financial Supervisory Authority concerning consumer credit, including lending practice and credit rating entered into effect November 1, 2021. The guidelines provide clarifications concerning what kind of information that should be included in the basis for the credit assessment, how it is to be collected, controlled and taken into account in the assessment of the consumer ability to pay. The guidelines specify the requirements for lenders that the loans must be based on the needs and conditions of the individual consumer. The BN Group has implemented all relevant changes to comply with the guidelines.

The Insurance Distribution Directive (IDD) entered into effect in Norway on January 1, 2022. The rules contain mediation and sale of insurance, and it also regulates the right to carry out insurance mediation activities.

The BN Group was previously an accessory insurance intermediary. According to the new Insurance Mediation Act, the BN Group needs to apply to be registered as an insurance agent and will notify NFSA to conduct such services cross-border to Germany, Spain and Denmark. With the new Act, the BN Group needs to comply with stricter rules.

Subsequent events

The Board of Directors are not aware of any events after the date of the balance sheet that may be of material significance.

Outlook

At the beginning of the fourth quarter, we continued to see the effects of the pandemic dampening as borders and societies had reopened during the summer and autumn, leading to increased consumption and spending. However, the last months of 2021 experienced an increase in COVID-19 infections through the Omicron variant, affecting a lower financing demand with particularly in Norway. We expect both new loan and credit card spending growth to increase in the coming quarters. This is particularly related to credit card spending in the spring months as both airline and holiday spending is expected to increase, as travel restrictions due to Covid-19 will abate. The start of our expansion to Spain and Germany has progressed according to plan. Towards the summer activity level will increase, utilizing the BN Group's increased knowledge of the customer behavior, with even more finetuned digital and customer friendly solutions.

The BN Group continues to maintain its strong financial position with high profitability, strong capitalization, and high levels of liquid assets. The BN Group is prepared for returning growth, both through increased activity level in the Nordics, our European expansion in Spain and Germany and through coming integration and cooperation with our new owners Nordax.

Proposed allocation of the net profit for the year 2021

Based on the strong capital and financial position, the Board of Directors of Bank Norwegian ASA propose a dividend of NOK 3.85 per share, total NOK 719.6 million, and NOK 513.9 million is added to retained earnings. This represents 59.9% and 58.3% of net profit of 2021 in BN Group and BN ASA, respectively.

Bærum, February 14, 2022
The Board of Directors of Bank Norwegian ASA

Hans Larsson
Chairman of the Board

Jacob Lundblad
Board member

Christopher Ekdahl
Board member

Ragnhild Wiborg
Board member

Izabella Kibsgaard-Petersen
Board member

Lisa Karlsson Bruzelius
Board member

Knut Arne Alsaker
Board member

Charlotte Ager
Board member

Klara-Lise Aasen
CEO

Profit and loss account

Amounts in NOK 1000	Note	Bank Norwegian Group			
		Q4 2021	Q4 2020	2021	2020
Interest income, effective interest method		1 143 033	1 416 244	4 897 187	5 881 446
Other interest income		46 974	53 944	183 839	233 880
Interest expenses		99 051	158 935	415 853	702 272
Net interest income	8	1 090 956	1 311 252	4 665 173	5 413 054
Commission and bank services income	9	148 474	73 716	395 589	412 016
Commission and bank services expenses	9	53 478	52 439	182 707	195 043
Income from shares and other securities		-	24 029	-	24 029
Net change in value on securities and currency	10	-48 122	-56 420	-149 588	-11 359
Net other operating income		46 875	-11 114	63 294	229 644
Total income	2	1 137 831	1 300 139	4 728 467	5 642 698
Personnel expenses		54 760	35 905	171 694	122 832
General administrative expenses	11	450 883	257 849	1 302 664	1 043 582
Depreciation and impairment of fixed and intangible assets		19 780	23 965	91 329	88 214
Other operating expenses		14 425	13 120	59 079	58 533
Total operating expenses		539 849	330 839	1 624 767	1 313 162
Provision for loan losses	6	378 416	397 662	1 498 728	1 830 948
Profit before tax		219 566	571 638	1 604 972	2 498 588
Tax charge	17	59 820	135 404	404 494	611 613
Profit after tax	2	159 746	436 234	1 200 478	1 886 975
Proportion attributable to shareholders		153 543	429 125	1 167 114	1 848 395
Proportion attributable to additional Tier 1 capital holders		6 203	7 109	33 364	38 580
Profit after tax		159 746	436 234	1 200 478	1 886 975
Earnings per share		0.82	2.30	6.25	9.90

Comprehensive income

Amounts in NOK 1000	Bank Norwegian Group			
	Q4 2021	Q4 2020	2021	2020
Profit on ordinary activities after tax	159 746	436 234	1 200 478	1 886 975
Financial assets at fair value through OCI	-111	-	-111	-
Tax	28	-	28	-
Items that may be reclassified to profit or loss	-83	-	-83	-
Comprehensive income for the period	159 663	436 234	1 200 395	1 886 975

Profit and loss account

<i>Amounts in NOK 1000</i>	Note	Bank Norwegian ASA			
		Q4 2021	Q4 2020	2021	2020
Interest income, effective interest method		1 143 033	1 417 166	4 897 187	5 885 136
Other interest income		46 974	53 944	183 839	233 880
Interest expenses		99 051	158 934	415 853	702 269
Net interest income	8	1 090 956	1 312 175	4 665 173	5 416 746
Commission and bank services income	9	148 474	73 716	395 589	412 016
Commission and bank services expenses	9	53 478	52 315	182 707	194 364
Income from shares and other securities		-	24 029	-	24 029
Net change in value on securities and currency	10	-48 127	-56 428	-149 616	-11 367
Net other operating income		46 870	-10 998	63 266	230 315
Total income	2	1 137 826	1 301 178	4 728 439	5 647 061
Personnel expenses		54 760	35 171	171 694	119 658
General administrative expenses	11	450 859	255 091	1 301 781	1 037 194
Depreciation and impairment of fixed and intangible assets		10 555	14 740	54 429	63 614
Other operating expenses		14 425	13 419	59 079	57 467
Total operating expenses		530 599	318 422	1 586 984	1 277 933
Provision for loan losses	6	378 416	397 662	1 498 728	1 830 948
Profit before tax		228 810	585 094	1 642 727	2 538 180
Tax charge	17	60 975	-181 808	409 213	298 601
Profit after tax	2	167 835	766 902	1 233 514	2 239 579
Proportion attributable to shareholders		161 631	759 794	1 200 149	2 200 998
Proportion attributable to additional Tier 1 capital holders		6 203	7 109	33 364	38 580
Profit after tax		167 835	766 902	1 233 514	2 239 579
Earnings per share		0.86	4.14	6.43	12.01

Comprehensive income

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Profit on ordinary activities after tax	167 835	766 902	1 233 514	2 239 579
Financial assets at fair value through OCI	-111	-	-111	-
Tax	28	-	28	-
Items that may be reclassified to profit or loss	-83	-	-83	-
Comprehensive income for the period	167 751	766 902	1 233 430	2 239 579

Balance sheet

<i>Amounts in NOK 1000</i>	Note	Bank Norwegian Group	
		31.12.21	31.12.20
Assets			
Cash and deposits with the central bank		813 303	69 451
Loans and deposits with credit institutions		1 079 310	2 774 788
Loans to customers	2, 5, 7	33 649 320	37 943 688
Certificates and bonds	12, 13	20 233 281	21 520 427
Financial derivatives	12, 13	133 468	341 309
Shares and other securities	12, 13	26 802	50 692
Intangible assets		396 807	448 701
Deferred tax asset	17	22 900	4 107
Fixed assets		35 615	4 883
Other assets		74 119	33 965
Total assets		56 464 926	63 192 011
Liabilities and equity			
Loans from credit institutions	12	-	1 313 710
Deposits from customers	2	36 393 611	42 677 703
Debt securities issued	12, 14, 15	6 945 201	6 034 387
Financial derivatives	12, 13	138 883	64 862
Tax payable	17	481 366	557 675
Deferred tax	17	-	58 234
Other liabilities		387 376	42 999
Provisions		209 379	236 463
Subordinated loans	12, 14, 15	739 801	877 820
Total liabilities		45 295 617	51 863 850
Share capital		186 904	186 847
Share premium		983 401	978 201
Tier 1 capital		425 000	635 000
Retained earnings		9 574 004	9 528 112
Total equity	3	11 169 309	11 328 161
Total liabilities and equity		56 464 926	63 192 011

Balance sheet

Amounts in NOK 1000	Note	Bank Norwegian ASA	
		31.12.21	31.12.20
Assets			
Cash and deposits with the central bank		813 303	69 451
Loans and deposits with credit institutions		1 079 310	2 772 540
Loans to customers	2, 5, 7	33 649 320	37 943 688
Certificates and bonds	13	20 233 281	21 520 427
Ownership interests in group companies	16	161 491	-
Financial derivatives	13	133 468	341 309
Shares and other securities	13	26 802	50 692
Intangible assets		83 567	98 561
Deferred tax asset	17	14 077	-
Fixed assets		35 615	4 883
Other assets		267 325	235 512
Total assets		56 497 561	63 037 064
Liabilities and equity			
Loans from credit institutions	13	-	1 313 710
Deposits from customers	2	36 393 611	42 677 703
Debt securities issued	12, 14, 15	6 945 201	6 034 387
Financial derivatives	13	138 883	64 862
Tax payable	17	481 366	244 058
Deferred tax	17	-	58 234
Other liabilities		1 106 863	1 493 831
Provisions		209 073	233 853
Subordinated loans	12, 14, 15	739 801	877 820
Total liabilities		46 014 797	52 998 456
Share capital		186 904	183 315
Share premium		983 401	966 646
Tier 1 capital		425 000	635 000
Retained earnings		8 887 458	8 253 647
Total equity	3	10 482 763	10 038 608
Total liabilities and equity		56 497 561	63 037 064

Bærum, February 14, 2022
The Board of Directors of Bank Norwegian ASA

Hans Larsson
Chairman of the Board

Jacob Lundblad
Board member

Christopher Ekdahl
Board member

Ragnhild Wiborg
Board member

Izabella Kibsgaard-Petersen
Board member

Lisa Karlsson Bruzelius
Board member

Knut Arne Alsaker
Board member

Charlotte Ager
Board member

Klara-Lise Aasen
CEO

Cash flow statement

<i>Amounts in NOK 1000</i>	Bank Norwegian Group	
	2021	2020
Profit / loss before tax	1 604 972	2 498 588
Unrealized gain or losses on currency	218 187	-199 445
Depreciation and impairment of fixed and intangible assets	91 329	88 214
Provision for loan losses	1 498 728	1 830 948
Change in loans to customers	1 739 929	2 774 201
Change in deposits from customers	-5 227 747	576 153
Change in certificates and bonds	1 008 160	-6 456 584
Change in other assets and financial derivatives	171 865	-236 061
Change in shares and other securities	23 890	-5 830
Change in derivatives, provisions and other liabilities	360 378	-94 124
Change in loans from credit institutions	-313 710	260 960
Change in debt securities issued and subordinated loans	-110 556	-
Income taxes paid	-557 834	-625 879
Net cash flow from operating activities	507 592	411 142
Payment for acquisition of intangible assets	-33 539	-28 423
Payment for acquisition of tangible assets	-3 397	-1 714
Net cash flow from investment activities	-36 936	-30 136
Allocation of bonus shares	5 256	6 058
Issued debt securities	2 547 542	-
Repayment of debt securities	-1 469 901	-789 580
Repayment subordinated loans	-100 000	-
Repayment of tier 1 capital	-210 000	-
Paid interest tier 1 capital	-33 364	-38 580
Change in loans from central banks	-1 000 000	1 000 000
Dividends paid to equity holders	-1 121 140	-
Net cash flow from financing activities	-1 381 607	177 897
Net cash flow for the period	-910 951	558 903
Cash and cash equivalents at the start of the period	2 844 239	2 162 665
Currency effect on cash and cash equivalents	-40 675	122 671
Cash and cash equivalents at the end of the period	1 892 613	2 844 239
Off which:		
Cash and deposits with the central bank	813 303	69 451
Loans and deposits with credit institutions	1 079 310	2 774 788

Cash flow statement

Bank Norwegian ASA

<i>Amounts in NOK 1000</i>	2021	2020
Profit / loss before tax	1 642 727	2 538 180
Unrealized gain or losses on currency	218 187	-199 445
Depreciation and impairment of fixed and intangible assets	54 429	63 614
Net gain from sale of fixed assets	-	-
Provision for loan losses	1 498 728	1 830 948
Change in loans to customers	1 739 929	2 774 201
Change in deposits from customers	-5 227 747	576 153
Change in certificates and bonds	1 008 160	-6 456 584
Change in other assets and financial derivatives	171 865	-247 919
Change in shares and other securities	23 890	-5 830
Change in derivatives, provisions and other liabilities	359 523	-92 331
Change in loans from credit institutions	-313 710	260 960
Change in debt securities issued and subordinated loans	-110 556	-
Income taxes paid	-557 834	-625 880
Net cash flow from operating activities	507 592	416 068
Payment for acquisition of intangible assets	-33 539	-28 423
Payment for acquisition of tangible assets	-3 397	-1 714
Net cash flow from investment activities	-36 936	-30 136
Allocation of bonus shares	5 256	-
Issued debt securities	2 547 542	-
Repayment of debt securities	-1 469 901	-789 580
Repayment subordinated loans	-100 000	-
Repayment of tier 1 capital	-210 000	-
Paid interest tier 1 capital	-33 364	-38 580
Loans from central banks	-1 000 000	1 000 000
Dividends paid to equity holders	-1 121 140	-
Net cash flow from financing activities	-1 381 607	171 839
Net cash flow for the period	-910 951	557 771
Cash and cash equivalents at the start of the period*	2 841 991	2 161 549
Currency effect on cash and cash equivalents	-40 675	122 671
Cash and cash equivalents at the end of the period	1 890 365	2 841 991

*Cash and cash equivalents in relation to the merger with Norwegian Finans Holding ASA was NOK 2 248.

Off which:

Cash and deposits with the central bank	813 303	69 451
Loans and deposits with credit institutions	1 079 310	2 772 540

Changes in equity

Bank Norwegian Group

<i>Amounts in NOK 1000</i>	Share capital	Share premium	Tier 1 capital	Changes in fair value of financial instruments through OCI	Retained earnings	Total equity
Balance 31.12.20	186 847	978 201	635 000	-	9 528 112	11 328 161
This period's profit	-	-	-	-	1 200 478	1 200 478
Items that may be reclassified to profit and loss, after tax	-	-	-	-83	-	-83
Comprehensive income for the period	-	-	-	-83	1 200 478	1 200 395
Paid interest tier 1 capital	-	-	-	-	-33 364	-33 364
Repayment of tier 1 capital	-	-	-210 000	-	-	-210 000
Allocation of bonus shares	57	5 199	-	-	-	5 256
Dividend to equity holders	-	-	-	-	-1 121 140	-1 121 140
Balance 31.12.21	186 904	983 401	425 000	-83	9 574 087	11 169 309

Amounts in NOK 1000

Balance 31.12.19	186 695	972 295	635 000	-	7 679 717	9 473 707
This period's profit	-	-	-	-	1 886 975	1 886 975
Comprehensive income for the period	-	-	-	-	1 886 975	1 886 975
Paid interest tier 1 capital	-	-	-	-	-38 580	-38 580
Allocation of bonus shares	153	5 906	-	-	-	6 058
Balance 31.12.20	186 848	978 201	635 000	-	9 528 112	11 328 161

Changes in equity

Bank Norwegian ASA

<i>Amounts in NOK 1000</i>	Share capital	Share premium	Tier 1 capital	Changes in fair value of financial instruments through OCI	Retained earnings	Total equity
Balance 31.12.20	183 315	966 646	635 000	-	8 253 647	10 038 608
Changes due to merger	-57	11 556	-	-	153 382	164 881
Capital Increase	3 590	-	-	-	-	3 590
Balance after merger and capital increase	186 847	978 201	635 000	-	8 407 029	10 207 078
This period's profit	-	-	-	-	1 233 514	1 233 514
Items that may be reclassified to profit and loss, after tax	-	-	-	-83	-	-83
Comprehensive income for the period	-	-	-	-83	1 233 514	1 233 430
Paid interest tier 1 capital	-	-	-	-	-33 364	-33 364
Repayment of tier 1 capital	-	-	-210 000	-	-	-210 000
Dividend provision	-	-	-	-	-719 581	-719 581
Allocation of bonus shares	57	5 199	-	-	-	5 256
Other changes	-	-	-	-	-56	-56
Balance 31.12.21	186 904	983 401	425 000	-83	8 887 542	10 482 763

Amounts in NOK 1000

Balance 31.12.19	183 315	966 646	635 000	-	7 503 649	9 288 609
This period's profit	-	-	-	-	2 239 579	2 239 579
Comprehensive income for the period	-	-	-	-	2 239 579	2 239 579
Paid interest tier 1 capital	-	-	-	-	-38 580	-38 580
Group contribution	-	-	-	-	-1 451 000	-1 451 000
Balance 31.12.20	183 315	966 646	635 000	-	8 253 647	10 038 608

Notes

Note 1. General accounting principles

The quarterly financial statements for the Bank Norwegian Group (BN Group) and Bank Norwegian ASA have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, management makes estimates, judgements and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates and areas where judgement is applied by the BN Group and Bank Norwegian ASA, can be found in Note 1 Accounting principles in the annual report 2020 of Norwegian Finans Holding Group and the annual report 2020 of Bank Norwegian AS.

Norwegian Finans Holding ASA and Bank Norwegian ASA have merged with accounting effect as of January 1, 2021.

Following the merger, Bank Norwegian ASA is the parent company in the Bank Norwegian Group. Please see note 15 in the second quarter financial statements for further information regarding effects of the merger. Unless otherwise is stated, the notes presented below relates to both the group accounts and to the accounts of Bank Norwegian ASA.

The Bank has in December applied accounting standards from IFRS 9 and IFRS 7 related to hedge accounting. Based on updated interest rate risk calculations from IRRBB, the Bank has identified significant interest rate risk on the asset side, which has been hedged through entering Interest Rate Swaps by swapping floating rate to fixed rate. The hedging object is debt securities issued. The effective portion of the gains or losses on the hedging instrument is recognized in Other comprehensive income. The ineffective portion of the gains or losses on the hedging instrument is recognized in profit or loss.

Note 2. Segments

The profit and loss and balance sheet presentation for segments are based on internal financial reporting as it is reported to management. Other contains eliminations for group contributions. The Bank went live on October 25, in Spain and November 10, in Germany. The level of activity is still low, and the figures for these countries are presented with the figures for Norway. Profit after tax was NOK -8.7 million for Spain and NOK -12.6 million for Germany.

Profit and loss account YTD 2021

Amounts in NOK 1000	Norway	Sweden	Denmark	Finland	Other	Total
Net interest income	1 860 888	783 245	600 432	1 420 609	-	4 665 173
Net other operating income	24 388	32 267	-30 614	37 225	28	63 294
Total income	1 885 276	815 512	569 817	1 457 834	28	4 728 467
Total operating expenses	871 633	232 906	182 512	299 933	37 783	1 624 767
Provision for loan losses	431 938	376 900	169 038	520 853	-	1 498 728
Profit before tax	581 705	205 706	218 267	637 048	-37 755	1 604 972
Tax charge	139 641	52 261	55 476	161 835	-4 719	404 494
Profit after tax	442 064	153 445	162 792	475 212	-33 036	1 200 478
Other comprehensive income	-39	-44	-	-	-	-83
Comprehensive income for the period	442 025	153 401	162 792	475 212	-33 036	1 200 395

Balance sheet 31.12.21

Amounts in NOK 1000	Norway	Sweden	Denmark	Finland	Other	Total
Loans to customers	12 769 167	6 077 752	3 983 818	10 818 583	-	33 649 320
Other assets	9 636 809	3 362 974	7 186 839	2 661 619	-32 635	22 815 606
Total assets	22 405 975	9 440 726	11 170 657	13 480 202	-32 635	56 464 926
Deposits from customers	13 088 696	5 321 224	10 453 144	7 530 547	-	36 393 611
Other liabilities and equity	9 317 280	4 119 503	717 513	5 949 655	-32 635	20 071 315
Total liabilities and equity	22 405 975	9 440 726	11 170 657	13 480 202	-32 635	56 464 926

Profit and loss account YTD 2020

Amounts in NOK 1000	Norway	Sweden	Denmark	Finland	Other	Total
Net interest income	2 179 333	902 084	738 166	1 597 163	-3 692	5 413 054
Net other operating income	97 657	52 330	11 355	68 972	-671	229 644
Total income	2 276 989	954 415	749 521	1 666 135	-4 363	5 642 698
Total operating expenses	555 879	260 923	185 288	275 843	35 228	1 313 162
Provision for loan losses	553 713	406 430	323 905	546 900	-	1 830 948
Profit before tax	1 167 398	287 062	240 328	843 392	-39 592	2 498 588
Tax charge	136 694	33 883	28 336	99 688	313 011	611 613
Profit after tax	1 030 703	253 179	211 992	743 704	-352 603	1 886 975
Comprehensive income for the period	1 030 703	253 179	211 992	743 704	-352 603	1 886 975

Balance sheet 31.12.20

Amounts in NOK 1000	Norway	Sweden	Denmark	Finland	Other	Total
Loans to customers	15 264 965	6 920 949	4 776 260	10 981 515	-	37 943 688
Other assets	13 001 851	3 461 202	5 951 959	2 678 364	154 947	25 248 323
Total assets	28 266 816	10 382 150	10 728 219	13 659 879	154 947	63 192 011
Deposits from customers	20 179 276	5 893 512	10 121 224	6 483 691	-	42 677 703
Other liabilities and equity	8 087 540	4 488 639	606 995	7 176 187	154 947	20 514 309
Total liabilities and equity	28 266 816	10 382 150	10 728 219	13 659 879	154 947	63 192 011

Note 3. Capital adequacy and Liquidity Coverage Ratio

Bank Norwegian Group and Bank Norwegian ASA report according to the standardized approach for credit risk and the standardized approach for operational risk. In December 2020 the Group changed the timing of the annual update of the operational risk calculation from January in the following year to December in the current year. The BN Group adopted the EBA guidelines related to new definition of default as of January 1, 2021.

Total capital	Bank Norwegian ASA		Bank Norwegian Group	
	31.12.21	31.12.20	31.12.21	31.12.20
<i>Amounts in NOK 1000</i>				
Share capital	186 904	183 315	186 904	186 847
Share premium	983 401	966 646	983 401	978 201
Other reserves	8 887 458	8 253 647	9 574 004	9 528 112
Adjustment to retained earnings for foreseeable dividends	-	-	-719 581	-1 121 083
Deferred tax assets, intangible assets and AVA	-118 177	-123 673	-440 240	-477 919
Common equity tier 1	9 939 586	9 279 935	9 584 488	9 094 158
Additional tier 1 capital	425 000	635 000	425 000	635 000
Tier 1 capital	10 364 586	9 914 935	10 009 488	9 729 158
Tier 2 capital	739 801	877 820	739 801	877 820
Total capital	11 104 387	10 792 755	10 749 289	10 606 978
Risk-weighted assets				
Covered bonds	1 028 448	939 778	1 028 448	939 778
Regional governments or local authorities	1 127 230	1 269 097	1 127 230	1 269 097
Institutions	476 608	764 928	476 608	563 273
Corporate	193 206	601	-	-
Loans to customers	21 673 195	23 960 025	21 673 195	23 960 025
Defaulted loans	5 173 830	5 996 989	5 173 830	5 996 989
Equity positions	188 267	50 642	26 775	50 642
Other assets	109 734	376 124	109 734	376 681
Total credit risk	29 970 517	33 358 183	29 615 820	33 156 485
Operational risk	7 979 758	8 090 317	7 976 821	8 087 003
Market risk	7 364	2 788	7 364	2 788
Total risk-weighted assets	37 957 640	41 451 287	37 600 005	41 246 275
Common equity tier 1 %	26.2 %	22.4 %	25.5 %	22.0 %
Tier 1 capital %	27.3 %	23.9 %	26.6 %	23.6 %
Total capital %	29.3 %	26.0 %	28.6 %	25.7 %

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is defined as the Bank's liquid assets relative to net liquidity output 30 days forward in time in any given stress situation. The Bank has significant positions in Norwegian, Swedish and Danish kroner in addition to Euro. The legal requirement for liquidity reserve at total level and for significant currencies is 100% except for Norwegian kroner where the legal requirement is 50%.

Total	Bank Norwegian ASA		Bank Norwegian Group	
	31.12.21	31.12.20	31.12.21	31.12.20
Total	338 %	569 %	338 %	569 %
NOK	239 %	388 %	239 %	389 %
SEK	302 %	530 %	302 %	530 %
DKK	492 %	467 %	492 %	467 %
EUR	487 %	169 %	487 %	169 %

Note 4. Expected credit loss

The expected credit loss (ECL) is calculated in accordance with IFRS 9. The main drivers behind the ECL estimate are estimation of LGD, identification of significant increase in credit risk, and probability of default (PD).

The PD is an estimate of the likelihood of default over a given time horizon and is a point in time estimate. The estimation is based on statistical models assessing probability of default based on past, present and forward-looking information on variables that have high correlation with observed default.

Loss Given Default (LGD) is the estimated loss on an engagement once in default. It is based on the difference between the contractual cash flows due and the expected cash flows.

Exposure at Default (EAD) is the predicted amount of exposure calculated on the engagement at a future default date, which the Bank is exposed to when an obligor defaults on a loan. EAD is a dynamic number that changes as a borrower repays the loan and interest or draws on the credit limits of a card. The Bank utilizes an EAD model for pre-defaulted credit cards that estimates the Credit Conversion Factor based on lifetime of the card, exposure history and usage on the card, average arrears amount and months since last activity.

In average a lifetime of a credit card is estimated to be 36 months, while the unsecured loans have an estimated repayment model. This can vary slightly between periods but is assessed as the best overall estimate for each product, in each country. For credit cards, the lifetime of the plastic card is three years, which is the latest period a new assessment of the credit is made by the Bank. Hence, this is considered the longest duration before updated assessment of the credit risk, as a real credit assessment is made at least at this interval before renewing the credit and issuance of a new card.

All loan engagements are placed in one of the three stages according to IFRS; Stage 1 is used for engagements considered not impaired and uses a 12-month ECL calculation. Stage 2 has a significant increase in credit risk since its origination, according to the triggers disclosed below, and uses the lifetime approach to ECL calculation. Stage 3 is defaulted with more than 90 days past due definition and calculates the ECL based on the lifetime approach.

The main drivers behind the LGD-estimates are the payer-rates of the defaulted clients, the recovery rate/speed and time in default, the size of the exposure, demographics of the obligor and historical pricing of sold accounts as well as varying degrees of regulatory opportunities in the countries. All uncertain factors are monitored and calibrated regularly. In addition to the trigger model described below, an engagement can be cured from Stage 2 and Stage 3 over to Stage 1, with an improved payment behavior, such as repayment of previous defaulted invoices and accumulated interest. Migration from Stage 2 to Stage 1 is when the criteria for Significant Increase in Credit Risk is no longer met. With such behavior, a customer will be considered cured. The Bank will maintain an exposure as non-performing defaulted for a probation of three months after becoming performing again, for capital purposes only.

The payment behavior for our customers in all countries has been good and improvements continued through 2021, despite the COVID-19 situation. This is visible in the lower number of late payers, no-payers and a continuous reduction of inflow to debt collection. This is also evident for our customers being granted a payment relief during the pandemic according to our standard customer services routines. Payment relief is only given to healthy customers for 1, 2 or 3 months in total over a twelve-month period, based on application and previous healthy payment history.

An exposure in default that has surpassed an LGD of 70% is charged off and taken off the balance sheet. The legal claim towards the customer remains, with accumulation of interest.

Significant increase in credit risk (SICR)

A significant increase in credit risk is assessed on several criteria such as default of another product, previous default, forbearance, as well as late payment beyond 30 days after invoice due date. The most important factor for the assessment of a significant increase in credit risk, accounting for about 90% of the triggering to Stage 2, is a comparison between the lifetime probability of default (PD) at origination and the lifetime PD at the reporting date, as this signifies an increased risk based on all factors in the behavior models including the macro impact.

The trigger-model below utilizes an assessment of the forward-looking lifetime of the exposure, considering the probability of early repayment and the lifetime PDs on the exposure. Both the lifetime PD at the reporting date and the lifetime PD at origination are annualized according to the estimated remaining lifetime. Accounts that satisfy the inequality below are regarded as having significant increase in credit risk.

The Trigger Coefficient is evaluated by comparing the bad rates of accounts of certain ranges of PD at origination and PD increase with the bad rate of a "benchmark group" consisting of accounts in the same portfolio for the first time having days past due between 1 to 30 days. For each portfolio, a smaller Trigger Coefficient indicates that its accounts are to be regarded as more easily having a significant increase in credit risk. The higher Trigger Coefficient in e.g. Denmark is in line with the relative higher PD at origination of the portfolio.

Note 4. Expected credit loss (continued)

The product-specific Trigger Coefficient (TC): Annualised lifetime PD at the reporting date > TC + (1 - TC) * Annualised lifetime PD at origination.

	Trigger Coefficient	
	Instalment loans	Credit card loans
Norway	0.06	0.11
Sweden	0.12	0.11
Denmark	0.20	0.17
Finland	0.11	0.09
Spain	0.11	0.09
Germany	0.11	0.09

To exemplify the use of the Trigger Coefficient on an exposure that does get triggered, and one that does not, we present the following:

Product	Annualised lifetime PD at origination	Annualised lifetime PD at the reporting date	Trigger Coefficient	Calculation	Stage
Norway Unsecured Loan	0.10	0.20	0.06	$0.20 > 0.06 + (1 - 0.06) * 0.10 = 0.154$	Stage 2
Denmark Credit Card	0.30	0.40	0.20	$0.40 < 0.20 + (1 - 0.20) * 0.30 = 0.440$	Stage 1

Economic variables used to measure ECL

The IFRS 9 accounting standard for impairment of financial assets requires calculation of expected loss defined as a probability-weighted product of probability of default, loss given default, and exposure at default, across scenarios. The following scenarios are considered in the model: A baseline scenario that captures the most likely economic future (base), a scenario that presents adverse economic conditions (pessimistic), and another scenario that presents favorable economic conditions (optimistic).

The three scenarios are constructed in accordance with target severity for each of the scenarios. While the baseline scenario is by design in the middle of possible future economic outcomes, the alternative scenarios capture alternative economic conditions that are equally distanced from the baseline in terms of their severity. After their construction, the three scenarios are each assigned probability weights based on their severity and on how well they approximate (simulated) possible future economic developments.

The process for the Bank is to remain both objective and quantitative in the approach to constantly evaluate the drivers behind each scenario against the potential reality of the economy, as perceived by the management, then to choose the optimistic and pessimistic scenarios that border on the extreme in both directions. For the period, the Optimistic 10th percentile and Pessimistic 75th percentile is chosen in addition to the baseline. This means that the Bank sees only a 10% probability of the economy performing better than the **optimistic scenario**. New cases, hospitalizations and deaths from COVID-19 recede faster than in the baseline. Consumer and business confidence rises more sharply than projected, buoyed by anticipation of faster-than-expected success in the development of reliable treatments and vaccines for COVID-19. Consumers return to spending on air travel, retail and hotels faster than expected. Supply-chain issues resolve more quickly than anticipated, boosting overall growth. The above-baseline growth results in steadily declining unemployment, and consequently fewer business bankruptcies. Political and economic tensions between the U.S. and China decline amid the positive outcomes. Although inflation and long-term interest rates rise more than in the baseline, financial markets do not become alarmed and foreign exchange rates remain stable.

In the **pessimistic scenario**, there is a 25% probability that the economy will perform even worse than the baseline. New cases, hospitalizations and deaths from COVID-19 diminish more slowly than in the baseline. Fewer people than expected agree to receive the vaccines, and concerns rise about effective widespread distribution and vaccine efficacy as Omicron variant cases increase. Consumers are more cautious about returning to spending on air travel, retail and hotel stays than in the baseline. Supply-chain issues resolve more slowly than anticipated, weakening the recovery in manufacturing. Commodity prices remain slightly below baseline amid lingering concerns about the pandemic. Emerging market countries face somewhat tighter international financing conditions. Political and economic tensions begin to rise again amid the disappointing outcomes regarding the incidence of illness. This scenario also implicates that infections abate mid April 2022.

All three scenarios are affected by COVID-19, where the recovery speed and timespan are the uncertain factors. The composition of the three scenarios is based on the best assessment of relevance for the period: choosing the most extreme pessimistic scenario is seen as highly unlikely as this is considered a stress scenario not based on our best estimate of the situation. If the most extreme pessimistic scenario had been chosen in connection with base and optimistic, the outcome would have led to NOK 128 million higher loan loss provision for Q4 2021.

The scenario variables impact the 12-month PD, the Lifetime PD and the LGD, both pre-default and post-default. At the extremely unlikely scenario of the 96th percentile the calculated unweighted ECL isolated to that scenario would be more than NOK 660 million higher than the base-scenario. This scenario is characterized by many more people than anticipated refuse to receive the vaccines and worries rise about vaccine efficacy as Omicron variant cases increase. This is a scenario with a long-lasting crisis with only a probability of 4% that the economy is even worse off.

Note 4. Expected credit loss (continued)

The Bank has chosen to disclose the three most important modelling variables in each individual country. The model is based on data and scenarios from Moody's Analytics Global Macroeconomic Outlook. The baseline and the alternative scenarios are updated monthly.

Key assumptions used for the Base case scenario are:

- 1) No further wave of COVID-19 that causes countries to implement widespread shutdowns again
- 2) Aggressive fiscal and monetary policy response
- 3) Brent crude oil prices fall to just below \$65 per barrel by the beginning of 2023 as supply increases, but they gradually rise as oil demand strengthens
- 4) 300 million confirmed cases

Key risks used for the Base case scenario are:

- 1) Further waves of COVID-19 cause several countries to shut down nonessential business again
- 2) Governments in most major economies have limited space to enact further fiscal stimulus
- 3) Policy mistakes once the crisis subsides stifle the recovery

	Base scenario		Optimistic scenario		Pessimistic scenario	
	12 months	5 years	12 months	5 years	12 months	5 years
Norway						
Future 1 month oil price (USD per bbl)	65.2	69.8	68.5	76.0	55.8	66.8
Nominal Private consumption (bil. USD)	206.1	261.5	207.4	271.5	176.2	255.1
Real GDP (bil. 2012 USD)	611.5	651.7	619.2	660.6	599.0	643.3
Sweden						
Disposable income (ths. 2020 SEK)	243.3	252.9	246.4	261.9	242.4	248.4
GDP PPP (bil. USD)	656.2	749.6	684.3	785.0	592.6	720.6
Money supply M3 (bil. SEK)	5 000.3	6 134.6	5 098.1	6 326.5	4 895.5	5 913.1
Denmark						
GDP PPP (bil. USD)	456.0	585.7	490.4	594.9	412.4	574.2
Industrial production index (2015 = 100)	121.7	133.1	127.7	136.1	117.4	130.1
Unemployment rate (%)	5.7	5.1	5.2	4.9	6.3	5.2
Finland						
GDP PPP (bil. USD)	343.0	418.6	368.5	447.4	307.5	395.2
Nominal Private Consumption (bil. USD)	162.4	207.2	162.1	213.6	143.7	201.2
Unemployment rate (%)	6.9	6.7	6.2	6.7	7.5	6.9
Spain						
GDP Nominal (bil. USD)	1 564.2	1 959.1	1 578.1	2 042.2	1 354.6	1 885.7
Personal Income (bil. 2015 EUR)	574.9	631.1	589.1	643.2	568.4	610.2
Total Unemployment (mil. #)	3.3	3.1	3.0	3.0	3.5	3.2
Germany						
GDP Nominal (bil. USD)	4 596.6	5 543.3	4 748.4	5 824.9	3 991.5	5 349.3
Nominal Private Consumption (bil. EUR)	1 963.1	2 225.1	2 035.7	2 286.6	1 930.0	2 175.9
Unemployment rate (%)	5.3	5.2	4.5	5.0	5.6	5.5

Macro scenario sensitivity on ECL

		Final	Base	Optimistic	Pessimistic
		ECL	scenario	scenario	scenario
Norway					
Credit card		131 630	131 319	126 744	135 806
Instalment loans		846 702	842 202	819 772	872 145
Sweden					
Credit card		59 606	59 222	56 355	62 540
Instalment loans		602 310	600 277	583 246	619 323
Denmark					
Credit card		20 181	19 544	17 635	22 770
Instalment loans		136 367	132 810	121 497	151 346
Finland					
Credit card		203 086	202 250	193 457	211 514
Instalment loans		1 293 266	1 287 886	1 246 893	1 335 028
Spain					
Credit card		448	433	417	486
Instalment loans		1 243	1 196	1 147	1 362
Germany					
Credit card		610	612	589	625
Instalment loans		1 412	1 416	1 363	1 448

The following weights have been used across all portfolios per 31.12.2021: 32.5% - 30% - 37.5% for Base, Optimistic and Pessimistic scenario for expected credit loss.

Note 5. Loans to customers by product groups and change in loan loss allowance

Loans to customers by product groups

31.12.21 Amounts in NOK 1000		Loan loss allowance			Gross loans	Loan loss allowance			Loans to customers
		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Norway	Instalment loans	6 070 074	439 979	2 384 286	8 894 338	21 892	25 310	799 500	8 047 636
	Credit card loans	4 235 797	220 309	300 569	4 756 675	19 099	17 336	95 194	4 625 046
Sweden	Instalment loans	2 976 367	322 226	1 123 245	4 421 838	45 092	46 929	510 289	3 819 528
	Credit card loans	2 115 775	121 984	80 070	2 317 830	18 897	13 787	26 922	2 258 224
Denmark	Instalment loans	3 188 505	86 581	133 789	3 408 875	47 098	15 386	73 882	3 272 508
	Credit card loans	683 459	24 297	23 734	731 491	7 238	2 454	10 489	711 310
Finland	Instalment loans	6 479 057	661 802	2 799 280	9 940 138	110 018	81 554	1 101 694	8 646 872
	Credit card loans	1 701 185	257 584	416 028	2 374 797	13 769	25 948	163 369	2 171 711
Spain	Instalment loans	37 989	35	-	38 025	1 241	3	-	36 781
	Credit card loans	2 633	84	-	2 717	416	33	-	2 269
Germany	Instalment loans	52 089	-	-	52 089	1 412	-	-	50 676
	Credit card loans	7 345	23	-	7 368	602	8	-	6 758
Total		27 550 276	2 134 905	7 261 001	36 946 182	286 774	228 749	2 781 339	33 649 320
Loan loss allowance coverage ratio per stage						1.04 %	10.71 %	38.31 %	
Net loans									33 649 320

31.12.20 Amounts in NOK 1000		Loan loss allowance			Gross loans	Loan loss allowance			Loans to customers
		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Norway	Instalment loans	7 329 966	882 867	3 062 106	11 274 938	47 469	51 317	1 077 942	10 098 211
	Credit card loans	4 381 127	304 772	913 338	5 599 237	27 199	23 940	381 345	5 166 754
Sweden	Instalment loans	2 962 324	446 295	1 851 721	5 260 340	48 005	56 956	846 519	4 308 860
	Credit card loans	2 093 625	302 973	519 021	2 915 620	22 235	30 218	251 079	2 612 089
Denmark	Instalment loans	3 416 011	138 711	1 164 081	4 718 803	62 827	23 649	645 408	3 986 919
	Credit card loans	674 074	23 054	194 371	891 499	14 179	3 211	84 768	789 341
Finland	Instalment loans	6 865 633	793 532	2 123 998	9 783 164	170 791	131 481	747 056	8 733 835
	Credit card loans	1 727 252	389 833	317 656	2 434 741	19 934	51 942	115 186	2 247 680
Total		29 450 012	3 282 038	10 146 292	42 878 342	412 638	372 713	4 149 303	37 943 688
Loan loss allowance coverage ratio per stage						1.40 %	11.36 %	40.89 %	
Net loans									37 943 688

Change in loan loss allowance and gross loans

Migration out of a stage is calculated at previous closing date 30.9.21, while migration into a stage is calculated at the closing date 31.12.21.

Total Loans

Loan loss allowance Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 30.9.21	293 160	248 122	2 953 378	3 494 661
Transfers :				
Transfers from stage 1 to stage 2	-30 537	108 911	-	78 374
Transfers from stage 1 to stage 3	-6 675	-	54 107	47 433
Transfers from stage 2 to stage 1	20 614	-57 298	-	-36 684
Transfers from stage 2 to stage 3	-	-79 585	169 144	89 559
Transfers from stage 3 to stage 2	-	15 593	-40 446	-24 854
Transfers from stage 3 to stage 1	4 813	-	-35 089	-30 276
New financial assets issued	22 644	7 693	702	31 039
Financial assets derecognized in the period	-10 385	-12 731	-364 138	-387 254
Changes due to modifications that did not result in derecognition	-6 861	-1 957	254 836	246 018
Charge-off	-	-	-211 155	-211 155
Loan loss allowance as at 31.12.21	286 774	228 749	2 781 339	3 296 862

Gross loans to customers Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 30.9.21	27 491 720	2 312 672	7 906 963	37 711 355
Transfers :				
Transfers from stage 1 to stage 2	-1 028 279	1 051 860	-	23 581
Transfers from stage 1 to stage 3	-162 257	-	160 838	-1 419
Transfers from stage 2 to stage 1	645 892	-714 915	-	-69 023
Transfers from stage 2 to stage 3	-	-547 065	546 485	-580
Transfers from stage 3 to stage 2	-	115 604	-130 234	-14 630
Transfers from stage 3 to stage 1	102 365	-	-124 205	-21 840
New financial assets issued	1 888 803	65 752	2 341	1 956 896
Financial assets derecognized in the period	-1 049 366	-116 461	-848 564	-2 014 392
Changes due to modifications that did not result in derecognition	-338 602	-32 542	5 268	-365 877
Charge-off	-	-	-257 891	-257 891
Gross loans to customers as at 31.12.21	27 550 276	2 134 905	7 261 001	36 946 182

Instalment loans total

Loan loss allowance

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 30.9.21	231 199	183 746	2 691 058	3 106 002
Transfers :				
Transfers from stage 1 to stage 2	-23 347	80 490	-	57 144
Transfers from stage 1 to stage 3	-5 961	-	47 877	41 915
Transfers from stage 2 to stage 1	15 046	-38 768	-	-23 722
Transfers from stage 2 to stage 3	-	-64 945	135 168	70 223
Transfers from stage 3 to stage 2	-	13 756	-34 610	-20 854
Transfers from stage 3 to stage 1	4 567	-	-31 890	-27 323
New financial assets issued	20 190	7 030	702	27 922
Financial assets derecognized in the period	-9 680	-11 829	-360 624	-382 133
Changes due to modifications that did not result in derecognition	-5 261	-298	245 089	239 530
Charge-off	-	-	-207 404	-207 404
Loan loss allowance as at 31.12.21	226 752	169 183	2 485 365	2 881 300

Gross loans to customers

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 30.9.21	18 702 632	1 650 243	7 145 161	27 498 036
Transfers :				
Transfers from stage 1 to stage 2	-736 966	732 413	-	-4 553
Transfers from stage 1 to stage 3	-143 278	-	142 001	-1 276
Transfers from stage 2 to stage 1	437 304	-465 232	-	-27 929
Transfers from stage 2 to stage 3	-	-440 393	439 600	-793
Transfers from stage 3 to stage 2	-	100 628	-108 593	-7 965
Transfers from stage 3 to stage 1	94 761	-	-110 726	-15 966
New financial assets issued	1 805 515	60 858	2 341	1 868 714
Financial assets derecognized in the period	-975 637	-105 190	-835 790	-1 916 617
Changes due to modifications that did not result in derecognition	-380 250	-22 704	19 472	-383 482
Charge-off	-	-	-252 866	-252 866
Gross loans to customers as at 31.12.21	18 804 081	1 510 623	6 440 599	26 755 303

Credit card total

Loan loss allowance

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 30.9.21	61 961	64 377	262 320	388 658
Transfers :				
Transfers from stage 1 to stage 2	-7 191	28 421	-	21 230
Transfers from stage 1 to stage 3	-713	-	6 231	5 518
Transfers from stage 2 to stage 1	5 569	-18 530	-	-12 961
Transfers from stage 2 to stage 3	-	-14 641	33 976	19 336
Transfers from stage 3 to stage 2	-	1 837	-5 837	-4 000
Transfers from stage 3 to stage 1	247	-	-3 199	-2 952
New financial assets issued	2 454	663	-	3 117
Financial assets derecognized in the period	-705	-902	-3 514	-5 121
Changes due to modifications that did not result in derecognition	-1 600	-1 659	9 747	6 488
Charge-off	-	-	-3 751	-3 751
Loan loss allowance as at 31.12.21	60 021	59 566	295 974	415 561

Gross loans to customers

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 30.9.21	8 789 088	662 430	761 801	10 213 319
Transfers :				
Transfers from stage 1 to stage 2	-291 313	319 447	-	28 134
Transfers from stage 1 to stage 3	-18 979	-	18 837	-142
Transfers from stage 2 to stage 1	208 589	-249 683	-	-41 094
Transfers from stage 2 to stage 3	-	-106 672	106 885	213
Transfers from stage 3 to stage 2	-	14 976	-21 641	-6 665
Transfers from stage 3 to stage 1	7 604	-	-13 478	-5 874
New financial assets issued	83 288	4 894	-	88 182
Financial assets derecognized in the period	-73 729	-11 271	-12 774	-97 775
Changes due to modifications that did not result in derecognition	41 648	-9 839	-14 204	17 605
Charge-off	-	-	-5 024	-5 024
Gross loans to customers as at 31.12.21	8 746 196	624 282	820 401	10 190 879

Note 6. Provision for loan losses

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Realized losses in the period due to final write-offs	12 300	23 459	58 987	74 903
Realized losses in the period due to charge-offs*	46 736	62 588	266 999	209 683
Loan loss provisions - lifetime expected credit loss (stage 3)	383 982	339 760	1 550 428	1 658 194
Loan loss provisions - lifetime expected credit loss (stage 2)	-12 133	-89 385	-119 024	-143 024
Loan loss provisions - 12 months expected credit loss (stage 1)	233	61 240	-104 529	31 192
Adjustments for sold NPL portfolios**	-52 702	-	-154 133	-
Provision for loan losses	378 416	397 662	1 498 728	1 830 948

*Charge-off means that the entire loan is written down and removed from gross loans while maintaining the claim against the customer. The total legal claim of the charged-off accounts is NOK 687.2 million as of 31.12.2021.

**In December, the Bank sold portfolios of defaulted instalment loans in Sweden. The Swedish portfolio with outstanding customer claims of SEK 1.075 billion was sold to Lowell Sverige AB. Gross loans was reduced by SEK 785 million and the loan loss allowance was reduced by SEK 344 million.

Note 7. Risk classes

<i>Amounts in NOK 1000</i>	Probability of				Gross loans		Undrawn credit limits	
	default	Stage 1	Stage 2	Stage 3	31.12.21	31.12.20	31.12.21	31.12.20
A	0 – 1%	7 580 171	1	-	7 580 172	6 179 263	45 393 671	48 008 525
B	1 – 3%	8 652 451	5 598	-	8 658 049	9 146 106	794 891	728 160
C	3 – 5%	3 716 680	23 635	-	3 740 315	4 838 332	145 171	173 971
D	5 – 9%	3 454 747	86 791	-	3 541 538	4 141 294	78 873	122 376
E	9 – 15%	2 146 784	209 674	-	2 356 458	3 063 638	26 612	43 466
F	15 – 20%	804 858	199 262	-	1 004 120	1 301 812	5 520	9 857
G	20 – 30%	851 538	408 805	-	1 260 343	1 709 161	3 045	8 742
H	30 – 40%	249 922	327 142	-	577 065	813 542	632	1 609
I	40 – 55%	81 940	400 626	-	482 566	647 421	220	704
J	55 – 100%	11 185	473 372	-	484 556	891 482	104	196
Defaulted loans	-	-	-	7 261 001	7 261 001	10 146 292	-	-
Total		27 550 276	2 134 905	7 261 001	36 946 182	42 878 342	46 448 739	49 097 604

Risk is grouped into PD bands from A to J, with A being the lowest risk.

Note 8. Net interest income

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Interest income from cash and deposits with the central bank	51	-	54	206
Interest income from loans to and deposits with credit institutions	257	-156	-1 594	-1 192
Interest income from instalment loans	805 066	1 002 445	3 483 696	4 154 887
Interest income from credit card loans	337 644	413 916	1 414 945	1 726 892
Interest income from sales financing	15	40	86	221
Interest income, effective interest method	1 143 033	1 416 244	4 897 187	5 881 446
Interest and other income from certificates and bonds	46 675	51 932	182 078	226 167
Other interest and other interest related income	299	2 011	1 761	7 713
Other interest income	46 974	53 944	183 839	233 880
Interest expense from deposits from the central bank	1 023	17 204	5 875	19 001
Interest expense from deposits from customers	36 661	88 825	179 113	425 177
Interest expense on debt securities issued	36 314	31 837	129 478	157 684
Interest expense on subordinated loan	7 235	8 265	31 621	36 008
Other interest and other interest related expenses	17 817	12 804	69 766	64 402
Interest expenses	99 051	158 935	415 853	702 272
Net interest income	1 090 956	1 311 252	4 665 173	5 413 054

Note 9. Net commission and bank services income

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Payment services	93 793	46 976	269 646	294 430
Insurance services	45 804	17 527	89 413	71 073
Other fees and commission and bank services income	8 877	9 212	36 531	46 513
Total commission and bank services income	148 474	73 716	395 589	412 016
Payment services	30 253	27 000	93 390	98 040
Insurance services	16 131	18 035	66 276	71 522
Other fees and commission and bank services expense	7 094	7 404	23 042	25 481
Total commission and bank services expenses	53 478	52 439	182 707	195 043

Note 10. Net change in value on securities and currency

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Net change on certificates and bonds	-47 579	-37 048	-169 756	-111 296
Net change on FX-forwards*	-16 601	245 741	-5 111	100 018
Net currency effects	15 669	-264 315	49 260	-5 911
Net change on shares and other securities	389	-798	-23 982	5 830
Net change in value on securities and currency**	-48 122	-56 420	-149 588	-11 359

*The contract amount was NOK 11 765 million 31.12.21.

**In YTD 2021 the subsidiary Lilienthal Finance Ltd contributed with NOK 28 thousand of the total amount.

Note 11. General administrative expenses

<i>Amounts in NOK 1000</i>	Q4 2021	Q4 2020	2021	2020
Sales and marketing	200 732	169 093	795 975	778 294
IT operations	23 155	24 260	96 164	92 867
External services costs	200 384	48 883	326 758	117 798
Other administrative expenses	26 612	15 613	83 768	54 623
Total general administrative expenses*	450 883	257 849	1 302 664	1 043 582

*In 2021 the subsidiary Lilienthal Finance Ltd contributed with NOK 883 thousand of the total amount.

Note 12. Classification of financial instruments

31.12.2021

<i>Amounts in NOK 1000</i>	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Total
Cash and deposits with the central bank	-	-	813 303	813 303
Loans and deposits with credit institutions	-	-	1 079 310	1 079 310
Loans to customers	-	-	33 649 320	33 649 320
Certificates and bonds	-	20 233 281	-	20 233 281
Shares and other securities	-	26 802	-	26 802
Financial derivatives	285	133 183	-	133 468
Total financial assets	285	20 393 266	35 541 933	55 935 485
Loans from credit institutions	-	-	-	-
Deposits from customers	-	-	36 393 611	36 393 611
Debt securities issued	-	-	6 945 201	6 945 201
Financial derivatives	588	138 294	-	138 883
Subordinated loan	-	-	739 801	739 801
Total financial liabilities	588	138 294	44 078 613	44 217 495

31.12.2020

<i>Amounts in NOK 1000</i>	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Total
Cash and deposits with the central bank	-	-	69 451	69 451
Loans and deposits with credit institutions*	-	-	2 774 788	2 774 788
Loans to customers	-	-	37 943 688	37 943 688
Certificates and bonds	-	21 520 427	-	21 520 427
Shares and other securities	-	50 692	-	50 692
Financial derivatives	-	341 309	-	341 309
Total financial assets	-	21 912 429	40 787 927	62 700 356
Loans from credit institutions**	-	-	1 313 710	1 313 710
Deposits from customers	-	-	42 677 703	42 677 703
Debt securities issued	-	-	6 034 387	6 034 387
Financial derivatives	-	64 862	-	64 862
Subordinated loan	-	-	877 820	877 820
Total financial liabilities	-	64 862	50 903 619	50 968 481

*Loans and deposits with the credit institutions in Bank Norwegian ASA for 2020 was NOK 2 772.5 million.

**NOK 1 000 million is loans from Norges Bank.

Note 13. Financial instruments at fair value

31.12.21

<i>Amounts in NOK 1000</i>	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	20 233 281	-	20 233 281
Financial derivatives	-	133 468	-	133 468
Shares and other securities*	-	-	26 802	26 802
Total financial assets at fair value	-	20 366 749	26 802	20 393 551
Financial derivatives	-	138 883	-	138 883
Total financial liabilities at fair value	-	138 883	-	138 883

*The Bank owns 2.383% in VN Norge AS. The fair value of the shares is estimated based on the stock price of Visa Inc., the currency rate (USD/NOK), a liquidity discount and a conversion rate.

31.12.20

<i>Amounts in NOK 1000</i>	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	21 520 427	-	21 520 427
Financial derivatives	-	341 309	-	341 309
Shares and other securities	-	-	50 692	50 692
Total financial assets at fair value	-	21 861 736	50 692	21 912 429
Financial derivatives	-	64 862	-	64 862
Loans from credit institutions**	1 313 710	-	-	1 313 710
Total financial liabilities at fair value	1 313 710	64 862	-	1 378 571

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

Level 2: Valuation based on observable market data, other than quoted prices.

Level 3: Valuation based on observable market data when valuation can not be determined in level 1 or 2.

Note 14. Fair value of financial instruments at amortized cost

Financial instruments at amortized cost are valued at originally determined cash flows, adjusted for any impairment losses. Amortized cost will not always give values that match the market's assessment of the same instruments, due to different perceptions of market conditions, risk and return requirements.

Debt securities issued and subordinated loan

The fair value of debt securities issued and subordinated loan are based on observable market data where available.

Amounts in NOK 1000	31.12.21		31.12.20	
	Book value	Fair value	Book value	Fair value
Debt securities issued	6 945 201	7 004 912	6 034 387	5 957 929
Subordinated loan	739 801	746 558	877 820	830 961
Total financial liabilities	7 685 002	7 751 469	6 912 207	6 788 889

31.12.21

Amounts in NOK 1000	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6 945 201	-	6 945 201
Subordinated loan	-	739 801	-	739 801
Total financial liabilities	-	7 685 002	-	7 685 002

31.12.20

Amounts in NOK 1000	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6 034 387	-	6 034 387
Subordinated loan	-	877 820	-	877 820
Total financial liabilities	-	6 912 207	-	6 912 207

Note 15. Debt securities issued and subordinated loans

Amounts in NOK 1000

	31.12.21	31.12.20
Debt securities issued, carrying value (amortized cost)	6 945 201	6 034 387
Subordinated loans, carrying value (amortized cost)	739 801	877 820
Total debt securities issued and subordinated loans	7 685 002	6 912 207

ISIN	Nominal value outstanding	Currency	Interest	Reference rate + margin	Maturity*	Carrying value
Debt securities issued (senior unsecured bonds)						
NO0010848591	239 000	NOK	Floating	NIBOR + 150bp	29.03.2022	239 021
NO0010863582	324 000	SEK	Floating	STIBOR + 140bp	16.09.2022	315 835
NO0010863574	400 000	NOK	Floating	NIBOR + 140bp	16.09.2022	400 284
NO0010871148	684 000	NOK	Floating	NIBOR + 195bp	12.12.2022	684 502
NO0010871130	1 000 000	SEK	Floating	STIBOR + 190bp	12.12.2022	974 746
NO0010871155	1 200 000	NOK	Floating	NIBOR + 215bp	12.12.2023	1 200 590
NO0010871296	600 000	SEK	Floating	STIBOR + 200bp	12.12.2023	584 681
NO0010952823	700 000	NOK	Floating	NIBOR + 145bp	18.03.2025	699 926
NO0010952831	300 000	SEK	Floating	STIBOR + 140bp	18.03.2025	292 230
NO0011142572	1 550 000	NOK	Floating	NIBOR + 112bp	03.05.2024	1 553 386
Total debt securities issued	6 997 000					6 945 201
Subordinated loans						
NO0010797988	200 000	NOK	Floating	NIBOR + 375bp	16.06.2022	199 964
NO0010833130	550 000	SEK	Floating	STIBOR + 375bp	02.10.2023	539 837
Total subordinated loans	750 000					739 801
Total	7 747 000					7 685 002

*For subordinated loans maturity reflects the first possible call date.

Note 16. Related parties and other investments

Bank Norwegian ASA has since 2007 had an agreement with Norwegian Air Shuttle ASA regarding the use of the brand name Norwegian, IP-rights and cooperation regarding the loyalty program Norwegian Reward. The agreement was renegotiated in the second quarter 2018 and is valid for ten years. In the fourth quarter 2021 the total expensed amount related to Norwegian Air Shuttle ASA was NOK 77 million, comprising of portfolio related costs of NOK 72.2 million and sales and agent commissions of NOK 4.8 million. The portfolio related costs include license fee for use of brand name, IP-rights and other customer portfolio costs, such as cashpoints.

After the merger between Bank Norwegian ASA and Norwegian Finans Holding ASA, Bank Norwegian ASA owns 100% of the shares in Lilienthal Finance Ltd. The shares are recognized at cost, NOK 161.5 million, and are eliminated in the group accounts.

All intercompany balances between Norwegian Finans Holding ASA and Lilienthal Finance Ltd are now between Bank Norwegian ASA and Lilienthal Finance Ltd. Intercompany balance as of fourth quarter 2021 is NOK 193.2 million and consists mainly of a loan of NOK 184.5 million in relation to the acquisition of IP rights in Lilienthal Finance Ltd. and general expenses.

In November, Nordax Bank AB (publ.) acquired all the shares in Bank Norwegian ASA and the Bank was delisted from the Oslo Stock Exchange November 15, 2021. The Bank is now a wholly owned subsidiary of Nordax Bank AB. There has not been any intercompany transaction as of 31.12.2021. In December 2021, Bank Norwegian ASA (as lender) and Nordax Bank AB (publ) (as borrower), rated BBB from Nordic Credit Rating, entered into a group internal loan agreement of MNOK 500 at market terms. The loan approval process by the Lender has been made in accordance with the procedures set out in Section 8-10 of the Norwegian Public Limited Liability Companies Act and ranks pari passu with other unsecured lenders of Nordax Bank AB (publ). Payment of the loan was agreed upon and conducted in January 2022.

Note 17. Taxes

<i>Amounts in NOK 1000</i>	Bank Norwegian ASA		Bank Norwegian Group	
	2021	2020	2021	2020
Profit on ordinary activities before tax	1 642 727	2 538 180	1 604 972	2 498 588
Permanent differences	-6 396	-66 894	-6 396	-66 892
Change in differences included in the basis for deferred tax/tax asset	289 244	-217 650	327 000	-217 650
Corrections for differences through OCI	-111	-	-111	-
Change in deferred tax / tax asset	-	-	-	-12 178
Basis for tax charge for the year	1 925 464	2 253 635	1 925 464	2 201 867
Estimated tax expense (25%)	481 366	244 058	481 366	557 675
Change in deferred tax/tax asset	-72 311	54 413	-77 031	53 807
Corrections for deferred tax/tax assets differences through OCI	28	-	28	-
Other corrections	131	131	131	131
Tax charge	409 213	298 601	404 494	611 613

Note 18. Subsequent events

The Board of Directors are not aware of any events after the date of the balance sheet that may be of material significance.

Quarterly figures

Profit and loss account

Amounts in NOK 1000	Bank Norwegian Group				
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest income, effective interest method	1 143 033	1 206 994	1 245 786	1 301 374	1 416 244
Other interest income	46 974	38 270	44 497	54 099	53 944
Interest expenses	99 051	94 306	107 170	115 327	158 935
Net interest income	1 090 956	1 150 959	1 183 113	1 240 146	1 311 252
Commission and bank services income	148 474	86 132	75 925	85 058	73 716
Commission and bank services expenses	53 478	41 384	44 459	43 386	52 439
Income from shares and other securities	-	-	-	-	24 029
Net change in value on securities and currency	-48 122	-60 729	-12 363	-28 375	-56 420
Net other operating income	46 875	-15 981	19 103	13 297	-11 114
Total income	1 137 831	1 134 978	1 202 215	1 253 443	1 300 139
Personnel expenses	54 760	47 032	35 844	34 058	35 905
General administrative expenses	450 883	324 697	264 943	262 141	257 849
Depreciation and impairment of fixed and intangible assets	19 780	21 513	23 148	26 888	23 965
Other operating expenses	14 425	15 118	16 883	12 653	13 120
Total operating expenses	539 849	408 361	340 819	335 740	330 839
Provision for loan losses	378 416	359 715	370 664	389 933	397 662
Profit before tax	219 566	366 902	490 733	527 771	571 638
Tax charge	59 820	90 807	122 941	130 926	135 404
Profit after tax	159 746	276 095	367 792	396 845	436 234

Comprehensive income

Amounts in NOK 1000	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Profit on ordinary activities after tax	159 746	276 095	367 792	396 845	436 234
Financial assets at fair value through OCI	-111	-	-	-	-
Tax	28	-	-	-	-
Items that may be reclassified to profit or loss	-83	-	-	-	-
Comprehensive income for the period	159 663	276 095	367 792	396 845	436 234

Balance sheet

Amounts in NOK 1000	Bank Norwegian Group				
	31.12.21	30.9.21	30.6.21	31.3.21	31.12.20
Assets					
Cash and deposits with the central bank	813 303	69 884	69 885	69 945	69 451
Loans and deposits with credit institutions	1 079 310	2 199 801	2 175 449	1 694 562	2 774 788
Loans to customers	33 649 320	34 216 695	35 654 342	35 749 207	37 943 688
Certificates and bonds	20 233 281	20 556 073	19 738 636	21 005 806	21 520 427
Financial derivatives	133 468	73 361	156 076	387 965	341 309
Shares and other securities	26 802	26 322	54 326	49 040	50 692
Intangible assets	396 807	403 517	415 442	427 805	448 701
Deferred tax asset	22 900	7 668	6 481	5 784	4 107
Fixed assets	35 615	3 433	3 874	4 855	4 883
Other assets	74 119	50 554	76 651	58 538	33 965
Total assets	56 464 926	57 607 307	58 351 162	59 453 506	63 192 011
Liabilities and equity					
Loans from credit institutions	-	491 395	156 400	300 667	1 313 710
Deposits from customers	36 393 611	38 224 252	39 143 018	39 509 888	42 677 703
Debt securities issued	6 945 201	6 018 621	6 181 276	6 107 413	6 034 387
Financial derivatives	138 883	61 872	48 135	162 758	64 862
Tax payable	481 366	348 107	256 113	446 089	557 675
Deferred tax	-	58 234	58 234	58 234	58 234
Other liabilities	387 376	199 954	248 189	29 870	42 999
Provisions	209 379	248 312	257 373	282 226	236 463
Subordinated loan	739 801	753 807	856 909	840 454	877 820
Total liabilities	45 295 617	46 404 553	47 205 647	47 737 600	51 863 850
Share capital	186 904	186 904	186 904	186 847	186 847
Share premium	983 401	983 401	983 401	978 201	978 201
Tier 1 capital	425 000	425 000	635 000	635 000	635 000
Retained earnings and other reserves	9 574 004	9 607 449	9 340 210	9 915 857	9 528 112
Total equity	11 169 309	11 202 754	11 145 514	11 715 906	11 328 161
Total liabilities and equity	56 464 926	57 607 307	58 351 162	59 453 506	63 192 011

Quarterly figures

Profit and loss account

Amounts in NOK 1000	Bank Norwegian ASA				
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest income, effective interest method	1 143 033	1 206 994	1 245 786	1 301 374	1 417 166
Other interest income	46 974	38 270	44 497	54 099	53 944
Interest expenses	99 051	94 306	107 170	115 327	158 934
Net interest income	1 090 956	1 150 959	1 183 113	1 240 146	1 312 175
Commission and bank services income	148 474	86 132	75 925	85 058	73 716
Commission and bank services expenses	53 478	41 384	44 459	43 321	52 315
Income from shares and other securities	-	-	-	-	24 029
Net change in value on securities and currency	-48 127	-60 729	-12 352	-28 408	-56 428
Net other operating income	46 870	-15 981	19 114	13 329	-10 998
Total income	1 137 826	1 134 978	1 202 227	1 253 475	1 301 178
Personnel expenses	54 760	47 032	35 844	33 321	35 171
General administrative expenses	450 859	324 426	264 658	260 630	255 091
Depreciation and impairment of fixed and intangible assets	10 555	12 288	13 923	17 663	14 740
Other operating expenses	14 425	15 118	16 883	12 413	13 419
Total operating expenses	530 599	398 865	331 309	324 027	318 422
Provision for loan losses	378 416	359 715	370 664	389 933	397 662
Profit before tax	228 810	376 398	500 254	539 515	585 094
Tax charge	60 975	91 994	124 136	132 603	-181 808
Profit after tax	167 835	284 403	376 118	406 912	766 902

Comprehensive income

Amounts in NOK 1000	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Profit on ordinary activities after tax	167 835	284 403	376 118	406 912	766 902
Financial assets at fair value through OCI	-111	-	-	-	-
Tax	28	-	-	-	-
Items that may be reclassified to profit or loss	-83	-	-	-	-
Comprehensive income for the period	167 751	284 403	376 118	406 912	766 902

Balance sheet

Amounts in NOK 1000	Bank Norwegian ASA				
	31.12.21	30.9.21	30.6.21	31.3.21	31.12.20
Assets					
Cash and deposits with the central bank	813 303	69 884	69 885	69 945	69 451
Loans and deposits with credit institutions	1 079 310	2 199 801	2 175 449	1 694 182	2 772 540
Loans to customers	33 649 320	34 216 695	35 654 342	35 749 207	37 943 688
Certificates and bonds	20 233 281	20 556 073	19 738 636	21 005 806	21 520 427
Ownership interests in group companies	161 491	161 491	161 491	-	-
Financial derivatives	133 468	73 361	156 076	387 965	341 309
Shares and other securities	26 802	26 322	54 326	49 040	50 692
Intangible assets	83 567	81 052	83 752	86 890	98 561
Fixed assets	35 615	3 433	3 874	4 855	4 883
Other assets	267 325	243 534	269 595	263 938	235 512
Total assets	56 497 561	57 631 646	58 367 427	59 311 827	63 037 064
Liabilities and equity					
Loans from credit institutions	-	491 395	156 400	300 667	1 313 710
Deposits from customers	36 393 611	38 224 252	39 143 018	39 509 888	42 677 703
Debt securities issued	6 945 201	6 018 621	6 181 276	6 107 413	6 034 387
Financial derivatives	138 883	61 872	48 135	162 758	64 862
Tax payable	481 366	348 107	256 113	132 472	244 058
Deferred tax	-	58 234	58 234	58 234	58 234
Other liabilities	1 106 863	199 954	435 036	1 481 201	1 493 831
Provisions	209 073	247 703	256 999	278 730	233 853
Subordinated loan	739 801	753 807	856 909	840 454	877 820
Total liabilities	46 014 797	46 403 945	47 392 121	48 871 817	52 998 456
Share capital	186 904	186 904	186 904	186 904	183 315
Share premium	983 401	983 401	983 401	966 646	966 646
Tier 1 capital	425 000	425 000	635 000	635 000	635 000
Retained earnings	8 887 458	9 632 396	9 170 001	8 651 460	8 253 647
Total equity	10 482 763	11 227 701	10 975 306	10 440 010	10 038 608
Total liabilities and equity	56 497 561	57 631 646	58 367 427	59 311 827	63 037 064

List of Signatures

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