

**Report for the
second quarter 2022**
Bank Norwegian Group

Q2

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Financial highlights

Profit and loss account

<i>Amounts in NOK 1000</i>	Bank Norwegian Group		
	Q2 2022	Q2 2021	2021
Net interest income	1 036 264	1 183 113	4 665 173
Net other operating income	34 584	19 103	63 294
Total income	1 070 847	1 202 215	4 728 467
Total operating expenses	459 549	340 819	1 624 767
Provision for loan losses	335 780	370 664	1 498 728
Profit before tax	275 519	490 733	1 604 972
Tax charge	68 310	122 941	404 494
Profit after tax	207 209	367 792	1 200 478
Comprehensive income	230 821	367 792	1 200 395

Balance sheet

<i>Amounts in NOK 1000</i>	Bank Norwegian Group		
	30.6.22	30.6.21	31.12.21
Total assets	54 399 184	58 351 162	56 464 926
Loans to customers	36 033 057	35 654 342	33 649 320
Liquid assets	16 035 246	21 983 970	22 125 894
Deposits from customers	35 107 254	39 143 018	36 393 611
Debt securities issued	6 597 089	6 181 276	6 945 201
Senior non-preferred bonds	675 236	-	-
Subordinated loans	534 416	856 909	739 801
Tier 1 capital	125 000	635 000	425 000
Total equity	10 564 539	11 145 514	11 169 309

Key figures and alternative performance measures

	Bank Norwegian Group		
	Q2 2022	Q2 2021	2021
Return on equity (ROE) ¹	8.5 %	13.3 %	10.8 %
Return on assets (ROA) ¹	1.7 %	2.5 %	2.0 %
Earning per share (EPS)	1.07	1.92	6.25
Dividend per share (DPS)	-	-	3.85
Common equity tier 1 (CET 1)	26.2 %	24.0 %	25.5 %
Leverage ratio	17.2 %	16.2 %	16.4 %
Liquidity coverage ratio (LCR)	401 %	425 %	338 %
Net interest margin (NIM) ¹	7.7 %	8.1 %	7.9 %
Cost/income ratio ¹	0.43	0.28	0.34
Loan loss provisions to average loans ¹	3.5 %	3.7 %	3.8 %
Stage 3 loans to loans ¹	13.2 %	26.3 %	19.7 %
Stage 3 loan loss allowance to Stage 3 loans ¹	38.0 %	39.7 %	38.3 %
Loan loss allowance to loans ¹	6.8 %	11.8 %	8.9 %

¹) Defined as alternative performance measure (APM). APMs are described on [banknorwegian.no/OmOss/InvestorRelations](https://www.banknorwegian.no/OmOss/InvestorRelations).

Report for the second quarter 2022

In the second quarter, the global and European economies have been facing headwinds, following especially the war in Ukraine and supply-chain challenges. Monetary actions with increasing interest rates from central banks all over the world to fight inflationary pressures have led to unprecedented upwards shifts in interest rate curves. Following the fear of stabilizing high inflation and, especially towards the end of the second quarter, potential recessions following the strong actions taken to fight the inflation, the financial markets have been volatile. The Norwegian Krone depreciated significantly during the second quarter. Operationally, the positive trend in lending growth observed in the first quarter with increasing instalment loan sales and growing credit card purchase volumes continued. During the quarter the Bank has entered into agreements with several brokers and at the end of the quarter launched a new green car and electric bicycles loan. The process of reducing our balances of non-performing loans has continued, with two non-performing loan portfolio sales in Finland and Sweden finalized during the quarter. Our European expansion in Spain and Germany is progressing according to plan, and in the first half-year of 2022 operations we have welcomed 19 600 new customers in these new markets.

At the end of the second quarter 2022 the BN Group had a customer base of 1 689 100 customers, which can be broken down into 1 196 900 credit card customers, 196 700 instalment loan customers and 295 500 deposit customers. The customer base has grown by 5 800 new customers in the quarter. Adjusted for the sales of non-performing portfolios in Finland and Sweden this quarter, the increase was 30 620. We have an increase in the customer base in all countries adjusted for the sales of non-performing portfolios, of which 6 900 in Germany and 6 000 in Spain.

Profit and loss as of June 30, 2022

The BN Group's comprehensive income for the first half year amounted to NOK 428.3 million, compared with NOK 764.6 million for the same period in 2021. The decrease is mainly caused by lower interest income and higher administrative expenses.

Net interest income totaled NOK 2 078 million, net other operating income amounted to NOK 43.4 million, while total operating expenses were NOK 840.5 million. Provisions for loan losses were NOK 798.5 million.

Profit and loss for the second quarter 2022

The BN Group's comprehensive income in the quarter amounted to NOK 230.8 million which is an improvement from NOK 197.5 million in the first quarter and down from NOK 367.8 million in the same quarter last year. The increase from the previous quarter is due to lower provision for loan losses mainly due to gains from portfolio sales in Finland and Sweden and model changes. Part of the improvement is explained by higher net commission income due to increased credit card activity. The increase

is partly offset by growth in administrative expenses mainly due to higher digital marketing spending and purchased personnel cost, lower net interest income due to elevated interest expenses, and positive value development of NOK 23.6 million related to interest rate derivatives in the quarter compared to NOK 41.8 million in the previous quarter.

Return on equity was 8.5%, improved from 7.1% in the first quarter and the return on assets was 1.7%, compared with 1.4% in the first quarter.

Net interest income amounted to NOK 1 036 million, a decrease of NOK 5.6 million from the first quarter. The reduction is mainly affected by higher interest expense due to fee to the deposit guarantee scheme for 2022, and by lower interest income from Finland and Sweden due to the non-performing portfolio sales in the quarter. The net interest margin was 7.7%, compared with 7.6% in the first quarter.

Net other operating income amounted to NOK 34.6 million compared with NOK 8.8 million in the first quarter. Net commission income went up by NOK 27.3 million to NOK 70.4 million as a result of higher commission income from increased credit card activity. Net negative change in value on securities and currency amounted to NOK 36.3 million, compared with a net negative value of NOK 34.2 million in the first quarter.

Total operating expenses amounted to NOK 459.5 million, an increase of NOK 78.6 million compared to the first quarter. Personnel expenses increased NOK 2.0 million in the quarter. Administrative expenses increased NOK 72.6 million, mainly due to higher digital marketing spending of NOK 40 million, higher sales costs of NOK 7 million and provision for fees of NOK 9 million in relation with the portfolio sale in Finland, in the quarter. Depreciation decreased by NOK 0.7 million. Other operating expenses increased NOK 4.6 million.

Provision for loan losses were NOK 335.8 million, a decrease of NOK 126.9 million in the second quarter compared to the previous quarter. The reduction is primarily explained by net gains combined from the portfolio sales in Finland and Sweden of approximately NOK 32.2 million, reducing the loan loss provisions, ECL model changes this quarter, and decreased charge-off in Finland. Provisions equalled 3.5% of average gross loans, compared with 5.0% in the first quarter. Adjusted for net gains from portfolio sale, the provision equalled 3.8% in the second quarter.

Stage 3 loans ended at NOK 5 109 million, compared with NOK 7 109 million at the end of the first quarter. The decrease from the previous quarter is due to this quarter's portfolio sales. Stage 3 loans accounted for 13.2% of gross loans, compared with 19.0% as of March 31, 2022 and down from 26.3% at end of June 2021. The underlying development is as expected. The reduction from the

previous quarter related to the non-performing portfolio sales this quarter, was a reduction of stage 3 loan gross of approximately NOK 2 367 million.

Balance sheet as of June 30, 2022

Total assets were up NOK 255.2 million in the quarter and amounted to NOK 54 399 million.

Gross loans to customers went up by NOK 1 278 million compared with an increase of NOK 422.1 million in the previous quarter and totaled NOK 38 646 million. Currency adjusted gross loan growth was negative by NOK 21.2 million compared with positive growth of NOK 1 158 million in the previous quarter. Adjusted for the portfolio sale in Finland and Sweden in the second quarter, the currency adjusted loan growth was positive with NOK 2 337 million in the quarter. Broken down by product the currency adjusted loan growth for instalment loans was NOK 1 821 million, adjusted for the portfolio sales, compared with NOK 882.3 million in the previous quarter. The growth was derived from improved new sales particular in Finland, Sweden and Spain, with stable run off. The currency adjusted loan growth for credit cards was NOK 516.5 million, adjusted for the portfolio sale, compared with NOK 275.5 million in the previous quarter. Instalment loans amounted to NOK 27 730 million and credit card loans ended at NOK 10 916 million as of June 30, 2022.

Customer deposits increased by NOK 969.9 million compared with a decrease of NOK 2 256 million in the first quarter and was NOK 35 107 million at the end of the second quarter. Currency adjusted growth was NOK -389.2 million compared with NOK -1 576 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 1 143 million in the quarter, partly offset by NOK 794.3 million growth in Germany. The development in deposit balances is in line with the Bank's strategy.

In March 2022 the BN Group entered into a group internal senior preferred loan agreement of NOK 1 000 million at market terms with Nordax, which was paid out in the second quarter. In total, the BN Group has given NOK 1 500 million in group internal senior preferred loans to Nordax as of end June 2022.

During the second quarter the BN Group issued senior preferred bonds of NOK 300 million and conducted buybacks of total NOK 388 million in different outstanding senior preferred loans.

In June Bank Norwegian ASA (as borrower) and Nordax Bank AB (publ) (as lender) entered into a SEK 700 million senior non-preferred loan agreement with 3 years maturity. The loan is based on standard Nordic Trustee documentation and is MREL eligible for Bank Norwegian ASA.

Both subordinated and Tier 1 capital loans were reduced during the quarter as NOK 200 million in a subordinated loan and NOK 300 million in Tier 1 capital loans were called and settled in June without reissuances, according

to permission given by the Norwegian Financial Supervisory Authority.

Liquid assets fell by NOK 2 735 million and amounted to NOK 16 035 million, equivalent to 29.5% of total assets compared with 34.7% at the end of the first quarter. The reduction from the previous quarter is in line with the Banks strategy.

Total equity amounted to NOK 10 565 million, compared with NOK 11 360 million as of March 31, 2022. The lower equity is due to dividend distribution for 2021 of NOK 719.6 million and repaid Tier 1 capital of NOK 300 million at call. The total capital ratio ended at 28.0%, the core capital ratio was 26.6% and the common equity tier 1 ratio was 26.2%. The ratios do not include provision for dividend for 2022.

The financial statements as of June 30, 2022 have been subject to an auditor review of interim financial statements.

Regulatory update

The Transparency Act entered into effect in Norway on July 1, 2022. The act is intended to promote companies' respect for basic human rights and decent working conditions and ensure public access to information about the value chain of products and services. Bank Norwegian has updated and implemented policies and guidelines to comply with the new rules, including an easily available information page on the banks' web pages where customers and others can find relevant information regarding inquiries to Bank Norwegian on the subject matter.

The EU Commission has adopted a sixth package of sanctions against Russia, which has been implemented into Norwegian law as of June 17 this year. The package includes additional listing and persons and entities on the Asset Freeze list and removes three additional Russian banks from SWIFT. Bank Norwegian has implemented necessary routines and processes to comply with the sanctions and will continue to monitor changes in the sanctions to ensure compliance.

In Norway, the main legal change relates to the implementation of the "Banking Package" which consists of amendments to the Capital Requirements Regulation (CRR2), the Capital Requirements Directive (CRD5) and the Bank Recovery and Resolution Directive (BRRD2). The amendments to relevant Norwegian legislation entered into force June 1, 2022. The BN Group has implemented all the relevant changes. The regulation also includes implementation of a new reporting taxonomy. The implementation has a limited impact on the BN Group's regulatory reporting.

Subsequent events

On July 4, Bank Norwegian ASA and Nordax Bank AB (publ) signed a joint merger plan for a cross-border parent-subsidary merger between the two banks. The merger plan was registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) on July 5, and

on August 8 the Board of Directors of Bank Norwegian finally approved the merger.

The merger will be implemented with Nordax as the acquiring company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian branch of Nordax (being under establishment). The merger aims to simplify the group structure and is expected to enable a more effective administration and optimisation of capital and liquidity utilisation within the Nordax Group.

The implementation of the merger is subject to several conditions, including that relevant consents and approvals from the Norwegian Financial Supervisory Authority ("Finanstilsynet"), the Swedish Financial Supervisory Authority ("Finansinspektionen") and third parties have been obtained.

As announced July 4, the merger is expected to be completed during the first quarter in 2023 at the latest. Bank Norwegian's operations and organization, as well as customer terms and conditions are not expected to be materially amended following the merger. The Bank Norwegian brand will continue to be used.

Outlook

There is still uncertainty to the ongoing and future impact and outcome of the Russian invasion of Ukraine, the observed inflationary pressures, and the consequences from the Central Bank actions and increased interest rate levels. For the BN Group the effects have so far been limited. However, consumer spending could be affected by increased interest levels and inflation, although the effect caused from the pandemic is expected to be reduced. Over the coming quarters we expect that both new loan and credit card use to improve, particularly related to credit card spending over the summer months as both airline and holiday spending is expected to increase.

Our expansion to Spain and Germany is progressing according to plan and activity levels are expected to increase further over summer.

The BN Group's resilient financial position with strong current capital base and internal generation of capital and high levels of liquid assets are considered more than sufficient to ensure that BN Group is prepared for returning growth both from higher activity level in the Nordics, our European expansion in Spain and Germany and through coming integration and cooperation with our owner Nordax.

Bærum, August 15, 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

Anni Nord
Board member

Klara-Lise Aasen
CEO

Profit and loss account

Amounts in NOK 1000	Note	Bank Norwegian Group				
		Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Interest income, effective interest method		1 091 915	1 245 786	2 180 104	2 547 160	4 897 187
Other interest income		62 432	44 497	116 985	98 596	183 839
Interest expenses		118 083	107 170	218 969	222 497	415 853
Net interest income	8	1 036 264	1 183 113	2 078 120	2 423 258	4 665 173
Commission and bank services income	9	123 193	75 925	216 352	160 983	395 589
Commission and bank services expenses	9	52 833	44 459	102 955	87 846	182 707
Income from shares and other securities		477	-	477	-	-
Net change in value on securities and currency	10	-36 253	-12 363	-70 451	-40 738	-149 588
Net other operating income		34 584	19 103	43 423	32 399	63 294
Total income	2	1 070 847	1 202 215	2 121 543	2 455 658	4 728 467
Personnel expenses		42 933	35 844	83 827	69 902	171 694
General administrative expenses	11	374 641	264 943	676 686	527 084	1 302 664
Depreciation and impairment		19 848	23 148	40 352	50 036	91 329
Other operating expenses		22 127	16 883	39 650	29 536	59 079
Total operating expenses		459 549	340 819	840 514	676 558	1 624 767
Provision for loan losses	6	335 780	370 664	798 492	760 596	1 498 728
Profit before tax		275 519	490 733	482 537	1 018 504	1 604 972
Tax charge		68 310	122 941	119 630	253 867	404 494
Profit after tax	2	207 209	367 792	362 907	764 637	1 200 478
Proportion attributable to shareholders		200 127	358 588	349 406	746 333	1 167 114
Proportion attributable to additional Tier 1 capital holders		7 082	9 204	13 501	18 304	33 364
Profit after tax		207 209	367 792	362 907	764 637	1 200 478

Earnings per share	1.07	1.92	1.87	3.99	6.25
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Comprehensive income

Amounts in NOK 1000	Bank Norwegian Group				
	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Profit on ordinary activities after tax	207 209	367 792	362 907	764 637	1 200 478
Financial assets at fair value through OCI	31 483	-	87 207	-	-111
Tax	-7 871	-	-21 802	-	28
Items that may be reclassified to profit or loss	23 612	-	65 406	-	-83
Comprehensive income for the period	230 821	367 792	428 313	764 637	1 200 395

Profit and loss account

Amounts in NOK 1000	Note	Bank Norwegian ASA				
		Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Interest income, effective interest method		1 091 915	1 245 786	2 180 104	2 547 160	4 897 187
Other interest income		62 432	44 497	116 985	98 596	183 839
Interest expenses		118 083	107 170	218 969	222 497	415 853
Net interest income	8	1 036 264	1 183 113	2 078 120	2 423 258	4 665 173
Commission and bank services income	9	123 193	75 925	216 352	160 983	395 589
Commission and bank services expenses	9	52 833	44 459	102 955	87 846	182 707
Income from shares and other securities		477	-	477	-	-
Net change in value on securities and currency	10	-36 209	-12 352	-70 422	-40 760	-149 616
Net other operating income		34 627	19 114	43 451	32 377	63 266
Total income	2	1 070 891	1 202 227	2 121 572	2 455 636	4 728 439
Personnel expenses		42 933	35 844	83 827	69 902	171 694
General administrative expenses	11	374 304	264 658	676 197	526 496	1 301 781
Depreciation and impairment		10 623	13 923	21 902	31 586	54 429
Other operating expenses		22 127	16 883	39 650	29 536	59 079
Total operating expenses		449 988	331 309	821 575	657 520	1 586 984
Provision for loan losses	6	335 780	370 664	798 492	760 596	1 498 728
Profit before tax		285 124	500 254	501 505	1 037 520	1 642 727
Tax charge		69 511	124 136	122 001	256 244	409 213
Profit after tax	2	215 613	376 118	379 504	781 276	1 233 514
Proportion attributable to shareholders		208 532	366 914	366 002	762 972	1 200 149
Proportion attributable to additional Tier 1 capital holders		7 082	9 204	13 501	18 304	33 364
Profit after tax		215 613	376 118	379 504	781 276	1 233 514
Earnings per share		1.12	1.96	1.96	4.09	6.43

Comprehensive income

Amounts in NOK 1000	Bank Norwegian ASA				
	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Profit on ordinary activities after tax	215 613	376 118	379 504	781 276	1 233 514
Financial assets at fair value through OCI	31 483	-	87 207	-	-111
Tax	-7 871	-	-21 802	-	28
Items that may be reclassified to profit or loss	23 612	-	65 406	-	-83
Comprehensive income for the period	239 226	376 118	444 909	781 276	1 233 430

Balance sheet

Amounts in NOK 1000	Note	Bank Norwegian Group		
		30.6.22	30.6.21	31.12.21
Assets				
Cash and deposits with the central bank		606 939	69 885	813 303
Loans and deposits with credit institutions		837 848	2 175 449	1 079 310
Loans to customers	2, 5, 7	36 033 057	35 654 342	33 649 320
Certificates and bonds	12, 13	14 590 459	19 738 636	20 233 281
Financial derivatives	12, 13	235 198	156 076	133 468
Shares and other securities	12, 13	27 450	54 326	26 802
Intangible assets and goodwill		374 397	415 442	396 807
Deferred tax asset		25 244	6 481	22 900
Fixed assets		34 768	3 874	35 615
Other assets		1 633 826	76 651	74 119
Total assets		54 399 184	58 351 162	56 464 926
Liabilities and equity				
Loans from credit institutions	12	44 200	156 400	-
Deposits from customers	2	35 107 254	39 143 018	36 393 611
Debt securities issued	12, 14, 15	6 597 089	6 181 276	6 945 201
Financial derivatives	12, 13	167 057	48 135	138 883
Tax payable		122 001	256 113	481 366
Deferred tax		21 774	58 234	-
Other liabilities		355 420	248 189	387 376
Provisions		210 199	257 373	209 379
Senior non-preferred bonds	12, 14, 15	675 236	-	-
Subordinated loans	12, 14, 15	534 416	856 909	739 801
Total liabilities		43 834 645	47 205 647	45 295 617
Share capital		186 904	186 904	186 904
Share premium		983 401	983 401	983 401
Tier 1 capital		125 000	635 000	425 000
Retained earnings		9 269 234	9 340 210	9 574 004
Total equity	3	10 564 539	11 145 514	11 169 309
Total liabilities and equity		54 399 184	58 351 162	56 464 926

Balance sheet

Amounts in NOK 1000	Note	Bank Norwegian ASA		
		30.6.22	30.6.21	31.12.21
Assets				
Cash and deposits with the central bank		606 939	69 885	813 303
Loans and deposits with credit institutions		837 848	2 175 449	1 079 310
Loans to customers	2, 5, 7	36 033 057	35 654 342	33 649 320
Certificates and bonds	12, 13	14 590 459	19 738 636	20 233 281
Ownership interests in group companies	16	161 491	161 491	161 491
Financial derivatives	12, 13	235 198	156 076	133 468
Shares and other securities	12, 13	27 450	54 326	26 802
Intangible assets		79 607	83 752	83 567
Deferred tax asset		14 050	-	14 077
Fixed assets		34 768	3 874	35 615
Other assets		1 827 763	269 595	267 325
Total assets		54 448 629	58 367 427	56 497 561
Liabilities and equity				
Loans from credit institutions	12	44 200	156 400	-
Deposits from customers	2	35 107 254	39 143 018	36 393 611
Debt securities issued	12, 14, 15	6 597 089	6 181 276	6 945 201
Financial derivatives	12, 13	167 057	48 135	138 883
Tax payable		122 001	256 113	481 366
Deferred tax		21 774	58 234	-
Other liabilities		355 420	435 036	1 106 863
Provisions		210 011	256 999	209 073
Senior non-preferred bonds	12, 14, 15	675 236	-	-
Subordinated loans	12, 14, 15	534 416	856 909	739 801
Total liabilities		43 834 458	47 392 121	46 014 797
Share capital		186 904	186 904	186 904
Share premium		983 401	983 401	983 401
Tier 1 capital		125 000	635 000	425 000
Retained earnings		9 318 866	9 170 001	8 887 458
Total equity	3	10 614 171	10 975 306	10 482 763
Total liabilities and equity		54 448 629	58 367 427	56 497 561

Bærum, August 15, 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

Anni Nord
Board member

Klara-Lise Aasen
CEO

Cash flow statement

<i>Amounts in NOK 1000</i>	Bank Norwegian Group		
	YTD 2022	YTD 2021	2021
Profit / loss before tax	482 537	1 018 504	1 604 972
Unrealized gain or losses on currency	-20 613	258 200	218 187
Depreciation and impairment of fixed and intangible assets	40 352	50 036	91 329
Provision for loan losses	798 492	760 596	1 498 728
Change in loans to customers	-2 631 208	843 598	1 739 929
Change in deposits from customers	-1 948 750	-2 854 692	-5 227 747
Change in certificates and bonds	5 745 114	1 610 189	1 008 160
Change in other assets and financial derivatives	-151 686	-43 908	171 865
Change in shares and other securities	-647	-3 634	23 890
Change in derivatives, accrued expenses and other liabilities	77 909	228 641	360 378
Change in loans from credit institutions	44 200	-157 310	-313 710
Change in debt securities issued and subordinated loans	1 629	3 246	-110 556
Income taxes paid	-481 366	-557 805	-557 834
Net cash flow from operating activities	1 955 962	1 155 660	507 592
Payment for acquisition of intangible assets	-14 148	-14 439	-33 539
Payment for acquisition of tangible assets	-2 054	-1 329	-3 397
Proceeds from sale of fixed assets	66	-	-
Net cash flow from investment activities	-16 136	-15 768	-36 936
Allocation of bonus shares	-	5 256	5 256
Issued debt securities	300 000	998 910	2 547 542
Intercompany loans	-1 500 000	-	-
Repayment of debt securities	-627 000	-765 275	-1 469 901
Repayment subordinated loans	-200 000	-	-100 000
Issued senior non-preferred bonds (intercompany)	682 710	-	-
Repayment of tier 1 capital	-300 000	-	-210 000
Paid interest tier 1 capital	-13 501	-18 304	-33 364
Change in loans from central banks	-	-1 000 000	-1 000 000
Dividends paid to equity holders	-719 581	-934 236	-1 121 140
Net cash flow from financing activities	-2 377 373	-1 713 648	-1 381 607
Net cash flow for the period	-437 546	-573 756	-910 951
Cash and cash equivalents at the start of the period	1 892 613	2 844 239	2 844 239
Currency effect on cash and cash equivalents	-10 280	-25 149	-40 675
Cash and cash equivalents at the end of the period	1 444 786	2 245 334	1 892 613
Off which:			
Cash and deposits with the central bank	606 939	69 885	813 303
Loans and deposits with credit institutions	837 848	2 175 449	1 079 310

Cash flow statement

<i>Amounts in NOK 1000</i>	Bank Norwegian ASA		
	YTD 2022	YTD 2021	2021
Profit / loss before tax	501 505	1 037 520	1 642 727
Unrealized gain or losses on currency	-20 613	258 200	218 187
Depreciation and impairment of fixed and intangible assets	21 902	31 586	54 429
Provision for loan losses	798 492	760 596	1 498 728
Change in loans to customers	-2 631 208	843 598	1 739 929
Change in deposits from customers	-1 948 750	-2 854 692	-5 227 747
Change in certificates and bonds	5 745 114	1 610 189	1 008 160
Change in other assets and financial derivatives	-151 686	-43 908	171 865
Change in shares and other securities	-647	-3 634	23 890
Change in derivatives, provisions and other liabilities	77 392	228 075	359 523
Change in loans from credit institutions	44 200	-157 310	-313 710
Change in debt securities issued and subordinated loans	1 629	3 246	-110 556
Income taxes paid	-481 366	-557 805	-557 834
Net cash flow from operating activities	1 955 962	1 155 660	507 592
Payment for acquisition of intangible assets	-14 148	-14 439	-33 539
Payment for acquisition of tangible assets	-2 054	-1 329	-3 397
Proceeds from sale of fixed assets	66	-	-
Net cash flow from investment activities	-16 136	-15 768	-36 936
Allocation of bonus shares	-	5 256	5 256
Issued debt securities	300 000	998 910	2 547 542
Intercompany loans	-1 500 000	-	-
Repayment of debt securities	-627 000	-765 275	-1 469 901
Repayment subordinated loans	-200 000	-	-100 000
Issued senior non-preferred bonds (intercompany)	682 710	-	-
Repayment of tier 1 capital	-300 000	-	-210 000
Paid interest tier 1 capital	-13 501	-18 304	-33 364
Loans from central banks	-	-1 000 000	-1 000 000
Dividends paid to equity holders	-719 581	-934 236	-1 121 140
Net cash flow from financing activities	-2 377 373	-1 713 648	-1 381 607
Net cash flow for the period	-437 546	-573 756	-910 951
Cash and cash equivalents at the start of the period*	1 892 613	2 844 239	2 844 239
Currency effect on cash and cash equivalents	-10 280	-25 149	-40 675
Cash and cash equivalents at the end of the period	1 444 786	2 245 334	1 892 613

*Cash and cash equivalents in relation to the merger with Norwegian Finans Holding ASA was NOK 2 248 as off 31.12.21.

Off which:

Cash and deposits with the central bank	606 939	69 885	813 303
Loans and deposits with credit institutions	837 848	2 175 449	1 079 310

Changes in equity

<i>Amounts in NOK 1000</i>	Bank Norwegian Group					
	Share capital	Share premium	Tier 1 capital	Changes in fair value of financial instruments through OCI	Retained earnings	Total equity
Balance 31.12.21	186 904	983 401	425 000	-83	9 574 087	11 169 309
This period's profit	-	-	-	-	362 907	362 907
Items that may be reclassified to profit and loss, after tax	-	-	-	65 406	-	65 406
Comprehensive income for the period	-	-	-	65 406	362 907	428 313
Paid interest tier 1 capital	-	-	-	-	-13 501	-13 501
Repayment of tier 1 capital	-	-	-300 000	-	-	-300 000
Dividend to equity holders	-	-	-	-	-719 581	-719 581
Balance 30.06.22	186 904	983 401	125 000	65 323	9 203 912	10 564 539

<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	-	-	-	-	764 637	764 637
Comprehensive income for the period	-	-	-	-	764 637	764 637
Paid interest tier 1 capital	-	-	-	-	-18 304	-18 304
Allocation of shares	57	5 199	-	-	-	5 256
Dividend to equity holders	-	-	-	-	-934 236	-934 236
Balance 30.06.21	186 904	983 401	635 000	-	9 340 210	11 145 514

Changes in equity

<i>Amounts in NOK 1000</i>	Bank Norwegian ASA					
	Share capital	Share premium	Tier 1 capital	Changes in fair value of financial instruments through OCI	Retained earnings	Total equity
Balance 31.12.21	186 904	983 401	425 000	-83	8 887 542	10 482 763
This period's profit	-	-	-	-	379 504	379 504
Items that may be reclassified to profit and loss, after tax	-	-	-	65 406	-	65 406
Comprehensive income for the period	-	-	-	65 406	379 504	444 909
Paid interest tier 1 capital	-	-	-	-	-13 501	-13 501
Repayment of tier 1 capital	-	-	-300 000	-	-	-300 000
Balance 30.06.22	186 904	983 401	125 000	65 322	9 253 544	10 614 171

<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	-	-	-	-	781 276	781 276
Comprehensive income for the period	-	-	-	-	781 276	781 276
Paid interest tier 1 capital	-	-	-	-	-18 304	-18 304
Allocation of bonus shares	57	5 199	-	-	-	5 256
Balance 30.06.21	186 904	983 401	635 000	-	9 170 001	10 975 306

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 2021 of Bank Norwegian ASA.

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 intra-group balances. The figures for Spain and Germany are presented under Europe.

Profit and loss account YTD 2022

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark	Finland	Europe	Other	Total
Net interest income	793 144	330 711	275 459	661 195	17 611	-	2 078 120
Net other operating income	15 892	29 678	-40 553	63 009	-24 575	-28	43 423
Total income	809 036	360 389	234 906	724 205	-6 964	-28	2 121 543
Total operating expenses	326 176	112 328	100 382	161 335	121 354	18 939	840 514
Provision for loan losses	320 833	116 690	68 952	241 761	50 256	-	798 492
Profit before tax	162 027	131 370	65 572	321 109	-178 574	-18 967	482 537
Tax charge	37 131	32 843	16 393	80 277	-44 643	-2 371	119 630
Profit after tax	124 895	98 528	49 179	240 832	-133 930	-16 596	362 907
Other comprehensive income	48 635	16 771	-	-	-	-	65 406
Comprehensive income for the period	173 530	115 298	49 179	240 832	-133 930	-16 596	428 313

Balance sheet 30.6.22

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark	Finland	Europe	Other	Total
Loans to customers	12 740 484	6 079 631	4 785 105	11 426 714	1 001 122	-	36 033 057
Other assets	5 923 767	3 129 708	6 558 325	2 717 735	86 039	-49 445	18 366 128
Total assets	18 664 251	9 209 339	11 343 429	14 144 449	1 087 161	-49 445	54 399 184
Deposits from customers	10 604 063	4 170 896	10 828 143	8 544 091	960 061	-	35 107 254
Other liabilities and equity	8 060 188	5 038 443	515 286	5 600 358	127 100	-49 445	19 291 931
Total liabilities and equity	18 664 251	9 209 339	11 343 429	14 144 449	1 087 161	-49 445	54 399 184

Profit and loss account YTD 2021

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark	Finland	Europe	Other	Total
Net interest income	983 924	397 620	325 768	715 947	-	-	2 423 258
Net other operating income	28 253	7 303	-13 990	10 812	-	22	32 399
Total income	1 012 177	404 923	311 778	726 759	-	22	2 455 658
Total operating expenses	314 354	117 956	85 457	139 752	-	19 038	676 558
Provision for loan losses	216 423	143 622	107 221	293 331	-	-	760 596
Profit before tax	481 400	143 345	119 099	293 675	-	-19 016	1 018 504
Tax charge	117 200	35 844	29 778	73 423	-	-2 377	253 867
Profit after tax	364 200	107 501	89 322	220 253	-	-16 639	764 637
Comprehensive income for the period	364 200	107 501	89 322	220 253	-	-16 639	764 637

Balance sheet 30.6.21

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark	Finland	Europe	Other	Total
Loans to customers	14 123 714	6 485 959	4 404 766	10 639 903	-	-	35 654 342
Other assets	10 026 112	3 461 736	6 847 395	2 377 842	-	-16 265	22 696 820
Total assets	24 149 826	9 947 695	11 252 161	13 017 745	-	-16 265	58 351 162
Deposits from customers	15 604 668	5 696 296	10 621 553	7 220 501	-	-	39 143 018
Other liabilities and equity	8 545 159	4 251 399	630 607	5 797 244	-	-16 265	19 208 143
Total liabilities and equity	24 149 826	9 947 695	11 252 161	13 017 745	-	-16 265	58 351 162

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. After the implementation of CRR II, counterparty credit risk is calculated according to the original exposure method.

Total capital <i>Amounts in NOK 1000</i>	Bank Norwegian ASA			Bank Norwegian Group		
	30.6.22	30.6.21	31.12.21	30.6.22	30.6.21	31.12.21
Share capital	186 904	186 904	186 904	186 904	186 904	186 904
Share premium	983 401	983 401	983 401	983 401	983 401	983 401
Other reserves	9 318 866	9 170 001	8 887 458	9 269 234	9 340 210	9 574 004
Adjustment to retained earnings for foreseeable dividends	-	-469 000	-	-	-645 847	-719 581
Deferred tax assets, intangible assets and AVA	-173 999	-103 749	-118 177	-479 982	-441 919	-440 240
Common equity tier 1	10 315 173	9 767 557	9 939 586	9 959 557	9 422 748	9 584 488
Additional tier 1 capital	125 000	635 000	425 000	125 000	635 000	425 000
Tier 1 capital	10 440 173	10 402 557	10 364 586	10 084 557	10 057 748	10 009 488
Tier 2 capital	534 416	856 909	739 801	534 416	856 909	739 801
Total capital	10 974 589	11 259 467	11 104 387	10 618 972	10 914 657	10 749 289
Risk-weighted assets						
Covered bonds	627 770	1 039 039	1 028 448	627 770	1 039 039	1 028 448
Regional governments or local authorities	604 530	974 442	1 127 230	604 530	974 442	1 127 230
Institutions	530 465	443 556	476 608	530 465	443 556	476 608
Corporate	193 937	192 944	193 206	-	-	-
Loans to customers	24 460 069	21 731 296	21 673 195	24 460 069	21 731 296	21 673 195
Defaulted loans	3 524 332	6 679 280	5 173 830	3 524 332	6 679 280	5 173 830
Equity positions	188 914	215 764	188 267	27 422	54 272	26 775
Other assets	156 201	236 445	109 734	156 201	236 445	109 734
Total credit risk	30 286 218	31 512 767	29 970 517	29 930 789	31 158 331	29 615 820
Operational risk	7 979 758	8 090 317	7 979 758	7 976 821	8 087 003	7 976 821
Market risk	33 883	2 717	7 364	33 883	2 717	7 364
Total risk-weighted assets	38 299 859	39 605 800	37 957 640	37 941 493	39 248 051	37 600 005
Common equity tier 1 %	26.9 %	24.7 %	26.2 %	26.2 %	24.0 %	25.5 %
Tier 1 capital %	27.3 %	26.3 %	27.3 %	26.6 %	25.6 %	26.6 %
Total capital %	28.7 %	28.4 %	29.3 %	28.0 %	27.8 %	28.6 %

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%.

	Bank Norwegian ASA			Bank Norwegian Group		
	30.6.22	30.6.21	31.12.21	30.6.22	30.6.21	31.12.21
Total	401 %	425 %	338 %	401 %	385 %	338 %
NOK	718 %	360 %	239 %	718 %	279 %	239 %
SEK	274 %	383 %	302 %	274 %	525 %	302 %
DKK	517 %	514 %	492 %	517 %	459 %	492 %
EUR	159 %	158 %	487 %	159 %	180 %	487 %

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 Instalment 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.

An exposure in default that has surpassed an LGD of 80% 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, 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, 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 product-specific Trigger Coefficient (TC): $\text{Annualised lifetime PD at the reporting date} > \text{TC} + (1 - \text{TC}) * \text{Annualised lifetime PD at origination}$.

Currently, there are two approaches in use to determine the Trigger Coefficient. For Credit Cards and Instalment Loans in Norway and Finland, plus Instalment Loans in Sweden, the Trigger Coefficient is set to ensure that about 80% to 85% of the Stage 2 accounts from the development samples are captured by the inequality above, and the rest captured by Stage 2 backstops, e.g. forbearance. For the other portfolios, 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 more easily to be regarded as having significant increase in credit risk.

Note 4. Expected credit loss (continued)

	<i>Trigger Coefficient</i>	
	<i>Instalment Loans</i>	<i>Credit card loans</i>
Norway	0.16	0.19
Sweden	0.13	0.11
Denmark	0.20	0.17
Finland	0.21	0.26
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:

Account	Product	Annualised lifetime PD at origination	Annualised lifetime PD at the reporting date	Trigger Coefficient	Calculation	Stage
A	Norway Instalment Loan	0.10	0.50	0.16	$0.5 > 0.16 + (1 - 0.16) * 0.1 = 0.244$	Stage 2
B	Denmark Credit Card	0.30	0.40	0.20	$0.4 < 0.20 + (1 - 0.20) * 0.3 = 0.440$	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. Global energy prices decrease slightly faster than in the baseline as uncertainty about current and future supply eases.

Supply-chain issues diminish sooner than expected, reducing shortages of affected goods. This outcome also relieves inflationary pressures more quickly than in the baseline and boosts growth in manufacturing. Political and economic tensions between the U.S. and China decline amid the positive outcomes. The Russian invasion of Ukraine is resolved somewhat faster than anticipated, and as a result, geopolitical tensions decrease earlier than expected under the baseline scenario. Sanctions are unwound relatively quickly, supporting supply lines of key commodities from Russia.

In the **pessimistic scenario**, there is a 25% probability that the economy will perform even worse than the baseline. The Russian invasion of Ukraine persists longer than anticipated. As a result, worries remain elevated that there could be a major interruption of global oil supplies. This causes oil prices to rise more than in the baseline for longer and thereby increases inflationary pressures. The threat of further disruption causes global stock markets to fall further. Supply-chain issues also worsen, increasing shortages of affected goods, also boosting inflation. Additionally, concerns grow that Russia's invasion will reduce the supply of neon, much of which comes from Ukraine. Neon is critical for the production of semiconductors, raising worries about an exacerbation of the chip shortage. The supply-chain shortages weaken global manufacturing. New cases, hospitalizations and deaths from COVID-19 start to rise again, slowing growth in spending on air travel, retail and hotels. Emerging market countries face somewhat tighter international financing conditions. Political and economic tensions remain elevated, weakening consumer and business sentiment. The global economy contracts in the fourth quarter of 2022 and the first quarter of 2023.

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 86 million higher loan loss provision for Q2 2022.

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 495 million higher than the base-scenario. This extreme scenario with only a probability of 4% assumes that the military conflict between Russia and Ukraine worsens dramatically in coming months, causing extreme levels of geopolitical tensions as worries rise the war could expand beyond Ukraine. The invasion begins to resolve in late 2023.

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) Future waves of the pandemic are increasingly less disruptive to the economy, with only minor government-imposed restrictions and relatively little voluntary social distancing. Better treatments, drugs and vaccines will help moderate the impact.
- 2) The shock to energy and commodity prices caused by the Russian invasion of Ukraine will push inflation rates higher and lower growth but will not cause a global recession.
- 3) Stock, money and bond market sentiment stabilizes following recent turbulence.
- 4) Supply-chain bottlenecks will ease but are unlikely to completely abate by the end of the year
- 5) Brent crude oil prices are expected to end the year just below \$100 per barrel, before slowly declining to almost \$65 per barrel by the end of 2024 as supply increases. The period of elevated prices induces more investment and higher production.
- 6) 552 million confirmed cases

Ukraine-Russia assumptions:

- 1) The Russian invasion of Ukraine remains hot through the first half of the year but does not escalate beyond Ukraine, preventing geopolitical tensions from rising further.
- 2) Disruptions to oil, natural gas, and other commodity markets will be limited and temporary.

	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)	79.0	70.2	81.3	70.0	96.5	70.0
Nominal Private consumption (bil. USD)	219.8	280.9	217.8	286.7	196.5	273.0
Real GDP (bil. 2012 USD)	603.2	648.1	611.4	655.2	586.9	638.6
Sweden						
Disposable income (ths. 2020 SEK)	244.2	262.4	250.1	267.0	240.9	259.7
GDP PPP (bil. USD)	656.9	798.5	674.8	814.6	610.7	777.9
Money supply M3 (bil. SEK)	5 254.7	6 719.7	5 313.9	6 944.5	5 245.7	6 615.9
Denmark						
GDP PPP (bil. USD)	481.3	582.8	492.5	600.7	439.9	577.0
Industrial production index (2015 = 100)	122.9	127.3	127.6	131.5	118.6	124.8
Unemployment rate (%)	4.4	4.8	4.3	4.7	5.6	5.0
Finland						
GDP PPP (bil. USD)	363.5	440.6	375.3	462.0	319.2	423.2
Nominal Private Consumption (bil. USD)	169.0	199.1	167.8	203.5	147.0	192.6
Unemployment rate (%)	6.1	6.3	5.8	6.3	6.8	6.3
Spain						
GDP Nominal (bil. USD)	1 619.8	2 022.2	1 615.5	2 090.3	1 398.0	1 971.7
Personal Income (bil. 2015 EUR)	566.7	616.3	587.8	636.9	554.4	592.2
Total Unemployment (mil. #)	3.0	2.8	2.9	2.7	3.2	2.9
Germany						
GDP Nominal (bil. USD)	4 890.9	5 978.3	4 905.2	6 170.9	4 272.7	5 879.8
Nominal Private Consumption (bil. EUR)	2 016.8	2 305.5	2 039.0	2 335.8	1 989.7	2 288.7
Unemployment rate (%)	5.0	5.0	4.4	4.7	5.6	5.3

Macro scenario sensitivity on ECL

		Final ECL	Base scenario	Optimistic scenario	Pessimistic scenario
Norway					
Credit card		152 198	152 494	147 879	155 396
Instalment loans		999 342	998 234	968 822	1 024 719
Sweden					
Credit card		81 731	81 533	79 413	83 757
Instalment loans		149 541	149 749	144 147	153 677
Denmark					
Credit card		27 069	26 264	25 274	29 202
Instalment loans		219 852	212 808	203 769	238 823
Finland					
Credit card		120 020	117 911	113 969	126 688
Instalment loans		808 350	796 664	772 640	847 046
Spain					
Credit card		6 930	6 816	6 647	7 255
Instalment loans		23 717	22 996	22 299	25 476
Germany					
Credit card		8 168	8 142	7 943	8 370
Instalment loans		16 121	16 043	15 782	16 459

The following weights have been used across all portfolios per 30.06.2022: 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

30.6.22 Amounts in NOK 1000						Loan loss allowance			Loans to customers
		Stage 1	Stage 2	Stage 3	Gross loans	Stage 1	Stage 2	Stage 3	
Norway	Instalment loans	5 822 973	543 419	2 349 769	8 716 161	43 191	51 596	904 555	7 716 819
	Credit card loans	4 735 985	110 422	329 456	5 175 863	19 568	8 505	124 125	5 023 665
Sweden	Instalment loans	3 509 975	353 091	1 111 382	3 974 447	54 729	60 450	34 363	3 824 906
	Credit card loans	2 075 030	126 868	134 558	2 336 456	18 276	14 047	49 408	2 254 725
Denmark	Instalment loans	3 708 500	133 828	237 176	4 079 503	61 970	26 974	130 907	3 859 652
	Credit card loans	885 854	26 178	40 489	952 521	6 614	2 504	17 951	925 453
Finland	Instalment loans	7 768 002	587 205	1 648 350	10 003 557	116 285	107 086	584 979	9 195 207
	Credit card loans	2 011 933	93 994	245 600	2 351 527	21 959	10 024	88 036	2 231 507
Spain	Instalment loans	480 486	23 398	3 844	507 727	13 117	7 730	2 869	484 011
	Credit card loans	21 054	10 798	736	32 588	2 131	4 221	578	25 658
Germany	Instalment loans	422 586	20 129	5 630	448 344	8 163	4 617	3 341	432 224
	Credit card loans	50 944	14 046	2 408	67 397	2 455	4 063	1 650	59 230
Total		31 493 320	2 043 377	5 109 397	38 646 093	368 459	301 816	1 942 762	36 033 057
Loan loss allowance coverage ratio per stage						1.17 %	14.77 %	38.02 %	
Net loans									36 033 057

30.6.21 Amounts in NOK 1000						Loan loss allowance			Loans to customers
		Stage 1	Stage 2	Stage 3	Gross loans	Stage 1	Stage 2	Stage 3	
Norway	Instalment loans	6 506 386	545 065	3 439 991	10 491 443	24 486	28 535	1 185 161	9 253 261
	Credit card loans	4 156 005	191 641	955 654	5 303 300	20 360	14 184	398 304	4 870 452
Sweden	Instalment loans	3 039 840	274 072	1 919 347	5 233 260	41 915	33 646	847 575	4 310 124
	Credit card loans	2 049 559	137 687	24 683	2 211 929	17 385	11 269	7 439	2 175 836
Denmark	Instalment loans	3 190 851	98 049	1 148 193	4 437 093	47 876	16 924	637 510	3 734 783
	Credit card loans	656 691	19 907	5 608	682 205	7 395	2 320	2 506	669 983
Finland	Instalment loans	6 292 150	672 183	2 746 151	9 710 485	142 354	93 711	1 000 934	8 473 472
	Credit card loans	1 677 096	293 886	392 885	2 363 867	17 865	34 036	145 534	2 166 431
Spain	Instalment loans	-	-	-	-	-	-	-	-
	Credit card loans	-	-	-	-	-	-	-	-
Germany	Instalment loans	-	-	-	-	-	-	-	-
	Credit card loans	-	-	-	-	-	-	-	-
Total		27 568 578	2 232 491	10 632 513	40 433 581	319 635	234 626	4 224 978	35 654 342
Loan loss allowance coverage ratio per stage						1.16 %	10.51 %	39.74 %	
Net loans									35 654 342

Change in loan loss allowance and gross loans

Migration out of a stage is calculated at previous closing date 31.03.22, while migration into a stage is calculated at the closing date 30.06.22.

Total Loans

Loan loss allowance

Amounts in NOK 1000	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 31.03.22	298 617	235 333	2 776 568	3 310 518
Transfers :				
Transfers from stage 1 to stage 2	-33 022	163 512	-	130 490
Transfers from stage 1 to stage 3	-6 279	-	50 881	44 602
Transfers from stage 2 to stage 1	28 557	-75 490	-	-46 933
Transfers from stage 2 to stage 3	-	-72 828	156 022	83 195
Transfers from stage 3 to stage 2	-	22 494	-44 599	-22 105
Transfers from stage 3 to stage 1	5 033	-	-37 249	-32 216
New financial assets issued	52 822	11 489	842	65 152
Financial assets derecognized in the period	-10 983	-10 444	-1 103 110	-1 124 538
Changes due to modifications that did not result in derecognition	33 715	27 751	284 295	345 761
Charge-off	-	-	-140 888	-140 888
Loan loss allowance as at 30.06.22	368 459	301 816	1 942 762	2 613 037

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

Gross loans to customers

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 31.03.22	28 122 916	2 135 874	7 109 468	37 368 257
Transfers :				
Transfers from stage 1 to stage 2	-1 057 127	1 118 247	-	61 120
Transfers from stage 1 to stage 3	-153 757	-	158 900	5 143
Transfers from stage 2 to stage 1	814 474	-845 988	-	-31 513
Transfers from stage 2 to stage 3	-	-478 422	502 400	23 978
Transfers from stage 3 to stage 2	-	139 972	-146 110	-6 138
Transfers from stage 3 to stage 1	92 555	-	-118 055	-25 500
New financial assets issued	3 324 112	65 855	2 847	3 392 814
Financial assets derecognized in the period	-995 301	-99 269	-2 416 395	-3 510 964
Changes due to modifications that did not result in derecognition	1 345 448	7 106	185 026	1 537 580
Charge-off	-	-	-168 684	-168 684
Gross loans to customers as at 30.06.22	31 493 320	2 043 377	5 109 397	38 646 093

Instalment loans total

Loan loss allowance

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 31.03.22	239 861	174 055	2 461 178	2 875 094
Transfers :				
Transfers from stage 1 to stage 2	-27 938	142 014	-	114 076
Transfers from stage 1 to stage 3	-5 630	-	45 185	39 556
Transfers from stage 2 to stage 1	18 513	-46 635	-	-28 121
Transfers from stage 2 to stage 3	-	-59 246	121 974	62 728
Transfers from stage 3 to stage 2	-	21 301	-40 460	-19 159
Transfers from stage 3 to stage 1	4 591	-	-29 876	-25 286
New financial assets issued	47 163	9 268	842	57 273
Financial assets derecognized in the period	-10 331	-9 533	-1 018 323	-1 038 186
Changes due to modifications that did not result in derecognition	31 226	27 228	255 849	314 304
Charge-off	-	-	-135 356	-135 356
Loan loss allowance as at 30.06.22	297 456	258 452	1 661 014	2 216 922

Gross loans to customers

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 31.03.22	19 294 537	1 514 381	6 266 152	27 075 070
Transfers :				
Transfers from stage 1 to stage 2	-884 880	922 055	-	37 175
Transfers from stage 1 to stage 3	-137 353	-	142 092	4 739
Transfers from stage 2 to stage 1	494 513	-490 964	-	3 549
Transfers from stage 2 to stage 3	-	-380 926	401 137	20 211
Transfers from stage 3 to stage 2	-	128 133	-132 139	-4 006
Transfers from stage 3 to stage 1	80 679	-	-92 104	-11 425
New financial assets issued	3 154 712	55 985	2 847	3 213 544
Financial assets derecognized in the period	-930 593	-90 054	-2 236 087	-3 256 734
Changes due to modifications that did not result in derecognition	640 908	2 458	166 284	809 650
Charge-off	-	-	-162 032	-162 032
Gross loans to customers as at 30.06.22	21 712 521	1 661 070	4 356 149	27 729 741

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

Credit card total

Loan loss allowance

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Loan loss allowance as at 31.03.22	58 756	61 278	315 390	435 424
Transfers :				
Transfers from stage 1 to stage 2	-5 084	21 498	-	16 414
Transfers from stage 1 to stage 3	-650	-	5 696	5 046
Transfers from stage 2 to stage 1	10 043	-28 855	-	-18 812
Transfers from stage 2 to stage 3	-	-13 582	34 048	20 466
Transfers from stage 3 to stage 2	-	1 193	-4 140	-2 946
Transfers from stage 3 to stage 1	443	-	-7 373	-6 930
New financial assets issued	5 658	2 221	-	7 879
Financial assets derecognized in the period	-653	-912	-84 788	-86 352
Changes due to modifications that did not result in derecognition	2 489	523	28 446	31 457
Charge-off	-	-	-5 532	-5 532
Loan loss allowance as at 30.06.22	71 002	43 364	281 748	396 115

Gross loans to customers

Amounts in NOK 1000

	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 31.03.22	8 828 379	621 493	843 316	10 293 188
Transfers :				
Transfers from stage 1 to stage 2	-172 247	196 192	-	23 945
Transfers from stage 1 to stage 3	-16 404	-	16 808	405
Transfers from stage 2 to stage 1	319 962	-355 024	-	-35 062
Transfers from stage 2 to stage 3	-	-97 496	101 263	3 767
Transfers from stage 3 to stage 2	-	11 839	-13 971	-2 132
Transfers from stage 3 to stage 1	11 876	-	-25 952	-14 075
New financial assets issued	169 400	9 870	-	179 270
Financial assets derecognized in the period	-64 708	-9 215	-180 307	-254 230
Changes due to modifications that did not result in derecognition	704 540	4 648	18 742	727 930
Charge-off	-	-	-6 652	-6 652
Gross loans to customers as at 30.06.22	9 780 799	382 307	753 247	10 916 353

Note 6. Provision for loan losses

Amounts in NOK 1000

	YTD 2022	YTD 2021	2021
Realized losses in the period due to final write-offs	22 691	36 015	58 987
Realized losses in the period due to charge-offs*	55 580	142 142	266 999
Loan loss provisions - lifetime expected credit loss (stage 3)	604 655	818 322	1 550 428
Loan loss provisions - lifetime expected credit loss (stage 2)	71 729	-124 834	-119 024
Loan loss provisions - 12 months expected credit loss (stage 1)	76 042	-81 256	-104 529
Adjustments for sold NPL portfolios	-32 206	-29 793	-154 133
Provision for loan losses	798 492	760 596	1 498 728

*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 295.4 million as of 30.06.2022.

Note 7. Risk classes

Amounts in NOK 1000	Probability of default	Probability of			Gross loans		Undrawn credit limits	
		Stage 1	Stage 2	Stage 3	30.6.22	30.6.21	30.6.22	30.6.21
A	0 – 1%	8 306 896	-	-	8 306 896	7 340 920	45 347 847	46 491 280
B	1 – 3%	10 839 533	20	-	10 839 553	8 779 276	1 120 151	738 891
C	3 – 5%	4 653 954	703	-	4 654 657	4 051 355	162 574	139 461
D	5 – 9%	3 660 256	2 232	-	3 662 487	3 434 786	107 227	74 651
E	9 – 15%	1 909 324	24 759	-	1 934 082	2 624 244	50 504	24 971
F	15 – 20%	761 473	47 450	-	808 923	986 392	10 312	4 475
G	20 – 30%	795 201	272 130	-	1 067 330	1 195 448	6 728	2 321
H	30 – 40%	346 948	394 249	-	741 197	528 244	1 447	527
I	40 – 55%	181 704	584 002	-	765 706	393 293	784	159
J	55 – 100%	38 033	717 832	-	755 865	467 109	60	28
Defaulted loans		-	-	5 109 397	5 109 397	10 632 513	-	-
Total		31 493 320	2 043 377	5 109 397	38 646 093	40 433 581	46 807 633	47 476 763

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

Note 8. Net interest income

Amounts in NOK 1000	YTD 2022	YTD 2021	2021
Interest income from cash and deposits with the central bank	36	-	54
Interest income from loans to and deposits with credit institutions	1 558	-1 295	-1 594
Interest income from instalment loans	1 521 343	1 817 995	3 483 696
Interest income from credit card loans	657 145	730 407	1 414 945
Interest income from sales financing	22	52	86
Interest income, effective interest method	2 180 104	2 547 160	4 897 187
Interest and other income from certificates and bonds	103 952	97 384	182 078
Other interest and other interest related income	13 033	1 211	1 761
Other interest income	116 985	98 596	183 839
Interest expense from deposits from the central bank	1 320	3 342	5 875
Interest expense from deposits from customers	62 801	104 158	179 113
Interest expense on debt securities issued	90 415	64 337	129 478
Interest expense on subordinated loan	14 410	16 406	31 621
Other interest and other interest related expenses	50 023	34 254	69 766
Interest expenses	218 969	222 497	415 853
Net interest income	2 078 120	2 423 258	4 665 173

Note 9. Net commission and bank services income

Amounts in NOK 1000	YTD 2022	YTD 2021	2021
Payment services	176 600	109 916	269 646
Insurance services	24 369	31 955	89 413
Other fees and commission and bank services income	15 383	19 112	36 531
Total commission and bank services income	216 352	160 983	395 589
Payment services	61 438	37 799	93 390
Insurance services	29 621	39 521	66 276
Other fees and commission and bank services expense	11 897	10 526	23 042
Total commission and bank services expenses	102 955	87 846	182 707

Note 10. Net change in value on securities and currency

Amounts in NOK 1000	YTD 2022	YTD 2021	2021*
Net change on certificates and bonds	-86 634	-49 924	-124 725
Net change on FX-forwards **	2 060	96 184	148 744
Net currency effects	13 476	-90 632	-149 626
Net change on shares and other securities	647	3 634	-23 982
Net change in value on securities and currency***	-70 451	-40 738	-149 588

*The figures from 2021 have been split differently compared to reported figures in the annual report

**The contract amount was NOK 11 496 million 30.06.22

***In YTD 2022 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>	YTD 2022	YTD 2021	2021
Sales and marketing	496 750	395 200	795 975
IT operations	56 209	46 064	96 164
External services costs	72 963	55 638	326 758
Other administrative expenses	50 764	30 182	83 768
Total general administrative expenses*	676 686	527 084	1 302 664

*In YTD 2022 the subsidiary Lilienthal Finance Ltd contributed with NOK 489 thousand of the total amount.

Note 12. Classification of financial instruments

30.6.22

<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	-	-	606 939	606 939
Loans and deposits with credit institutions	-	-	837 848	837 848
Loans to customers	-	-	36 033 057	36 033 057
Certificates and bonds	-	14 590 459	-	14 590 459
Shares and other securities	-	27 450	-	27 450
Financial derivatives	86 560	148 639	-	235 198
Total financial assets	86 560	14 766 547	37 477 843	52 330 950
Loans from credit institutions	-	-	44 200	44 200
Deposits from customers	-	-	35 107 254	35 107 254
Debt securities issued	-	-	6 597 089	6 597 089
Financial derivatives	-	167 057	-	167 057
Senior non-preferred bonds	-	-	675 236	675 236
Subordinated loan	-	-	534 416	534 416
Total financial liabilities	-	167 057	42 958 194	43 125 251

30.6.21

<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	-	-	69 885	69 885
Loans and deposits with credit institutions*	-	-	2 175 449	2 175 449
Loans to customers	-	-	35 654 342	35 654 342
Certificates and bonds	-	19 738 636	-	19 738 636
Shares and other securities	-	54 326	-	54 326
Financial derivatives	-	156 076	-	156 076
Total financial assets	-	19 949 039	37 899 676	57 848 715
Loans from credit institutions	-	-	156 400	156 400
Deposits from customers	-	-	39 143 018	39 143 018
Debt securities issued	-	-	6 181 276	6 181 276
Financial derivatives	-	48 135	-	48 135
Subordinated loan	-	-	856 909	856 909
Total financial liabilities	-	48 135	46 337 604	46 385 739

Note 13. Financial instruments at fair value

30.6.22

<i>Amounts in NOK 1000</i>	Level 1**	Level 2	Level 3	Total
Certificates and bonds	9 788 563	4 801 897	-	14 590 459
Financial derivatives	-	235 198	-	235 198
Shares and other securities*	-	-	27 450	27 450
Total financial assets at fair value	9 788 563	5 037 095	27 450	14 853 107
Financial derivatives	-	167 057	-	167 057
Total financial liabilities at fair value	-	167 057	-	167 057

30.6.21

<i>Amounts in NOK 1000</i>	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	19 738 636	-	19 738 636
Financial derivatives	-	156 076	-	156 076
Shares and other securities*	-	-	54 326	54 326
Total financial assets at fair value	-	19 894 712	54 326	19 949 039
Financial derivatives	-	48 135	-	48 135
Total financial liabilities at fair value	-	48 135	-	48 135

*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.

** From the second quarter of 2022 the Bank has classified parts of the liquidity portfolio as level 1 due to available market data. Comparables has not been restated.

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, senior non-preferred bonds and subordinated loan

The fair value of debt securities issued, senior non-preferred bonds and subordinated loan are based on observable market data where available.

<i>Amounts in NOK 1000</i>	30.6.22		30.6.21	
	Book value	Fair value	Book value	Fair value
Debt securities issued	6 597 089	6 497 830	6 181 276	6 270 414
Senior non-preferred bonds	675 236	675 236	-	-
Subordinated loan	534 416	533 512	856 909	861 375
Total financial liabilities	7 806 741	7 706 578	7 038 186	7 131 790

30.6.22

<i>Amounts in NOK 1000</i>	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6 597 089	-	6 597 089
Senior non-preferred bonds	-	675 236	-	675 236
Subordinated loan	-	534 416	-	534 416
Total financial liabilities	-	7 806 741	-	7 806 741

30.6.21

<i>Amounts in NOK 1000</i>	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6 181 276	-	6 181 276
Subordinated loan	-	856 909	-	856 909
Total financial liabilities	-	7 038 186	-	7 038 186

Note 15. Debt securities issued, senior non-preferred bonds and subordinated loans

Amounts in NOK 1000	30.6.22	30.6.21	31.12.21
Debt securities issued, carrying value (amortized cost)	6 597 089	6 181 276	6 945 201
Senior non-preferred loans, carrying value (amortized cost)	675 236	-	-
Subordinated loans, carrying value (amortized cost)	534 416	856 909	739 801
Total debt securities issued, senior non-preferred bonds and subordinated loans	7 806 741	7 038 186	7 685 002

ISIN	Nominal value outstanding	Currency	Interest	Reference rate + margin	Early redemption date	Maturity	Carrying value
Debt securities issued (senior unsecured bonds)							
NO0010863582	324 000	SEK	Floating	STIBOR + 140bp	16.09.2022	16.09.2022	312 695
NO0010863574	86 000	NOK	Floating	NIBOR + 140bp	16.09.2022	16.09.2022	86 089
NO0010871148	610 000	NOK	Floating	NIBOR + 195bp	12.12.2022	12.12.2022	610 770
NO0010871130	1 000 000	SEK	Floating	STIBOR + 190bp	12.12.2022	12.12.2022	965 261
NO0010871155	1 200 000	NOK	Floating	NIBOR + 215bp	12.12.2023	12.12.2023	1 201 118
NO0010871296	600 000	SEK	Floating	STIBOR + 200bp	12.12.2023	12.12.2023	578 938
NO0010952823	700 000	NOK	Floating	NIBOR + 145bp	18.03.2024	18.03.2025	700 087
NO0010952831	300 000	SEK	Floating	STIBOR + 140bp	18.03.2024	18.03.2025	289 300
NO0011142572	1 850 000	NOK	Floating	NIBOR + 112bp	03.05.2024	03.05.2024	1 852 831
Total debt securities issued	6 670 000						6 597 089
Senior non-preferred bonds							
Senior non-preferred bonds*	700 000	SEK	Floating	STIBOR + 350bp	28.06.2025	28.06.2025	675 236
Total senior non-preferred	700 000						675 236
Subordinated loans							
NO0010833130	550 000	SEK	Floating	STIBOR + 375bp	02.10.2023	02.10.2028	534 416
Total subordinated loans	550 000						534 416
Total	7 220 000						7 806 741

*The senior non-preferred bond is group internal. More information provided in note 16

Cash flow hedging on debt securities issued

The Bank calculates interest rate risk based on EBA/GL/2018/02, Interest Rate Risk in the Banking Book (IRRBB). The Bank has identified interest rate risk on the asset side, which has been hedged through entering Interest Rate Swaps by swapping floating rate to fixed rate on a specific share of the debt portfolio. The hedging object in the cash flow hedging is floating rate bond issues (FRN's). The interest rate swaps are tailored 1:1 vs. the floating rate payments in the bonds. The Bank receives floating rate in the interest rate swaps, and pays fixed rate. The net interest payments on the hedged instruments are hence swapped from floating to fixed.

As of 30.06.2022 net gain on financial instruments at fair value through comprehensive income was NOK 65.4 million. The hedge effectiveness of the cash flow hedges are measure at approximately 100%.

Amounts in NOK 1000		30.06.2022		31.12.2021	
		Nominal amount	Value recognized in balance sheet (NOK)	Nominal amount	Value recognized in balance sheet (NOK)
Hedging instruments: Interest Rate Swaps	NOK	2 750 000	63 911	2 750 000	-212
Hedged items: Debt securities issued *, **	NOK	2 750 000	3 053 949	2 750 000	2 753 976
Hedging instruments: Interest Rate Swaps	SEK	1 600 000	22 649	1 600 000	-91
Hedged items: Debt securities issued *	SEK	1 600 000	1 544 199	1 600 000	1 559 428

*Recognized in the balance sheet at amortized cost

**Value recognized in the balance sheet includes NOK 300 million tap issue conducted in May out of the total issued volume of NOK 1 850 million in ISIN NO0011142572, which is not hedged.

Net gains and losses on financial instruments at fair value recognized through comprehensive income

Amounts in NOK 1000	YTD 2022	2021
Net gains and losses on interest rate swaps, after tax	65 406	-83

Note 15. Debt securities issued and subordinated loan (continued)

Information on maturity and interest rates on the hedging instrument

30.06.2022

<i>Amounts in 1000</i>	Under 3 months	3-12 months	1-5 years	Total
Debt securities in NOK, nominal amount	-	-	2 750 000	2 750 000
Debt securities in NOK, floating rate (pay)			3m nibor + 1.57%	3m nibor + 1.57%
Interest rate swap in NOK, floating rate (receive)			3m nibor + 1.57%	3m nibor + 1.57%
Interest rate swap in NOK, average fixed rate (pay)			3.12 %	3.12 %
Debt securities in SEK, nominal amount	-	1 000 000	600 000	1 600 000
Debt securities in SEK, floating rate (pay)		3m stibor + 1.90%	3m stibor + 2.00%	3m nibor + 1.94%
Interest rate swap in SEK, floating rate (receive)		3m stibor + 1.90%	3m stibor + 2.00%	3m nibor + 1.94%
Interest rate swap in SEK, average fixed rate (pay)		1.98 %	2.27 %	2.09 %

Note 16. Related parties and other investments

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. Intercompany balance as of second quarter 2022 is NOK 193.9 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 2021, 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. 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 NOK 500 million at market terms, paid out in January 2022. Further in March 2022, a new internal group loan of NOK 1 000 million was established, also at market terms, and paid out early April. The loan approval process for both loans have by the Lender 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).

In June 2022, Bank Norwegian ASA (as borrower) and Nordax Bank AB (publ) (as lender) entered into a MSEK 700 senior non-preferred loan agreement with 3 years maturity. The loan is based on standard Nordic Trustee documentation and is MREL eligible for Bank Norwegian ASA.

Note 17. Subsequent events

On July 4, Bank Norwegian ASA and Nordax Bank AB (publ) signed a joint merger plan for a cross-border parent-subsidiary merger between the two banks. The merger plan was registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) on 5 July 2022, and on 8 August 2022 the Board of Directors of Bank Norwegian finally approved the merger.

The merger will be implemented with Nordax as the acquiring company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian branch of Nordax (being under establishment). The merger aims to simplify the group structure and is expected to enable a more effective administration and optimisation of capital and liquidity utilisation within the Nordax Group.

The implementation of the merger is still conditional upon (i) that the deadline for objections pursuant to the Public Limited Liability Companies Act § 13-15, cf. 13-16 has expired, (ii) that the Norwegian Financial Supervisory Authority ("Finanstilsynet") and the Swedish Financial Supervisory Authority ("Finansinspektionen") have approved the implementation of the merger, (iii) that Finansinspektionen has approved Nordax' establishment of a branch in Norway and that Finanstilsynet has confirmed that the branch can commence operations (or that the waiting period of two months has expired), (iv) that relevant consents and approvals from third parties have been obtained and (v) that no objections have been made by creditors or that any such objections have been clarified.

As announced July 4, the merger is expected to be completed during the first quarter of 2023 at the latest. Bank Norwegian's operations and organization, as well as customer terms and conditions are not expected to be materially amended following the merger. The Bank Norwegian brand will continue to be used.

The Board of Directors are not aware of any other 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				
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income, effective interest method	1 091 915	1 088 189	1 143 033	1 206 994	1 245 786
Other interest income	62 432	54 553	46 974	38 270	44 497
Interest expenses	118 083	100 886	99 051	94 306	107 170
Net interest income	1 036 264	1 041 856	1 090 956	1 150 959	1 183 113
Commission and bank services income	123 193	93 159	148 474	86 132	75 925
Commission and bank services expenses	52 833	50 122	53 478	41 384	44 459
Income from shares and other securities	477	-	-	-	-
Net change in value on securities and currency	-36 253	-34 198	-48 122	-60 729	-12 363
Net other operating income	34 584	8 839	46 875	-15 981	19 103
Total income	1 070 847	1 050 696	1 137 831	1 134 978	1 202 215
Personnel expenses	42 933	40 894	54 760	47 032	35 844
General administrative expenses	374 641	302 045	450 883	324 697	264 943
Depreciation and impairment	19 848	20 503	19 780	21 513	23 148
Other operating expenses	22 127	17 523	14 425	15 118	16 883
Total operating expenses	459 549	380 965	539 849	408 361	340 819
Provision for loan losses	335 780	462 712	378 416	359 715	370 664
Profit before tax	275 519	207 019	219 566	366 902	490 733
Tax charge	68 310	51 320	59 820	90 807	122 941
Profit after tax	207 209	155 699	159 746	276 095	367 792

Comprehensive income

Amounts in NOK 1000	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Profit on ordinary activities after tax	207 209	155 699	159 746	276 095	367 792
Financial assets at fair value through OCI	31 483	55 724	-111	-	-
Tax	-7 871	-13 931	28	-	-
Items that may be reclassified to profit or loss	23 612	41 793	-83	-	-
Comprehensive income for the period	230 821	197 492	159 663	276 095	367 792

Balance sheet

Amounts in NOK 1000	30.6.22	31.3.22	31.12.21	30.9.21	30.6.21
Assets					
Cash and deposits with the central bank	606 939	740 319	813 303	69 884	69 885
Loans and deposits with credit institutions	837 848	604 649	1 079 310	2 199 801	2 175 449
Loans to customers	36 033 057	34 057 740	33 649 320	34 216 695	35 654 342
Certificates and bonds	14 590 459	17 425 496	20 233 281	20 556 073	19 738 636
Financial derivatives	235 198	256 406	133 468	73 361	156 076
Shares and other securities	27 450	27 494	26 802	26 322	54 326
Intangible assets and goodwill	374 397	384 467	396 807	403 517	415 442
Deferred tax asset	25 244	10 140	22 900	7 668	6 481
Fixed assets	34 768	35 104	35 615	3 433	3 874
Other assets	1 633 826	588 289	74 119	50 554	76 651
Total assets	54 399 184	54 130 102	56 464 926	57 607 307	58 351 162
Liabilities and equity					
Loans from credit institutions	44 200	170 950	-	491 395	156 400
Deposits from customers	35 107 254	34 137 326	36 393 611	38 224 252	39 143 018
Debt securities issued	6 597 089	6 630 451	6 945 201	6 018 621	6 181 276
Financial derivatives	167 057	192 143	138 883	61 872	48 135
Tax payable	122 001	293 173	481 366	348 107	256 113
Deferred tax	21 774	-	-	58 234	58 234
Other liabilities	355 420	373 226	387 376	199 954	248 189
Provisions	210 199	252 051	209 379	248 312	257 373
Senior non-preferred bonds	675 236	-	-	-	-
Subordinated loan	534 416	720 402	739 801	753 807	856 909
Total liabilities	43 834 645	42 769 721	45 295 617	46 404 553	47 205 647
Share capital	186 904	186 904	186 904	186 904	186 904
Share premium	983 401	983 401	983 401	983 401	983 401
Tier 1 capital	125 000	425 000	425 000	425 000	635 000
Retained earnings and other reserves	9 269 234	9 765 076	9 574 004	9 607 449	9 340 210
Total equity	10 564 539	11 360 381	11 169 309	11 202 754	11 145 514
Total liabilities and equity	54 399 184	54 130 102	56 464 926	57 607 307	58 351 162

Quarterly figures

Profit and loss account

Amounts in NOK 1000	Bank Norwegian ASA				
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income, effective interest method	1 091 915	1 088 189	1 143 033	1 206 994	1 245 786
Other interest income	62 432	54 553	46 974	38 270	44 497
Interest expenses	118 083	100 886	99 051	94 306	107 170
Net interest income	1 036 264	1 041 856	1 090 956	1 150 959	1 183 113
Commission and bank services income	123 193	93 159	148 474	86 132	75 925
Commission and bank services expenses	52 833	50 122	53 478	41 384	44 459
Income from shares and other securities	477	-	-	-	-
Net change in value on securities and currency	-36 209	-34 213	-48 127	-60 729	-12 352
Net other operating income	34 627	8 824	46 870	-15 981	19 114
Total income	1 070 891	1 050 680	1 137 826	1 134 978	1 202 227
Personnel expenses	42 933	40 894	54 760	47 032	35 844
General administrative expenses	374 304	301 893	450 859	324 426	264 658
Depreciation and impairment	10 623	11 278	10 555	12 288	13 923
Other operating expenses	22 127	17 523	14 425	15 118	16 883
Total operating expenses	449 988	371 587	530 599	398 865	331 309
Provision for loan losses	335 780	462 712	378 416	359 715	370 664
Profit before tax	285 124	216 381	228 810	376 398	500 254
Tax charge	69 511	52 490	60 975	91 994	124 136
Profit after tax	215 613	163 890	167 835	284 403	376 118

Comprehensive income

Amounts in NOK 1000	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Profit on ordinary activities after tax	215 613	163 890	167 835	284 403	376 118
Financial assets at fair value through OCI	31 483	55 724	-111	-	-
Tax	-7 871	-13 931	28	-	-
Items that may be reclassified to profit or loss	23 612	41 793	-83	-	-
Comprehensive income for the period	239 226	205 683	167 751	284 403	376 118

Balance sheet

Amounts in NOK 1000	30.6.22	31.3.22	31.12.21	30.9.21	30.6.21
Assets					
Cash and deposits with the central bank	606 939	740 319	813 303	69 884	69 885
Loans and deposits with credit institutions	837 848	604 649	1 079 310	2 199 801	2 175 449
Loans to customers	36 033 057	34 057 740	33 649 320	34 216 695	35 654 342
Certificates and bonds	14 590 459	17 425 496	20 233 281	20 556 073	19 738 636
Ownership interests in group companies	161 491	161 491	161 491	161 491	161 491
Financial derivatives	235 198	256 406	133 468	73 361	156 076
Shares and other securities	27 450	27 494	26 802	26 322	54 326
Intangible assets	79 607	80 452	83 567	81 052	83 752
Deferred tax asset	14 050	146	14 077	-	-
Fixed assets	34 768	35 104	35 615	3 433	3 874
Other assets	1 827 763	781 689	267 325	243 534	269 595
Total assets	54 448 629	54 170 986	56 497 561	57 631 646	58 367 427
Liabilities and equity					
Loans from credit institutions	44 200	170 950	-	491 395	156 400
Deposits from customers	35 107 254	34 137 326	36 393 611	38 224 252	39 143 018
Debt securities issued	6 597 089	6 630 451	6 945 201	6 018 621	6 181 276
Financial derivatives	167 057	192 143	138 883	61 872	48 135
Tax payable	122 001	293 173	481 366	348 107	256 113
Deferred tax	21 774	-	-	58 234	58 234
Other liabilities	355 420	1 092 807	1 106 863	199 954	435 036
Provisions	210 011	251 707	209 073	247 703	256 999
Senior non-preferred bonds	675 236	-	-	-	-
Subordinated loan	534 416	720 402	739 801	753 807	856 909
Total liabilities	43 834 458	43 488 959	46 014 797	46 403 945	47 392 121
Share capital	186 904	186 904	186 904	186 904	186 904
Share premium	983 401	983 401	983 401	983 401	983 401
Tier 1 capital	125 000	425 000	425 000	425 000	635 000
Retained earnings	9 318 866	9 086 722	8 887 458	9 632 396	9 170 001
Total equity	10 614 171	10 682 027	10 482 763	11 227 701	10 975 306
Total liabilities and equity	54 448 629	54 170 986	56 497 561	57 631 646	58 367 427

Statement pursuant to section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly accounts for the Group and the company for the period January 1 to June 30, 2022 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group over the next accounting period
- description of major transactions with related parties

Bærum, August 15, 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

Anni Nord
Board member

Klara-Lise Aasen
CEO

List of Signatures

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