

**Aprila**

**Q2 Interim report**  
April – June 2024

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# Interim report

## About Aprila Bank ASA

Aprila is a product- and technology company offering improved access to financing for businesses through innovative financial solutions. The bank commenced operations in April 2018 and offers two credit products to businesses: credit line and spot factoring.

Aprila's technology infrastructure employs machine learning models that predict outcomes and price risk automatically, using real-time data in addition to ordinary sources of credit information. This enables the bank to offer credit to businesses with a seamless customer experience.

The bank is owned by private and institutional investors in Norway and abroad. The largest shareholders are SES AS (24.9%), Amesto Group AS (13.4%), and Kvantia AS (6.0%)<sup>1</sup>.

## Second quarter 2024

Highlights from the quarter are outlined below.

### Highlights Q2 24

- Aprila delivered a pre-tax profit of NOK 14.0 million in the quarter.
- Total income amounted to NOK 51.0 million, an increase of 36% YoY and 5% QoQ.
- Gross lending at the end of the quarter amounted to NOK 1,079 million, an increase of 33% YoY and 12% QoQ.
- Gross lending to credit line accounts amounted to NOK 1,052 million at the end of the quarter, an increase of 40% YoY and 13% QoQ.
- At the end of the quarter, Aprila had 6,302 unique business customers, a decline of -5% YoY and -8% QoQ. The decline is caused by the discontinuation of spot factoring. Aprila purchased its last invoice on 1 July 2024.
- At the end of the quarter, Aprila had 6,586 open customer accounts distributed on Aprila's two lending platforms: credit line (5,290 accounts) and spot factoring (1,296 accounts).

## Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q2 23 are presented in brackets.

Interest income in the quarter amounted to NOK 56.3 million (NOK 40.7 million), net interest income to NOK 45.7 million (NOK 34.2 million) and total income was NOK 51.0 million (NOK 37.4 million).

Total operating expenses amounted to NOK 23.7 million (NOK 17.8 million) of which NOK 11.2 million (47%) in salary and personnel expenses, NOK 10.6 million (46%) in general administrative expenses and NOK 1.6 million (7%) in depreciation and impairment of fixed and intangible assets.

<sup>1</sup> As registered in VPS 30 July 2024.

Losses on loans amounted to NOK 13.3 million (NOK 11.8 million). Pre-tax operating profit amounted to NOK 14.0 million (NOK 7.8 million).

Total assets at the end of the quarter amounted to NOK 1,228 million (NOK 997 million) of which NOK 954 million (NOK 728 million) were net loans to customers. Total equity amounted to NOK 279 million (NOK 198 million) and the CET1-ratio was 31.6% (32.4%). Total liquid assets amounted to NOK 259 million (NOK 252 million) of which NOK 124 million in bank deposits and NOK 135 million in certificates and bonds.

## Outlook

### Macroeconomic outlook

Norges Bank kept the key policy rate unchanged at 4.5% in its monetary policy meetings in May and June. In the press release issued in connection with the meeting in June, the central bank expressed concern with the possibility of continued high inflation following from a potential premature reduction of the policy rate. The central bank said that it expects the policy rate to be kept at 4.5% throughout the year<sup>2</sup>. The central bank also noted that it is prepared to raise the policy rate again if the wage and price inflation remains elevated for longer due to increased capacity utilisation or depreciation of the Norwegian currency. On 31 July, America's Federal Reserve kept the benchmark rate unchanged and signalled that it was "moving closer" to cutting rates. Bank of England reduced its policy rate by 0.25 percentage points on 1 August, citing that "Inflationary pressures have eased enough that we've been able to cut interest rates today"<sup>3</sup>.

The 4.50 percentage point increase in the Norwegian key policy rate from September 2021 to December 2023 has, as of the date of this report, resulted in an increase of Aprila's funding cost of 3.82 percentage points<sup>4</sup>. Aprila is favourably positioned to manage potential future hikes in interest level as the bank's loan agreements provide a high degree of pricing flexibility. Moreover, since the bank offers high-yielding products, the relative effect of potential future increases in interest rates on the customers' borrowing cost is quite modest. Potential future reductions in the key policy rate are expected to positively impact the banks profitability in the short to medium term as the pass-through to funding cost most likely will exceed the pass-through to lending rates.

In the current macro-economic environment, we consider the key uncertainties for Aprila to be the effect of continued high inflation and low economic growth on our customers' credit appetite and quality. The bank will continue to closely monitor the financial health of its customers and continuously align its risk appetite with the customers' financial performance.

### Retail classification

Aprila Bank has employed retail classification in accordance with Article 123 of the Capital Requirements Regulation (CRR) since 30 September 2021. In the Financial Supervisory Authority's final report from the 2022 on-site inspection at Aprila (published on 12 October 2022) the Financial Supervisory Authority (FSA) wrote that "(...) *the bank must have data for a longer time period to be able to document that the risk has been sufficiently reduced so that risk weights of 75 percent can be used*". Furthermore, the FSA stated that they would address the matter in a separate letter. The bank has not received this letter as of the date of this report.

<sup>2</sup> Source: <https://www.norges-bank.no/en/topics/Monetary-policy/Monetary-policy-meetings/2024/june-2024/>

<sup>3</sup> Source: <https://www.ft.com/content/6c0d1fe5-ee7e-412e-a72d-49c1ba05d883>

<sup>4</sup> From 1.0 percent in September 2021 to 4.82 percent from 30 May 2024.

Along with other Norwegian banks, Aprila received an information request from the FSA in April 2023, requesting more information on the bank's policies and application of retail classification. Aprila responded to the information request within the deadline in August 2023 and expects the FSA to issue a revised circular letter on the topic. Our understanding is that FSA intends to issue the revised circular letter when the EBA has issued guidelines to specify proportionate diversification methods under which an exposure is to be considered as one of a significant number of similar exposures, as specified in CRR Article 123, point (c). EBA's deadline has been set to 10 July 2025 in CRR<sup>5</sup>.

The bank is of the opinion that the exposures classified as retail exposures as of 30 June 2024, meet the requirements of Article 123 of CRR and has decided to use retail classification to calculate the risk-weighted exposure amount for credit risk for these exposures as of 30 June 2024.

## Capital requirements

On 30 April 2024 the Norwegian FSA finalised its supervisory review (SREP) of Aprila and issued a Pillar 2 requirement (P2R) of 5.4% and a Pillar 2 guidance (P2G) of 1.5%. With a Pillar 1 requirement of 14.0%<sup>6</sup>, a Tier 1 requirement of 1.5%, a Tier 2 requirement of 2.0% and the new P2R and P2G, Aprila's OCR is 22.9% and the FSA expects Aprila to maintain a total capital ratio above 24.4%. The regulatory minimum leverage ratio requirement is 5.0%, the minimum LCR is 100% and the minimum NSFR is 100%.

## Key priorities

During the second half of 2024 Aprila will continue to focus on the following three key priorities:

### *Build foundation for accelerated growth*

During 2024, Aprila focuses on improving its offering to and acquisition of larger customers, aiming to build a foundation for accelerated growth and to continue to increase the ratio of customer lifetime value to customer acquisition cost.

### *Strengthen competitive advantage*

We believe that unmatched operational scalability combined with high quality of processes and output is key to create sustainable competitive advantage in Aprila's market. During 2024, Aprila continues to focus on implementing a set of carefully selected and prioritised initiatives that will increase the level of automation and quality, and thus strengthen Aprila's competitive advantage.

### *Improve long-term profitability*

Aprila delivered its first full-year positive pre-tax profit in 2023, an important milestone for the bank. The accomplishment reflects the bank's operational efficiency and the scalability of its business model. Looking ahead, the bank remains committed to improving its underlying profitability and expects to deliver a robust net income in 2024.

## Future prospects

We believe that artificial intelligence (AI) will radically transform how businesses are run in the next two to five years. Businesses that are slow to adapt their operations to AI will most likely be outcompeted by other businesses leveraging AI for superior strategy, cost efficiency, speed, and customer service.

<sup>5</sup> Source: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202401623](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401623).

<sup>6</sup> Applicable to all Norwegian banks.

Aprila has used machine learning extensively for the training of the bank's credit models and our understanding is that Aprila is in the forefront among banks using AI capabilities in real-time business decisions. Thanks to our small size, agility, and tech-savvy team, we are well-positioned to keep leveraging new AI technology as it emerges.

Looking ahead, we are confident that the continued adaptation of new technology, combined with the scalability of Aprila's business model, will continue to improve the bank's underlying operating expenses and loan losses relative to total income. We expect this to contribute to a steady improvement of the bank's return on equity over time.

## Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

## Other information

The accounting surplus for the second quarter 2024 has in its entirety been added to retained earnings. The interim report has not been audited by the company's external auditor, and hence, the retained earnings year-to-date as of 30 June 2024 is deducted from common equity tier 1, cf. CRR Article 26.

Oslo, 12 August 2024

Board of Directors  
Aprila Bank ASA

## Condensed consolidated interim statement of comprehensive income

<i>Amounts in NOK thousand</i>	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Interest income		56,302	40,674	109,561	76,308	171,672
Interest expense		10,574	6,489	20,031	11,323	29,957
<b>Net interest income</b>		<b>45,728</b>	<b>34,184</b>	<b>89,530</b>	<b>64,985</b>	<b>141,715</b>
Income commissions and fees		4,174	3,197	8,135	6,168	13,398
Expenses commissions and fees		254	243	467	403	817
<b>Net commissions and fees</b>		<b>3,920</b>	<b>2,953</b>	<b>7,667</b>	<b>5,765</b>	<b>12,581</b>
Net gains / losses (-) on certificates, bonds and currency		1,380	249	2,568	500	6,308
Other income		0	0	0	0	0
<b>Total income</b>		<b>51,028</b>	<b>37,386</b>	<b>99,766</b>	<b>71,249</b>	<b>160,604</b>
Salary and other personnel expenses		11,219	9,674	26,138	22,247	52,067
General administrative expenses	8	10,846	6,362	21,399	17,747	35,607
<b>Total salary and administrative expenses</b>		<b>22,064</b>	<b>16,036</b>	<b>47,537</b>	<b>39,994</b>	<b>87,674</b>
Depreciation and impairment of fixed and intangible assets		1,640	1,719	3,260	3,762	7,213
<b>Total operating expenses excl. losses on loans</b>		<b>23,704</b>	<b>17,755</b>	<b>50,797</b>	<b>43,757</b>	<b>94,886</b>
Losses on loans	2, 3	13,317	11,796	29,756	21,698	42,632
<b>Pre-tax operating profit</b>		<b>14,007</b>	<b>7,835</b>	<b>19,212</b>	<b>5,794</b>	<b>23,086</b>
Tax	9	0	0	0	0	0
<b>Profit after tax</b>		<b>14,007</b>	<b>7,835</b>	<b>19,212</b>	<b>5,794</b>	<b>23,086</b>
Earnings per share (NOK)		0.19	0.12	0.27	0.09	0.35
Diluted earnings per share (NOK)		0.19	0.12	0.27	0.09	0.35
<i>Amounts in NOK thousand</i>	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Comprehensive income for the period		14,007	7,835	19,212	5,794	23,086

## Condensed statement of financial position

<i>Amounts in NOK thousand</i>	Note	30.06.2024	31.12.2023	30.06.2023
Loans and deposits with credit institutions	<u>5, 6</u>	123,808	73,803	125,275
Net loans to customers	<u>2, 3, 6</u>	954,190	819,774	727,902
Certificates and bonds	<u>6</u>	135,533	152,963	127,167
Other intangible assets		5,752	6,853	7,966
Deferred tax assets	<u>9</u>	0	0	0
Fixed assets		1,074	2,036	2,712
Other receivables	<u>7</u>	7,621	6,170	5,983
<b>Total assets</b>		<b>1,227,979</b>	<b>1,061,600</b>	<b>997,004</b>
Deposits from and debt to customers	<u>6</u>	933,882	821,235	784,708
Other debt	<u>7</u>	15,410	23,689	14,251
<b>Total liabilities</b>		<b>949,292</b>	<b>844,924</b>	<b>798,960</b>
Share capital	<u>4</u>	72,651	65,819	65,819
Share premium	<u>4</u>	328,901	291,636	291,636
Unregistered Share capital	<u>4</u>	0	1,315	0
Other paid-in equity	<u>4</u>	3,418	3,402	3,376
Retained earnings	<u>4</u>	-126,283	-145,495	-162,786
<b>Total equity</b>		<b>278,687</b>	<b>216,676</b>	<b>198,044</b>
<b>Total equity and liabilities</b>		<b>1,227,979</b>	<b>1,061,600</b>	<b>997,004</b>



## Condensed statement of the cash flow position

<i>Amounts in NOK thousand</i>	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Pre-tax operating profit		14,007	7,835	19,212	5,794	23,086
Taxes	<u>9</u>	0	0	0	0	0
Depreciation and impairment of fixed and intangible assets		1,640	1,719	3,260	3,762	7,213
Change in loans	<u>3</u>	-96,874	-48,849	-134,416	-115,424	-207,296
Change in deposits from customers		123,245	158,072	112,647	207,459	243,985
Change in securities	<u>6</u>	-1,379	-60,248	17,430	-60,503	-86,300
Change in accruals		-8,484	-6,520	-8,655	21,375	31,448
<b>Net cash flow from operating activities</b>		<b>32,155</b>	<b>52,008</b>	<b>9,479</b>	<b>62,464</b>	<b>12,135</b>
Net investments in fixed assets		-168	0	-228	-89	-205
Net investments in intangible assets		-370	-654	-969	-1,413	-2,753
<b>Net cash flow from investing activities</b>		<b>-538</b>	<b>-654</b>	<b>-1,197</b>	<b>-1,501</b>	<b>-2,959</b>
Paid-in equity	<u>4</u>	8	30	42,799	139	1,480
Repayment of leasing liabilities		-538	-469	-1,075	-938	-1,964
<b>Net cash flow from financing activities</b>		<b>-529</b>	<b>-439</b>	<b>41,723</b>	<b>-799</b>	<b>-485</b>
Net cash flow for the period		31,087	50,916	50,006	60,163	8,692
Cash and cash equivalents at the start of the period	<u>5</u>	92,721	74,359	73,803	65,111	65,111
<b>Cash and cash equivalents at the end of the period</b>	<u>5</u>	<b>123,808</b>	<b>125,275</b>	<b>123,808</b>	<b>125,275</b>	<b>73,803</b>

## Condensed statement of changes in equity

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Unregistered share capital	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2022</b>	<b>61,812</b>	<b>265,671</b>	<b>29,971</b>	<b>3,237</b>	<b>-168,581</b>	<b>192,111</b>
Share capital increase	4,006	25,964	-29,971			0
Changes in equity due to stock options program				139		139
Net profit for the period					5,794	5,794
<b>Equity as of 30 June 2023</b>	<b>65,819</b>	<b>291,636</b>	<b>0</b>	<b>3,376</b>	<b>-162,786</b>	<b>198,044</b>

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Unregistered share capital	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2023</b>	<b>65,819</b>	<b>291,636</b>	<b>1,315</b>	<b>3,402</b>	<b>-145,495</b>	<b>216,676</b>
Share capital increase	6,832	37,265	-1,315			42,782
Changes in equity due to stock options program				16		16
Net profit for the period					19,212	19,212
<b>Equity as of 30 June 2024</b>	<b>72,651</b>	<b>328,901</b>	<b>0</b>	<b>3,418</b>	<b>-126,283</b>	<b>278,687</b>

# Notes

## Note 1 General accounting principles

### Reporting entity

Aprila Bank is a bank domiciled in Norway. The bank's registered office is at Kirkegata 5, 0153 Oslo.

### Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and with the same accounting principles as used in the annual statement for 2023.

Aprila was granted a commercial banking license from the Financial Supervisory Authority of Norway (NO: Finanstilsynet) in March 2018.

The interim report was authorised for issue by the bank's board of directors on 12 August 2024.

### Functional and presentation currency

These consolidated financial statements are presented in NOK, which is the bank's functional currency. All amounts have been rounded to the nearest thousand, except where otherwise indicated.

## Note 2 Expected credit loss

According to IFRS 9, loan loss allowances should be recognised based on expected credit losses (ECL). The general model for loan loss allowances on financial assets in IFRS 9 applies to financial assets that are measured at amortised cost or at fair value with changes in value through other comprehensive income (OCI), and that did not have any losses incurred on initial recognition.

Expected credit losses shall be measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. As of 30 June 2024, Aprila has used three scenarios to determine the probability-weighted expected credit losses:

<i>Amounts in NOK thousand</i>	<b>Base</b>	<b>Recession</b>	<b>Boom</b>	<b>Weighted</b>
Probability	50%	40%	10%	
ECL	117,226	138,386	104,500	<b>124,417</b>

## Note 3 Loans to customers

### Loans to customers

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Credit line	1,052,150	863,629	752,575
Non-recourse factoring	23,352	44,219	57,302
Other	3,106	1,575	1,257
<b>Gross loans to customers</b>	<b>1,078,608</b>	<b>909,422</b>	<b>811,135</b>
Loan loss allowance	124,417	89,648	83,233
<b>Net loans to customers</b>	<b>954,190</b>	<b>819,774</b>	<b>727,902</b>

### Defaults and losses

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Gross loans in stage 3	125,256	87,480	75,961
Loan loss allowance stage 3	86,563	54,793	48,505
<b>Net loans in stage 3</b>	<b>38,693</b>	<b>32,687</b>	<b>27,456</b>

### Loan loss provisions in the period

<i>Amounts in NOK thousand</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Loan loss provisions stage 1	602	882	2,304	1,572	6,349
Loan loss provisions stage 2	-1,124	5,249	695	11,376	6,725
Loan loss provisions stage 3	11,417	4,497	22,760	6,630	5,256
<b>Total loan loss provisions in the period</b>	<b>10,895</b>	<b>10,628</b>	<b>25,760</b>	<b>19,577</b>	<b>18,331</b>
Realised losses in the period	2,421	1,168	3,997	2,121	24,301
<b>Losses on loans in the period</b>	<b>13,317</b>	<b>11,796</b>	<b>29,756</b>	<b>21,698</b>	<b>42,632</b>

### Ageing of loans, Loans to customers

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Loans not past due	917,176	770,338	701,390
Past due 1 - 30 days	28,682	41,244	28,643
Past due 31 - 60 days	9,620	19,232	8,865
Past due 61 - 90 days	10,996	8,628	4,529
Past due 91+ days	112,134	69,980	67,708
<b>Total</b>	<b>1,078,607</b>	<b>909,422</b>	<b>811,135</b>

### Ageing of loans, Credit line

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Loans not past due	903,836	747,591	669,135
Past due 1 - 30 days	26,711	30,345	20,579
Past due 31 - 60 days	8,516	17,717	6,697
Past due 61 - 90 days	10,106	7,175	3,573
Past due 91+ days	102,980	60,801	52,591
<b>Total</b>	<b>1,052,150</b>	<b>863,629</b>	<b>752,575</b>

## Ageing of loans, Non-recourse factoring

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Loans not past due	10,233	21,172	30,998
Past due 1 - 30 days	1,971	10,899	8,063
Past due 31 - 60 days	1,104	1,515	2,168
Past due 61 - 90 days	889	1,453	956
Past due 91+ days	9,154	9,179	15,118
<b>Total</b>	<b>23,351</b>	<b>44,219</b>	<b>57,302</b>

## Loans to customers

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as of 31 March 2024</b>	<b>711,624</b>	<b>146,009</b>	<b>108,053</b>	<b>965,687</b>
Transfers from stage 1 to stage 2	-60,816	60,816	0	0
Transfers from stage 1 to stage 3	-4,458	0	4,458	0
Transfers from stage 2 to stage 1	32,299	-32,299	0	0
Transfers from stage 2 to stage 3	0	-21,697	21,697	0
Transfers from stage 3 to stage 1	1,734	0	-1,734	0
Transfers from stage 3 to stage 2	0	41	-41	0
New financial assets issued in the period	219,277	8,336	817	228,431
Financial assets derecognised in the period	-92,403	-15,113	-7,994	-115,510
<b>Gross carrying amount as of 30 June 2024</b>	<b>807,257</b>	<b>146,094</b>	<b>125,256</b>	<b>1,078,607</b>

## Loan loss allowance

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Loan loss allowance as of 31 March 2024</b>	<b>19,457</b>	<b>18,919</b>	<b>69,995</b>	<b>108,371</b>
Transfers from stage 1 to stage 2	-2,642	2,642	0	0
Transfers from stage 1 to stage 3	-171	0	171	0
Transfers from stage 2 to stage 1	1,178	-1,178	0	0
Transfers from stage 2 to stage 3	0	-3,979	3,979	0
Transfers from stage 3 to stage 1	64	0	-64	0
Transfers from stage 3 to stage 2	0	4	-4	0
New financial assets issued in the period	2,719	648	118	3,485
Increased expected credit loss	3,555	5,182	17,680	26,417
Decreased expected credit loss	-3,747	-3,815	-2,889	-10,451
Financial assets derecognised in the period	-353	-629	-2,424	-3,405
<b>Loan loss allowance as of 30 June 2024</b>	<b>20,059</b>	<b>17,796</b>	<b>86,563</b>	<b>124,417</b>

## Loans to customers, Credit line

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as of 31 March 2024</b>	<b>687,963</b>	<b>141,225</b>	<b>99,994</b>	<b>929,183</b>
Transfers from stage 1 to stage 2	-60,350	60,350	0	0
Transfers from stage 1 to stage 3	-3,571	0	3,571	0
Transfers from stage 2 to stage 1	32,299	-32,299	0	0
Transfers from stage 2 to stage 3	0	-20,097	20,097	0
Transfers from stage 3 to stage 1	1,734	0	-1,734	0
Transfers from stage 3 to stage 2	0	41	-41	0
New financial assets issued in the period	205,152	6,780	570	212,502
Financial assets derecognised in the period	-70,932	-11,968	-6,636	-89,535
<b>Gross carrying amount as of 30 June 2024</b>	<b>792,295</b>	<b>144,033</b>	<b>115,822</b>	<b>1,052,150</b>

## Loan loss allowance, Credit line

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Loan loss allowance as of 31 March 2024</b>	<b>19,273</b>	<b>18,217</b>	<b>65,652</b>	<b>103,141</b>
Transfers from stage 1 to stage 2	-2,636	2,636	0	0
Transfers from stage 1 to stage 3	-149	0	149	0
Transfers from stage 2 to stage 1	1,178	-1,178	0	0
Transfers from stage 2 to stage 3	0	-3,686	3,686	0
Transfers from stage 3 to stage 1	64	0	-64	0
Transfers from stage 3 to stage 2	0	4	-4	0
New financial assets issued in the period	2,558	369	20	2,947
Increased expected credit loss	3,548	5,033	16,653	25,234
Decreased expected credit loss	-3,746	-3,815	-2,826	-10,386
Financial assets derecognised in the period	-202	-225	-1,815	-2,242
<b>Loan loss allowance as of 30 June 2024</b>	<b>19,888</b>	<b>17,356</b>	<b>81,450</b>	<b>118,694</b>

## Loans to customers, Non-recourse factoring

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as of 31 March 2024</b>	<b>22,102</b>	<b>4,784</b>	<b>8,059</b>	<b>34,946</b>
Transfers from stage 1 to stage 2	-465	465	0	0
Transfers from stage 1 to stage 3	-886	0	886	0
Transfers from stage 2 to stage 1	0	0	0	0
Transfers from stage 2 to stage 3	0	-1,599	1,599	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	0	0	0
New financial assets issued in the period	11,704	1,556	247	13,507
Financial assets derecognised in the period	-20,599	-3,145	-1,358	-25,102
<b>Gross carrying amount as of 30 June 2024</b>	<b>11,856</b>	<b>2,061</b>	<b>9,434</b>	<b>23,351</b>

## Loan loss allowance, Non-recourse factoring

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<b>Loan loss allowance as of 31 March 2024</b>	<b>175</b>	<b>702</b>	<b>4,343</b>	<b>5,221</b>
Transfers from stage 1 to stage 2	-6	6	0	0
Transfers from stage 1 to stage 3	-23	0	23	0
Transfers from stage 2 to stage 1	0	0	0	0
Transfers from stage 2 to stage 3	0	-294	294	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	0	0	0
New financial assets issued in the period	106	279	98	483
Increased expected credit loss	1	149	1,027	1,177
Decreased expected credit loss	0	0	-63	-63
Financial assets derecognised in the period	-146	-404	-609	-1,158
<b>Loan loss allowance as of 30 June 2024</b>	<b>107</b>	<b>439</b>	<b>5,113</b>	<b>5,659</b>

## Note 4 Regulatory capital

Amounts in NOK thousand	30.06.2024	31.12.2023	30.06.2023
Share capital	72,651	65,819	65,819
Share premium	328,901	291,636	291,636
Other equity	-122,865	-140,778	-159,410
<b>Total equity</b>	<b>278,687</b>	<b>216,676</b>	<b>198,044</b>
Part of interim or year-end profit not eligible	-19,212	0	-5,794
Additional value adjustments (AVA)	-136	-153	-127
Other intangible assets	-5,752	-6,853	-7,966
Deferred tax assets	0	0	0
Insufficient coverage for non-performing exposures	-58	-28	-130
CET 1 instruments funded by the institution	-1,250	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>252,279</b>	<b>209,641</b>	<b>184,027</b>
<b>Tier 1 capital</b>	<b>252,279</b>	<b>209,641</b>	<b>184,027</b>
<b>Total capital</b>	<b>252,279</b>	<b>209,641</b>	<b>184,027</b>
<b>Risk-weighted exposure amount</b>			
Regional governments or local authorities	38	356	414
Public sector entities	24	146	189
Institutions	24,767	14,764	25,055
Corporates	35,789	18,447	13,249
Retail	496,262	431,560	382,673
Exposures in default	36,029	30,653	26,525
Collective investments undertakings (CIU)	5,548	6,934	5,585
Other items	8,165	7,575	7,364
<b>Credit risk</b>	<b>606,622</b>	<b>510,434</b>	<b>461,054</b>
Position, foreign exchange and commodities risks	0	0	6,384
Operational risk	190,954	190,954	100,733
Credit valuation adjustment	365	380	686
<b>Total risk exposure amount</b>	<b>797,941</b>	<b>701,768</b>	<b>568,857</b>
Common equity tier 1 ratio (%)	31.6%	29.9%	32.4%
Tier 1 ratio (%)	31.6%	29.9%	32.4%
Total capital ratio (%)	31.6%	29.9%	32.4%
Leverage ratio (%)	20.2%	19.5%	18.4%
LCR	627%	701%	595%
NSFR	210%	206%	219%

### Capital requirements

On 30 April 2023 the Norwegian FSA finalised its supervisory review (SREP) of Aprila and issued a Pillar 2 requirement (P2R) of 5.4% and a Pillar 2 guidance (P2G) of 1.5%. With a Pillar 1 requirement of 14.0%<sup>7</sup>, a Tier 1 requirement of 1.5%, a Tier 2 requirement of 2.0% and the new P2R and P2G, Aprila's OCR is 22.9% and the FSA expects Aprila to maintain a total capital ratio above 24.4%. The regulatory minimum leverage ratio requirement is 5.0%, the minimum LCR is 100% and the minimum NSFR is 100%.

### Retail classification

Aprila Bank has employed retail classification in accordance with Article 123 of the Capital Requirements Regulation (CRR) since 30 September 2021. In the Financial Supervisory Authority's final report from the 2022 on-site inspection at Aprila (published on 12 October 2022) the Financial Supervisory Authority (FSA) wrote that "(...) the bank must have data for a longer time period to be able to document that the risk has been sufficiently reduced so that risk weights of 75 percent can be used". Furthermore, the FSA stated that

<sup>7</sup> Applicable to all Norwegian banks.

they would address the matter in a separate letter. The bank has not received this letter as of the date of this report.

Along with other Norwegian banks, Aprila received an information request from the FSA in April 2023, requesting more information on the bank's policies and application of retail classification. Aprila responded to the information request within the deadline in August 2023 and expects the FSA to issue a revised circular letter on the topic. Our understanding is that FSA intends to issue the revised circular letter when the EBA has issued guidelines to specify proportionate diversification methods under which an exposure is to be considered as one of a significant number of similar exposures, as specified in CRR Article 123, point (c). EBA's deadline has been set to 10 July 2025 in CRR<sup>8</sup>.

The bank is of the opinion that the exposures classified as retail exposures as of 30 June 2024, meet the requirements of Article 123 of CRR and has decided to use retail classification to calculate the risk-weighted exposure amount for credit risk for these exposures as of 30 June 2024.

## Note 5 Loans and deposits with credit institutions

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Loans and deposits with credit institutions	123,808	73,803	125,275
<b>Total</b>	<b>123,808</b>	<b>73,803</b>	<b>125,275</b>

## Note 6 Financial instruments

### Financial instruments at fair value

Financial instruments at fair value are measured at different levels:

#### Level 1

Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

#### Level 2

Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

#### Level 3

When valuation cannot be determined in level 1 or 2, valuation methods based on non-observable market data are used.

#### Certificates and bonds – level 1

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Initial recognition	125,784	145,784	125,796
Change in fair value	9,749	7,180	1,371
<b>Total financial assets at fair value</b>	<b>135,533</b>	<b>152,963</b>	<b>127,167</b>

<sup>8</sup> Source: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202401623](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401623).



## Financial instruments at amortised cost

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Loans and deposits with credit institutions	123,808	73,803	125,275
Net loans to customers	954,190	819,774	727,902
Other receivables	7,621	6,170	5,983
<b>Total financial assets at amortised cost</b>	<b>1,085,619</b>	<b>899,747</b>	<b>859,160</b>
Deposits from and debt to customers	933,882	821,235	784,708
Other debt	15,410	23,689	14,251
<b>Total financial liabilities at amortised cost</b>	<b>949,292</b>	<b>844,924</b>	<b>798,960</b>

## Note 7 Receivables and other liabilities

### Receivables

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Skattefunn tax deduction claim	3,573	2,242	2,634
Other receivables	4,048	3,927	3,349
<b>Total receivables</b>	<b>7,621</b>	<b>6,170</b>	<b>5,983</b>

### Other liabilities

<i>Amounts in NOK thousand</i>	30.06.2024	31.12.2023	30.06.2023
Payables to suppliers	4,077	4,151	1,995
Payables to factoring customers and partners	2,915	3,215	2,237
Social security tax	1,995	2,415	1,461
Lease liabilities	1,025	2,078	2,852
Other liabilities	5,398	11,830	5,707
<b>Total other liabilities</b>	<b>15,410</b>	<b>23,689</b>	<b>14,251</b>

## Note 8 General administrative expenses

<i>Amounts in NOK thousand</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Sales and marketing	4,449	2,070	9,452	8,165	15,589
IT operations	2,361	1,828	4,591	3,563	7,658
External services	1,897	609	2,787	1,825	3,728
External audit and related services	173	157	892	688	1,475
Credit information	376	431	735	743	1,456
Other operating expenses	1,590	1,267	2,942	2,763	5,700
<b>Total general administrative expenses</b>	<b>10,846</b>	<b>6,362</b>	<b>21,399</b>	<b>17,747</b>	<b>35,607</b>

## Note 9 Tax

Aprila has a tax loss carryforward, with a related unrecognised deferred tax asset, that exceeds the expected taxable profit for the full financial year and, hence, the bank's best estimate of the weighted average annual income tax rate for 2024 is zero. The bank expects to recognise a deferred tax asset for the remaining net tax loss carryforward when it is considered probable, with convincing evidence, that future taxable profit will allow the deferred tax asset to be recovered. Please refer to note 15 in the annual statement for 2023 for more details.

## Note 10 Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

## Note 11 Shareholders

### 20 largest shareholders as registered in VPS 30 July 2024

#	Shareholder	# shares	%
1	SES AS	18,100,000	24.91%
2	AMESTO GROUP AS	9,768,374	13.45%
3	KVANTIA AS	4,335,036	5.97%
4	ALLIANCE VENTURE SPRING AS	3,174,406	4.37%
5	VISMA NORGE HOLDING AS	3,000,000	4.13%
6	EQUILIBRIA APS	2,808,822	3.87%
7	MP PENSJON PK	2,227,357	3.07%
8	STRØMSTANGEN AS	1,990,341	2.74%
9	PRIMERA AS	1,816,500	2.50%
10	ØSD INVEST AS	1,360,000	1.87%
11	FJ LABS	1,099,400	1.51%
12	CHRI AS	946,032	1.30%
13	AREPO AS	907,747	1.25%
14	SIRKELBUE AS	800,000	1.10%
15	DISRUPTOR AS	750,000	1.03%
16	OSMANI VENTURE CAPITAL AS	736,385	1.01%
17	THESAURUS AS	725,453	1.00%
18	JAH AS	615,127	0.85%
19	BLUE MOUNTAIN CAPITAL AS	614,000	0.85%
20	UNIVERSAL PRESENTKORT AS	597,699	0.82%
	Others	16,277,860	22.41%
	<b>Total</b>	<b>72,650,539</b>	<b>100%</b>

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**Aprila**