

**Aprila**

**Q3 Interim report**  
July – September 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 downpayment loans.

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>.

## Third quarter 2024

Highlights from the quarter are outlined below.

### Highlights Q3 24

- Aprila delivered a pre-tax profit of NOK 9.2 million in the quarter. The pre-tax profit was negatively affected by a one-off of NOK 2.7 million in severance pay.
- Total income amounted to NOK 55.1 million, an increase of 32% YoY and 8% QoQ.
- Gross lending at the end of the quarter amounted to NOK 1,111 million, an increase of 29% YoY and 3% QoQ.
- Gross lending to credit line accounts amounted to NOK 1,098 million at the end of the quarter, an increase of 36% YoY and 4% QoQ.
- At the end of the quarter, Aprila had 5,548 unique business customers, a decline of -18% YoY and -12% 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 5,604 open customer accounts: credit line (5,422 accounts) and spot factoring (182 accounts).

## Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q3 23 are presented in brackets.

Interest income in the quarter amounted to NOK 60.7 million (NOK 44.5 million), net interest income to NOK 48.0 million (NOK 35.4 million) and total income was NOK 55.1 million (NOK 41.9 million).

Total operating expenses amounted to NOK 30.3 million (NOK 23.8 million) of which NOK 19.0 million (63%) in salary and personnel expenses, NOK 9.7 million (32%) in general administrative expenses and NOK 1.6 million (5%) in depreciation and impairment of fixed and intangible assets.

<sup>1</sup> As registered in VPS 25 October 2024.

Losses on loans amounted to NOK 15.6 million (NOK 10.4 million). Pre-tax operating profit amounted to NOK 9.2 million (NOK 7.7 million).

Total assets at the end of the quarter amounted to NOK 1,382 million (NOK 1,085 million) of which NOK 967 million (NOK 770 million) were net loans to customers. Total equity amounted to NOK 288 million (NOK 206 million) and the CET1-ratio was 31.2% (33.7%). Total liquid assets amounted to NOK 403 million (NOK 302 million) of which NOK 174 million in bank deposits and NOK 229 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 August, September and November. In the press release issued in connection with the meeting in November, the central bank said that the policy rate will likely be kept at 4.5% to the end of 2024<sup>2</sup>. The bank also reiterated that “a restrictive monetary policy is still needed to bring inflation down to target within a reasonable time horizon”.

America’s Federal Reserve cut the federal funds rate with 50 bps in its meeting on 18 September, citing that it is “strongly committed to supporting maximum employment and returning inflation to its 2 percent objective”<sup>3</sup>. ECB has lowered its deposit facility rate twice in the second half of 2024; from 3.75% to 3.50% on 18 September and from 3.50% to 3.25% on 23 October 2024. In the press release issued in connection with the meeting in October, ECB said that “The incoming information on inflation shows that the disinflationary process is well on track”<sup>4</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>5</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 uncertainty for Aprila to be the effect of continued 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*

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

<sup>3</sup> <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240918a.htm>

<sup>4</sup> <https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp241017~aa366eaf20.en.html#:~:text=ECB%20interest%20rates-,The%20Governing%20Council%20today%20decided%20to%20lower%20the%20three%20key,effect%20from%202023%20October%202024>

<sup>5</sup> From 1.0 percent in September 2021 to 4.82 percent from 30 May 2024.

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.

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 CRR3<sup>6</sup>.

The bank is of the opinion that the exposures classified as retail exposures as of 30 September 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 September 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>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%.

## Key priorities

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

### *Build a 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.

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<sup>6</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>7</sup> Applicable to all Norwegian banks.

## 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.

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 third 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 September 2024 is deducted from common equity tier 1, cf. CRR Article 26.

Oslo, 14 November 2024

Board of Directors  
Aprila Bank ASA

## Condensed consolidated interim statement of comprehensive income

<i>Amounts in NOK thousand</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Interest income	60,682	44,503	170,243	120,810	171,672
Interest expense	12,719	9,120	32,751	20,443	29,957
<b>Net interest income</b>	<b>47,963</b>	<b>35,383</b>	<b>137,493</b>	<b>100,368</b>	<b>141,715</b>
Income commissions and fees	4,221	3,461	12,356	9,629	13,398
Expenses commissions and fees	209	249	677	652	817
<b>Net commissions and fees</b>	<b>4,012</b>	<b>3,212</b>	<b>11,679</b>	<b>8,977</b>	<b>12,581</b>
Net gains / losses (-) on certificates, bonds and currency	3,099	3,276	5,667	3,775	6,308
Other income	0	0	0	0	0
<b>Total income</b>	<b>55,074</b>	<b>41,871</b>	<b>154,839</b>	<b>113,120</b>	<b>160,604</b>
Salary and other personnel expenses	18,973	14,365	45,111	36,612	52,067
General administrative expenses	9,702	7,779	31,101	25,526	35,607
<b>Total salary and administrative expenses</b>	<b>28,675</b>	<b>22,144</b>	<b>76,212</b>	<b>62,138</b>	<b>87,674</b>
Depreciation and impairment of fixed and intangible assets	1,615	1,609	4,875	5,372	7,213
<b>Total operating expenses excl. losses on loans</b>	<b>30,289</b>	<b>23,753</b>	<b>81,087</b>	<b>67,510</b>	<b>94,886</b>
Losses on loans	15,555	10,387	45,311	32,085	42,632
<b>Pre-tax operating profit</b>	<b>9,229</b>	<b>7,731</b>	<b>28,441</b>	<b>13,525</b>	<b>23,086</b>
Tax	0	0	0	0	0
<b>Profit after tax</b>	<b>9,229</b>	<b>7,731</b>	<b>28,441</b>	<b>13,525</b>	<b>23,086</b>
Earnings per share (NOK)	0.13	0.12	0.40	0.21	0.35
Diluted earnings per share (NOK)	0.13	0.12	0.40	0.21	0.35
<i>Amounts in NOK thousand</i>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>2023</b>
Comprehensive income for the period	9,229	7,731	28,441	13,525	23,086

## Condensed statement of financial position

<i>Amounts in NOK thousand</i>	<b>30.09.2024</b>	<b>31.12.2023</b>	<b>30.09.2023</b>
Loans and deposits with credit institutions	174,114	73,803	91,259
Net loans to customers	966,570	819,774	769,750
Certificates and bonds	228,639	152,963	210,431
Other intangible assets	5,089	6,853	7,151
Deferred tax assets	0	0	0
Fixed assets	536	2,036	2,240
Other receivables	7,499	6,170	4,474
<b>Total assets</b>	<b>1,382,447</b>	<b>1,061,600</b>	<b>1,085,305</b>
Deposits from and debt to customers	1,077,801	821,235	861,063
Other debt	16,725	23,689	18,450
<b>Total liabilities</b>	<b>1,094,526</b>	<b>844,924</b>	<b>879,513</b>
Share capital	72,651	65,819	65,819
Share premium	328,901	291,636	291,636
Unregistered Share capital	0	1,315	0
Other paid-in equity	3,424	3,402	3,393
Retained earnings	-117,054	-145,495	-155,056
<b>Total equity</b>	<b>287,921</b>	<b>216,676</b>	<b>205,792</b>
<b>Total equity and liabilities</b>	<b>1,382,447</b>	<b>1,061,600</b>	<b>1,085,305</b>



## Condensed statement of the cash flow position

<i>Amounts in NOK thousand</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Pre-tax operating profit	9,229	7,731	28,441	13,525	23,086
Taxes	0	0	0	0	0
Depreciation and impairment of fixed and intangible assets	1,615	1,609	4,875	5,372	7,213
Change in loans	-12,380	-41,847	-146,796	-157,272	-207,296
Change in deposits from customers	143,919	76,355	256,566	283,813	243,985
Change in securities	-93,106	-83,264	-75,675	-143,767	-86,300
Change in accruals	1,974	6,221	-6,681	27,596	31,448
<b>Net cash flow from operating activities</b>	<b>51,251</b>	<b>-33,196</b>	<b>60,730</b>	<b>29,268</b>	<b>12,135</b>
Net investments in fixed assets	-68	-37	-296	-126	-205
Net investments in intangible assets	-345	-286	-1,314	-1,699	-2,753
<b>Net cash flow from investing activities</b>	<b>-413</b>	<b>-323</b>	<b>-1,610</b>	<b>-1,825</b>	<b>-2,959</b>
Paid-in equity	5	17	42,804	156	1,480
Repayment of leasing liabilities	-538	-513	-1,613	-1,451	-1,964
<b>Net cash flow from financing activities</b>	<b>-532</b>	<b>-496</b>	<b>41,191</b>	<b>-1,295</b>	<b>-485</b>
Net cash flow for the period	50,306	-34,016	100,311	26,148	8,692
Cash and cash equivalents at the start of the period	123,808	125,275	73,803	65,111	65,111
<b>Cash and cash equivalents at the end of the period</b>	<b>174,114</b>	<b>91,259</b>	<b>174,114</b>	<b>91,259</b>	<b>73,803</b>

## Condensed statement of changes in equity

<i>Amounts in NOK thousand</i>	Share premium	Unregistered share capital	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2022</b>	<b>265,671</b>	<b>29,971</b>	<b>3,237</b>	<b>-168,581</b>	<b>192,111</b>
Share capital increase	25,964	-29,971			0
Changes in equity due to stock options program			156		156
Net profit for the period				13,525	13,525
<b>Equity as of 30 September 2023</b>	<b>291,636</b>	<b>0</b>	<b>3,393</b>	<b>-155,056</b>	<b>205,792</b>

<i>Amounts in NOK thousand</i>	Share premium	Unregistered share capital	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2023</b>	<b>291,636</b>	<b>1,315</b>	<b>3,402</b>	<b>-145,495</b>	<b>216,676</b>
Share capital increase	37,265	-1,315			42,782
Changes in equity due to stock options program			22		22
Net profit for the period				28,441	28,441
<b>Equity as of 30 September 2024</b>	<b>328,901</b>	<b>0</b>	<b>3,424</b>	<b>-117,054</b>	<b>287,921</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 14 November 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 September 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	136,576	160,148	121,897	<b>144,537</b>

## Note 3 Loans to customers

### Loans to customers

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Credit line	1,098,140	863,629	810,380
Non-recourse factoring	10,405	44,219	52,522
Other	2,561,673	1,575	1,689
<b>Gross loans to customers</b>	<b>1,111,107</b>	<b>909,422</b>	<b>864,592</b>
Loan loss allowance	144,537	89,648	94,842
<b>Net loans to customers</b>	<b>966,570</b>	<b>819,774</b>	<b>769,750</b>

### Defaults and losses

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Gross loans in stage 3	140,447	87,480	89,265
Loan loss allowance stage 3	106,760	54,793	60,014
<b>Net loans in stage 3</b>	<b>33,687</b>	<b>32,687</b>	<b>29,251</b>

### Loan loss provisions in the period

<i>Amounts in NOK thousand</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Loan loss provisions stage 1	1,163	2,001	3,467	3,573	6,349
Loan loss provisions stage 2	-1,241	-1,901	-545	9,475	6,725
Loan loss provisions stage 3	13,606	8,490	36,365	15,120	5,256
<b>Total loan loss provisions in the period</b>	<b>13,528</b>	<b>8,590</b>	<b>39,287</b>	<b>28,167</b>	<b>18,331</b>
Realised losses in the period	2,028	1,796	6,024	3,918	24,301
<b>Losses on loans in the period</b>	<b>15,555</b>	<b>10,387</b>	<b>45,311</b>	<b>32,085</b>	<b>42,632</b>

### Ageing of loans, Loans to customers

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Loans not past due	940,772	770,338	729,917
Past due 1 - 30 days	27,961	41,244	36,656
Past due 31 - 60 days	8,333	19,232	12,945
Past due 61 - 90 days	4,795	8,628	7,797
Past due 91+ days	129,245	69,980	77,276
<b>Total</b>	<b>1,111,107</b>	<b>909,422</b>	<b>864,592</b>

### Ageing of loans, Credit line

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Loans not past due	938,082	747,591	699,053
Past due 1 - 30 days	27,505	30,345	30,646
Past due 31 - 60 days	8,139	17,717	10,801
Past due 61 - 90 days	4,674	7,175	7,068
Past due 91+ days	119,740	60,801	62,811
<b>Total</b>	<b>1,098,140</b>	<b>863,629</b>	<b>810,380</b>

## Ageing of loans, Non-recourse factoring

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Loans not past due	128	21,172	29,175
Past due 1 - 30 days	456	10,899	6,009
Past due 31 - 60 days	194	1,515	2,144
Past due 61 - 90 days	121	1,453	729
Past due 91+ days	9,505	9,179	14,465
<b>Total</b>	<b>10,405</b>	<b>44,219</b>	<b>52,522</b>

## Loans to customers

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<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>
Transfers from stage 1 to stage 2	-61,886	61,886	0	0
Transfers from stage 1 to stage 3	-3,560	0	3,560	0
Transfers from stage 2 to stage 1	44,135	-44,135	0	0
Transfers from stage 2 to stage 3	0	-18,807	18,807	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	138	-138	0
New financial assets issued in the period	153,292	7,169	1,407	161,868
Financial assets derecognised in the period	-104,252	-16,671	-8,445	-129,368
<b>Gross carrying amount as of 30 September 2024</b>	<b>834,986</b>	<b>135,674</b>	<b>140,447</b>	<b>1,111,107</b>

## Loan loss allowance

<i>Amounts in NOK thousand</i>	Stage 1	Stage 2	Stage 3	Total
<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>
Transfers from stage 1 to stage 2	-2,217	2,217	0	0
Transfers from stage 1 to stage 3	-157	0	157	0
Transfers from stage 2 to stage 1	1,986	-1,986	0	0
Transfers from stage 2 to stage 3	0	-3,259	3,259	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	21	-21	0
New financial assets issued in the period	1,677	340	109	2,126
Increased expected credit loss	4,666	6,257	22,248	33,171
Decreased expected credit loss	-4,455	-4,305	-3,519	-12,280
Financial assets derecognised in the period	-337	-525	-2,036	-2,898
<b>Loan loss allowance as of 30 September 2024</b>	<b>21,222</b>	<b>16,555</b>	<b>106,760</b>	<b>144,537</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 30 June 2024</b>	<b>792,295</b>	<b>144,033</b>	<b>115,822</b>	<b>1,052,150</b>
Transfers from stage 1 to stage 2	-61,720	61,720	0	0
Transfers from stage 1 to stage 3	-3,302	0	3,302	0
Transfers from stage 2 to stage 1	44,135	-44,135	0	0
Transfers from stage 2 to stage 3	0	-17,690	17,690	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	138	-138	0
New financial assets issued in the period	153,154	6,798	1,233	161,185
Financial assets derecognised in the period	-92,370	-15,732	-7,093	-115,195
<b>Gross carrying amount as of 30 September 2024</b>	<b>832,192</b>	<b>135,132</b>	<b>130,816</b>	<b>1,098,140</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 30 June 2024</b>	<b>19,888</b>	<b>17,356</b>	<b>81,450</b>	<b>118,694</b>
Transfers from stage 1 to stage 2	-2,216	2,216	0	0
Transfers from stage 1 to stage 3	-134	0	134	0
Transfers from stage 2 to stage 1	1,986	-1,986	0	0
Transfers from stage 2 to stage 3	0	-2,986	2,986	0
Transfers from stage 3 to stage 1	0	0	0	0
Transfers from stage 3 to stage 2	0	21	-21	0
New financial assets issued in the period	1,671	313	72	2,056
Increased expected credit loss	4,665	6,249	21,396	32,311
Decreased expected credit loss	-4,445	-4,304	-3,498	-12,247
Financial assets derecognised in the period	-254	-360	-1,399	-2,013
<b>Loan loss allowance as of 30 September 2024</b>	<b>21,161</b>	<b>16,519</b>	<b>101,120</b>	<b>138,800</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 30 June 2024</b>	<b>11,856</b>	<b>2,061</b>	<b>9,434</b>	<b>23,351</b>
Transfers from stage 1 to stage 2	-166	166	0	0
Transfers from stage 1 to stage 3	-258	0	258	0
Transfers from stage 2 to stage 1	0	0	0	0
Transfers from stage 2 to stage 3	0	-1,117	1,117	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	138	371	174	683
Financial assets derecognised in the period	-11,338	-939	-1,353	-13,629
<b>Gross carrying amount as of 30 September 2024</b>	<b>232</b>	<b>542</b>	<b>9,631</b>	<b>10,405</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 30 June 2024</b>	<b>107</b>	<b>439</b>	<b>5,113</b>	<b>5,659</b>
Transfers from stage 1 to stage 2	-1	1	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	-273	273	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	6	27	37	70
Increased expected credit loss	0	7	852	860
Decreased expected credit loss	0	0	-21	-21
Financial assets derecognised in the period	-83	-165	-636	-885
<b>Loan loss allowance as of 30 September 2024</b>	<b>7</b>	<b>35</b>	<b>5,641</b>	<b>5,683</b>

## Note 4 Regulatory capital

Amounts in NOK thousand	30.09.2024	31.12.2023	30.09.2023
Share capital	72,651	65,819	65,819
Share premium	328,901	291,636	291,636
Other equity	-113,630	-140,778	-151,662
<b>Total equity</b>	<b>287,921</b>	<b>216,676</b>	<b>205,792</b>
Part of interim or year-end profit not eligible	-28,441	0	0
Additional value adjustments (AVA)	-229	-153	-210
Other intangible assets	-5,089	-6,853	-7,151
Deferred tax assets	0	0	0
Insufficient coverage for non-performing exposures	-192	-28	-223
CET 1 instruments funded by the institution	-833	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>253,138</b>	<b>209,641</b>	<b>198,207</b>
<b>Tier 1 capital</b>	<b>253,138</b>	<b>209,641</b>	<b>198,207</b>
<b>Total capital</b>	<b>253,138</b>	<b>209,641</b>	<b>198,207</b>
<b>Risk-weighted exposure amount</b>			
Regional governments or local authorities	0	356	288
Public sector entities	0	146	168
Institutions	34,823	14,764	18,257
Corporates	21,399	18,447	12,416
Retail	516,461	431,560	407,348
Exposures in default	31,352	30,653	28,852
Collective investments undertakings (CIU)	8,703	6,934	8,796
Other items	6,329	7,575	6,734
<b>Credit risk</b>	<b>619,067</b>	<b>510,434</b>	<b>482,859</b>
Position, foreign exchange and commodities risks	0	0	4,226
Operational risk	190,954	190,954	100,733
Credit valuation adjustment	635	380	555
<b>Total risk exposure amount</b>	<b>810,656</b>	<b>701,768</b>	<b>588,372</b>
Common equity tier 1 ratio (%)	31.2%	29.9%	33.7%
Tier 1 ratio (%)	31.2%	29.9%	33.7%
Total capital ratio (%)	31.2%	29.9%	33.7%
Leverage ratio (%)	18.0%	19.5%	18.1%
LCR	932%	701%	884%
NSFR	227%	206%	218%

### 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>8</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>8</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>9</sup>.

The bank is of the opinion that the exposures classified as retail exposures as of 30 September 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 September 2024.

## Note 5 Loans and deposits with credit institutions

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Loans and deposits with credit institutions	174,114	73,803	91,259
<b>Total</b>	<b>174,114</b>	<b>73,803</b>	<b>91,259</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>	30.09.2024	31.12.2023	30.09.2023
Initial recognition	215,784	145,784	205,784
Change in fair value	12,855	7,180	4,647
<b>Total financial assets at fair value</b>	<b>228,639</b>	<b>152,963</b>	<b>210,431</b>

<sup>9</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>	30.09.2024	31.12.2023	30.09.2023
Loans and deposits with credit institutions	174,114	73,803	91,259
Net loans to customers	966,570	819,774	769,750
Other receivables	7,499	6,170	4,474
<b>Total financial assets at amortised cost</b>	<b>1,148,184</b>	<b>899,747</b>	<b>865,483</b>
Deposits from and debt to customers	1,077,801	821,235	861,063
Other debt	16,725	23,689	18,450
<b>Total financial liabilities at amortised cost</b>	<b>1,094,526</b>	<b>844,924</b>	<b>879,513</b>

## Note 7 Receivables and other liabilities

### Receivables

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Skattefunn tax deduction claim	4,215	2,242	1,720
Other receivables	3,284	3,927	2,754
<b>Total receivables</b>	<b>7,499</b>	<b>6,170</b>	<b>4,474</b>

### Other liabilities

<i>Amounts in NOK thousand</i>	30.09.2024	31.12.2023	30.09.2023
Payables to suppliers	2,695	4,151	2,960
Payables to factoring customers and partners	1,794	3,215	2,523
Social security tax	1,616	2,415	1,221
Lease liabilities	490	2,078	2,361
Other liabilities	10,130	11,830	9,385
<b>Total other liabilities</b>	<b>16,725</b>	<b>23,689</b>	<b>18,450</b>

## Note 8 General administrative expenses

<i>Amounts in NOK thousand</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Sales and marketing	3,388	3,549	12,840	11,714	15,589
IT operations	2,513	1,932	7,104	5,495	7,658
External services	2,052	783	4,839	2,607	3,728
External audit and related services	0	31	892	720	1,475
Credit information	318	358	1,053	1,101	1,456
Other operating expenses	1,431	1,126	4,373	3,889	5,700
<b>Total general administrative expenses</b>	<b>9,702</b>	<b>7,779</b>	<b>31,101</b>	<b>25,526</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 25 October 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**