

SIMPLIFIED NOTIFICATION OF A CONCENTRATION

BETWEEN

EQT Fund Management S.à r.l.

AND

Bank2 ASA

AND

Eiendomsfinans AS

28 June 2023

Contains business secrets

Business secrets for EQT Fund Management S.à r.l. are highlighted in blue

Business secrets for Bank2 ASA and Eiendomsfinans AS are highlighted in green

Business secrets for all undertakings are highlighted in yellow

1 CONTACT INFORMATION

1.1 The Notifying party

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1.2 The target companies

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2 THE TYPE OF CONCENTRATION OF UNDERTAKINGS

This simplified notification is filed pursuant to Section 18 cf. Section 17 of the Norwegian Competition Act on behalf of EQT Fund Management S.à r.l. ("**EQT Fund Management**").

The notification concerns EQT Fund Management's acquisition of sole control of Bank2 ASA ("**Bank2**") and Eiendomsfinans AS ("**Eiendomsfinans**"), hereafter referred to as the "**Parties**".

EQT Fund Management manages EQT VII [REDACTED]
[REDACTED] of which [REDACTED]
[REDACTED] EQT VII [REDACTED] indirect owner [REDACTED] of Bluestep Bank and [REDACTED] part of the EQT Group. The EQT Group is a Swedish global investment organisation founded in 1994. EQT Group will through EQT VII [REDACTED] acquire 100% of the shares in Bank2 and 100% of the shares in Eiendomsfinans, hereafter referred to as the "**Transaction**".¹

Based on the foregoing considerations, the Transaction entails that EQT Fund Management will indirectly obtain sole control over Bank2 and Eiendomsfinans on a lasting basis, cf. Section 17 of the Norwegian Competition Act.

The Transaction is subject to a merger notification in Norway pursuant to Section 18, cf. Section 17 of the Competition Act as each of the undertakings concerned achieved turnover exceeding NOK 100 million and their combined turnover exceeds NOK 1 billion in Norway in the last financial year. The Transaction is not subject to regulatory approval from other competition authorities.

3 THE CONDITIONS FOR SUBMITTING SIMPLIFIED NOTIFICATION ARE SATISFIED

The Transaction qualifies for a simplified notification in accordance with Section 3 first paragraph item 3 letter a) of the Regulations on the Notification of Concentrations. As further explained in Sections 6.2 and 6.3 below, the Transaction will only lead to a minor overlap between the Parties activities in the retail banking market, and will in any case not lead to a horizontal overlap exceeding 20% nor a vertical overlap exceeding 30%.

4 THE STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS

4.1 EQT Fund Management

4.1.1 Legal and organisational structure

EQT Fund Management is part of the EQT Group, a Sweden-based group of funds. The relevant entities of the EQT Group maybe described as such:

¹ Please note that, [REDACTED]

- **EQT Fund Management** is a Luxembourg limited liability company and the alternative investment fund manager of EQT VII and Butterfly Co-Investment. [REDACTED]

EQT Fund Management [REDACTED]
[REDACTED] responsibility to manage EQT VII.

- **EQT AB (publ)** is listed on the Nasdaq Stockholm stock exchange and its shares are held by a widely dispersed base of shareholders. [REDACTED]

[REDACTED] Investor AB indirectly holds 14.6% of the shares and 14.7% of the votes in EQT AB (publ). The remainder of the shares are in public hands.

- [REDACTED]

- **EQT VII** is comprised of [REDACTED]
[REDACTED] and operates as a private equity fund in the EQT Group.

- [REDACTED]³

² Please note that [REDACTED]

see ownership structure on EQT AB's website:

<https://www.eqtgroup.com/shareholders/share-information/shareholder-structure/>.

³ For more information please visit: <https://eqtgroup.com/>.

4.1.2 Areas of Business

The EQT Group's portfolio companies are active in a variety of industries and sectors. Relevant for this notification is EQT VII's portfolio company Bluestep Bank AB (publ) ("**Bluestep Bank**") (reg. no. 556717-5129), of which it is a majority shareholder, as further described below. None of the EQT Group's other portfolio companies are active in the banking sector in Norway.

An overview of the EQT Group's portfolio companies is available here: <https://eqtgroup.com/current-portfolio/>.

Bluestep Bank is a specialist mortgage bank and has certain instruments such as covered bonds and senior unsecured listed on the Nasdaq Stockholm stock exchange. Bluestep Bank offers various loans to private individuals with security in real estate used for residential purposes, including mortgages, restart loans (NW: *omstartslån*), bridging loans (NW: *mellomfinansiering*), and second charge loans (NW: *tilleggs lån*). In addition, Bluestep Bank offers deposit accounts, consisting of four fixed rate deposit accounts and two floating rate deposit accounts. Bluestep Bank offers its services exclusively to private individuals.

Bluestep Bank is active in Norway, Sweden and Finland with a focus on the larger cities. The Norwegian branch of Bluestep Bank, Bluestep Bank AB (publ) Filial Oslo (reg. no. 995 268 841), operates under Bluestep Bank's banking license from Sweden and is under the supervision of the Swedish Financial Supervisory Authority. Bluestep Bank does not have any other subsidiaries or affiliated companies in Norway.⁴

4.2 Bank2 ASA

4.2.1 Legal and organisational structure

Bank2 is a public limited liability company incorporated in Norway. Bank2 is owned by several smaller shareholders, with MORO AS (reg. no. 926 169 661) and Valset Invest AS (reg. no. 960 812 042) as the largest shareholders, owning 10.4% and 9.8% of the shares in Bank2 respectively.

Bank2 has two subsidiaries, namely Eiendomsfinans of which it owns 52% of the shares, and Harald Hårfagresgate AS (reg. no. 912 863 611), which is a wholly owned subsidiary without any current business and that is planned liquidated prior to closing of the Transaction.

4.2.2 Areas of business

Bank2 is a specialist mortgage bank that offers various loans to private individuals with security in real estate used for residential purposes, including restart loans, mortgages and bridging loans. Bank2 also offers everyday banking services to private individuals which include card issuing, current accounts and two different types of deposits accounts, namely special conditions accounts (NW: *særvilkårskonto*)

⁴ For more information please visit: www.bluestep.no/ / www.bluestepbank.com/.

and high-interest-bearing-accounts (NW: *høyrentekonto*). In addition, Bank2 offers everyday banking services to corporate customers, including credit card issuing, various company current accounts and a solution for direct bank integration.

Bank2 offers its services primarily in the largest cities of Norway. Bank2 operates under a banking license in Norway and is under the supervision of the Norwegian Financial Supervisory Authority.⁵

4.3 Eiendomsfinans AS

4.3.1 Legal and organisational structure

Eiendomsfinans is a private limited company in Norway. Eiendomsfinans is owned 52% by Bank2 and 48% by other minority shareholders, whereas Valset Invest AS is the largest minority shareholder with ownership of 12% of the shares. Several of the shareholders in Eiendomsfinans are also shareholders in Bank2. Eiendomsfinans owns 100% of the shares in Eiendomsfinans Drift AS (reg. no. 987 214 597), in which it operates through.

4.3.2 Areas of business

Eiendomsfinans is a credit broker of loans and insurance to private individuals in Norway. As a credit broker, Eiendomsfinans assists private individuals with obtaining loans by advising customers on their loan applications and with comparing terms and conditions of various loan providers to find the best solution for the customer. Eiendomsfinans has partnered up with several banks and financial institutions for this purpose, and is in essence a marketer and distributor of loans on behalf of other banks and financial institutions. Eiendomsfinans' services are free of charge for the customers, and its revenue stems from commissions from the banks or financial institutions it has partnered up with when a loan applicant signs up to a loan.

Eiendomsfinans markets and distributes a range of loans to private individuals, including refinancing loans such as restart loans and refinancing of mortgages loans, and various types of loans for the purpose of purchasing residential property including mortgages, bridging loans, first time buy loans (NW: *førstehjemslån*) and specialist loans. Moreover, Eiendomsfinans distributes loans for consumer goods, and car and boat loans. In addition to retail loans, Eiendomsfinans' product portfolio also consists of various life and health insurance to private individuals such as life insurance, disability insurance and child insurance.

Eiendomsfinans operates in the whole of Norway through its website, and it also has branches in Oslo, Bergen, Stavanger, Trondheim, Lillestrøm, Drammen, Ski, Harstad and Gjøvik.⁶

⁵ For more information please visit: <https://bank2.no/>.

⁶ For more information please visit: <https://eiendomsfinans.no/>

5 TURNOVER AND OPERATING RESULT IN NORWAY FOR THE LAST FISCAL YEAR (2022)

Name	Turnover (in thousand NOK)	Operating result (in thousand NOK)
The EQT Group	[REDACTED] ⁷	N/A ⁸
Bank2 ASA	250,121 ⁹	133,604
Eiendomsfinans AS	133,429	20,812

6 OVERLAPPING ACTIVITIES

6.1 Introduction

The EQT Group's portfolio company Bluestep Bank and Bank2 offer specialist banking services such as retail loans and deposit accounts to private individuals in Norway. As further outlined in section 6.2 below, Bluestep Bank and Bank2 therefore have horizontally overlapping activities in the markets for retail loans and retail deposits in Norway. Bluestep Bank and Bank2 do not have overlapping activities in any other markets.

Eiendomsfinans is a credit broker of various types of retail loans and insurance on behalf of banks and financial institutions in Norway. The Parties consider that there may be a vertical overlap between the brokerage activities for loans of Eiendomsfinans and the retail banking activities of Bluestep Bank and Bank2, which will be discussed further in section 6.3 below. Neither Bank2 or Bluestep Bank, nor any other portfolio company of the EQT Group, offer insurance in Norway. There will therefore not be any overlap in connection with these activities of Eiendomsfinans.

Bluestep Bank, Bank2 and Eiendomsfinans have [REDACTED] market shares in the relevant markets for (distribution) of retail loans and retail deposits in Norway. Accordingly, the Transaction will only result in a minor horizontal and/or the vertical overlap, whereas the Parties' combined market share following the Transaction will remain well below 20% and 30% respectively. The Transaction will therefore not generate any negative effects on competition in the relevant markets.

⁷ Please note that the EQT Group [REDACTED]

[REDACTED] Figure in NOK is based on the European Central Bank's average EUR to NOK conversion rate in the period 01.01.2022 to 31.12.2022, equalling 10.1026.

⁸ EQT's accounts does not provide operating result by jurisdiction.

⁹ Please see Article 5(3)(a) of the Council Regulation on the control of concentration between undertakings for the calculation of turnover for credit institutions and other financial institutions.

6.2 Negligible horizontal overlaps

6.2.1 *The market for retail loans*

6.2.1.1 Product market

The Commission has previously segmented the market for banking services into (i) retail banking, which includes all banking services to private individuals and very small enterprises, (ii) corporate banking, and (iii) financial services.¹⁰ The Commission has considered whether the retail banking market can be further segmented into (i) (personal) current accounts, (ii) saving accounts (deposits), (iii) personal loans, (iv) consumer loans, (v) mortgages, (vi) distribution of mutual funds and other investment products, and (vii) private banking services. However, it has left the definition open.¹¹

The Commission has also previously identified a market for retail loans as a segment of the retail banking market, and considered whether this market should be further segmented into (i) personal loans, (ii) consumer loans/consumer credit, and (iii) mortgages, but kept it open whether the market should be segmented further.¹²

In line with the Commission's view, the Norwegian Competition Authority ("**NCA**") has previously defined a separate market for loans to private customers, comprising of secured and unsecured loans, and fixed and floating interest loans. The NCA pointed out that loans to private customers primarily consist of home mortgage loans.¹³

6.2.1.2 Geographic market

The Commission has defined the geographic scope of the market for retail loans as national.¹⁴ The NCA considered the geographic market for loans to private customers was either local or regional in scope.¹⁵

6.2.1.3 The Parties' view on the relevant product and geographic market

For the purpose of this notification, the Parties are of the opinion that the relevant product market is the market for retail loans. The Parties do not consider it necessary to segment the market further, as the Transaction will not result in any negative impacts on competition.

The Parties are of the opinion that the geographic scope of the market is national, in line with the Commission's previous decisional practice. While this departs from the NCA's definition in decision V2003-61, the Parties highlight the increased importance of the internet to customers, particularly since

¹⁰ COMP/M.4844 Fortis/ABN Amro Assets, Case No COMP/M.1910 Meritanordbanken/Unidanmark, para. 7, Case No COMP/M.117 Fortis AG / Generale Bank, paras. 11-12, Case No COMP/M.3894 Unicredito/HVB, para. 8, Case No COMP/M.850 Fortis/MeesPierson para. 8 and Case No COMP/M.2225 Fortis/ ASR.

¹¹ COMP/M.10935 Vipps /MobilePlay /DNB/Danske bank/Sparebank 1.

¹² Case M. 8414 DnB / Nordea / Luminor, paras. 14-24.

¹³ V2003-61 DnB Holding ASA/Gjensidige NOR AS, see section 8.5.3.

¹⁴ Case M. 8414 DnB / Nordea / Luminor, paras. 21-24.

¹⁵ V2003-61 DnB Holding ASA/Gjensidige NOR AS, see section 8.5.4.

the NCA's decision in 2003, which has decreased the reliance on physical branches also in relation to the supply of mortgages. Additionally, the Bluestep Bank and Bank2 are active in the whole of Norway, and the market is [REDACTED]

[REDACTED] Regardless of whether the market is defined as national or regional/local in geographic scope, the combined market shares of the Parties' will be [REDACTED] and competition in the markets will not be affected by the Transaction.

6.2.1.4 Competitive analysis

The market shares of the Bluestep Bank and Bank2 have been calculated by comparing their amount of lending (NW: *utlån*) to private individuals/households with the total amount of lending by banks and mortgage credit companies (NW: *kredittforetak*) in Norway in 2022, based on statistics from Statistics Norway.¹⁶

Pursuant to the statistic from Statistic Norway, the total amount of lending from banks and credit institutions to private individuals in Norway was MNOK 3 679 217 per March 2023. Bluestep Bank's amount of lending totalled [REDACTED], equalling a market share of [REDACTED]%. Bank2's lending to private individuals was [REDACTED]. The market share of Bank2 in the market for retail loans therefore equals [REDACTED]%. The combined market share of the Bluestep Bank and Bank2 is thus [REDACTED] and was only [REDACTED]%.

The competitive landscape within the Norwegian market for retail loans is characterised by [REDACTED]

In light of the [REDACTED] market shares of the Bluestep Bank and Bank2 in the market for retail loans, the Transaction will not negatively affect competition and Bluestep Bank will continue to face considerable competition following the Transaction.

6.2.1.5 Bluestep Bank's and Bank2's main competitors, customers and suppliers

Table 1: Bluestep Bank's main competitors, customers and suppliers in the market for retail loans

Competitors	Customers	Suppliers
[REDACTED]	Private individuals ¹⁷	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

¹⁶ Please see <https://www.ssb.no/bank-og-finansmarked/finansinstitusjoner-og-andre-finansielle-foretak/statistikk/banker-og-kredittforetak>.

¹⁷ Bluestep Bank exclusively offers its services to end consumers. Bluestep Bank has therefore not been able to identify its largest customers, as these are private individuals.

Table 2: Bank2's main competitors, customers and suppliers in the market for retail loans

Competitors	Customers	Suppliers
	Private individuals ¹⁸	

6.2.2 The market for retail deposits

6.2.2.1 Product market

The Commission has previously defined a market for retail deposits, which was distinguished from deposits to SMEs/large corporate customers. The Commission considered whether the market should be further segmented based on (i) transaction accounts (short term), (ii) savings accounts (primarily used by households, medium and long term), and (iii) time deposits, but it did not conclude on the matter.¹⁹ The Parties are not aware of any decisional practice from the NCA in this connection.

6.2.2.2 Geographic market

The Commission defined the geographic market for retail deposits as national.²⁰

6.2.2.3 The Parties' view on the relevant product and geographic market

The Parties are of the opinion that the relevant product market for the purpose of this notification is the market for retail deposits. The Parties are of the view that the market should not be segmented further and, in light of the market shares of the Bluestep Bank and Bank2 in this market, a narrower definition will not have any bearing on the competitive analysis of the Transaction. In line with the Commission previous practice, the Parties view the market as national in scope.

6.2.2.4 Competitive analysis

The market shares of Bluestep Bank and Bank2 have been calculated by comparing their amount of bank deposits (NW: *innskudd*) made by private individuals/households with the total amount of bank

¹⁸ Bank2 exclusively offers its loans to end consumers. Bank2 has therefore not been able to identify its largest customers, as these are private individuals.

¹⁹ Case M.2567 Nordbanken / Postgirot, paras. 9-12.

²⁰ Case M.2567 Nordbanken / Postgirot, para. 37.

deposits by banks and mortgage credit companies in Norway in 2022, based on statistics from Statistics Norway.²¹

In the market for retail deposits in Norway, the total amount of bank deposits made by private individuals to banks in Norway per March 2023 was MNOK 1 654 921. Bluestep Bank's bank deposits from private individuals totalled [REDACTED], equalling a market share of [REDACTED]%. Bank2's amount of bank deposits from private individuals was [REDACTED], equalling a market share of [REDACTED]%. Bluestep Bank's and Bank2's combined market share in the market for retail deposits in Norway only equalled [REDACTED]%.

The competitive landscape within the market for retail deposits is characterised [REDACTED]

Consequently, Bluestep Bank will continue to meet strong competition in the market, particularly in light of the [REDACTED] market shares of the banks. The Transaction will therefore not negatively affect competition in the market for retail deposits.

6.2.2.5 Bluestep Bank's and Bank2's main competitors, customers and suppliers

Table 3: Bluestep Bank's main competitors, customers and suppliers in the market for retail deposits

Competitors	Customers	Suppliers
[REDACTED]	Private individuals ²²	[REDACTED]

Table 4: Bank2's main competitors, customers and suppliers in the market for retail deposits

Competitors	Customers	Suppliers
[REDACTED]	Private individuals ²³	[REDACTED]

²¹ Please see <https://www.ssb.no/bank-og-finansmarked/finansinstitusjoner-og-andre-finansielle-foretak/statistikk/banker-og-kredittforetak>.

²² Bluestep Bank exclusively offers its services to end consumers. Bluestep Bank has therefore not been able to identify its largest customers, as these are private individuals.

²³ Bank2 exclusively offers its retail deposits to end consumers. Bank2 has therefore not been able to identify its largest customers, as these are private individuals.

6.3 Negligible vertical overlaps

6.3.1 *The market for credit brokerage services*

6.3.1.1 Product market

Eiendomsfinans is a credit broker of various types of retail loans on behalf of banks and financial institutions in Norway. The Parties are not aware that the Commission or the NCA have defined or considered a market for credit brokerage, i.e. assisting private individuals with finding credit. However, in light of the differentiating services of credit brokers compared to loan providers, the Parties nevertheless assume that credit brokerage may constitute a separate product market to that of retail loans.

Credit brokers may be viewed as providing intermediary services to the retail loans market as they act as a distribution channel that links end customers with loan providers. Credit brokers assist end customers in applying for loans and forwards loan applications to one or more banks where the broker assesses that the banks can provide the borrower with the desired financing in accordance with their credit policy. The revenue stream of credit brokers stems from commissions from the banks and financial institutions when a customer signs up for a loan, and not from interest rates generated from the loans such as for loan providers.

Moreover, while it may be a degree of demand-side substitution between the services of credit brokers and loan providers, the services also differ as credit brokers advice customers by comparing the terms and conditions of a range of loan providers to best suit the customer's needs. It is also assumed to be limited supply-side substitution. In the event of a price increase for retail loans of 5-10%,

[REDACTED]

The Parties therefore believe that Eiendomsfinans' services must be distinguished from the services offered by Bluestep Bank and Bank2.

In view of the considerations above, the Parties also believe that the potential product market for credit brokerage services may be considered vertically linked to the market for retail loans, although it is not necessary to conclude on the market definition for the purpose of this notification.

6.3.1.2 Geographic market

The Parties believe that the product market for credit brokerage services should be considered to be national in scope, in line with the geographic market definition of the market for retail loans. The market is increasingly digitalised and is to a [REDACTED]

6.3.1.3 The Parties' view on the relevant product and geographic market

Based on the foregoing considerations, the Parties believe there is a product market for credit brokerage services that is national in geographical scope, and that this market may be considered vertically linked to the market for retail loans.

6.3.1.4 Competitive analysis

The market share of Eiendomsfinans has been calculated by comparing its turnover with the turnover generated by credit brokers in Norway based on annual reports of other credit brokers. Based on its annual report, Eiendomsfinans' market share in a market for credit brokerage services in Norway for the year 2022 was [REDACTED] %.

Following the Transaction, [REDACTED]

In view of the [REDACTED] of the Bluestep Bank and Bank2, they [REDACTED]

Based on Bluestep Bank's, Bank2's and Eiendomsfinans' [REDACTED] market shares in the markets for retail loans and credit brokerage, and as Eiendomsfinans [REDACTED] the Transaction will not negatively impede competition in the market.

7 ANNUAL REPORTS AND FINANCIAL STATEMENTS

Appendix 1: EQT AB (publ)'s Annual Report and Financial Statement.

Appendix 2: EQT Fund Management S.à r.l.'s Annual Report and Financial Statement.

Appendix 3: Bluestep Bank AB (publ)'s Annual Report and Financial Statement.

Appendix 4: Bank2 ASA's Annual Report and Financial Statement.

Appendix 5: Eiendomsfinans AS' Annual Report and Financial Statement.

8 DISCLOSURE/PUBLIC ACCESS

This notification contains business secrets, cf. Section 18 b of the Competition Act. A proposal for a public version of the notification is enclosed. Enclosed is also an overview which explains why each type of redacted information constitutes business secrets. This explanation document is also considered to be business secrets in its entirety.


Appendix 6: Public version of the notification

Appendix 7: Justification of business secrets

In the event that the notification or other case documents are not published on the NCA's website, we kindly ask to be notified should the NCA receive any requests for access to such documents.

Your sincerely,

Advokatfirmaet Thommessen AS



Eivind J. Vesterkjær

Advokat