



MONOBANK

A well-positioned and highly capitalized consumer bank

DnB SME Conference – April 4th, 2019



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Digital consumer lending bank

- Offering products within consumer credit and saving
- Based on innovative and state of the art technological solutions

Fully financed to reach critical mass

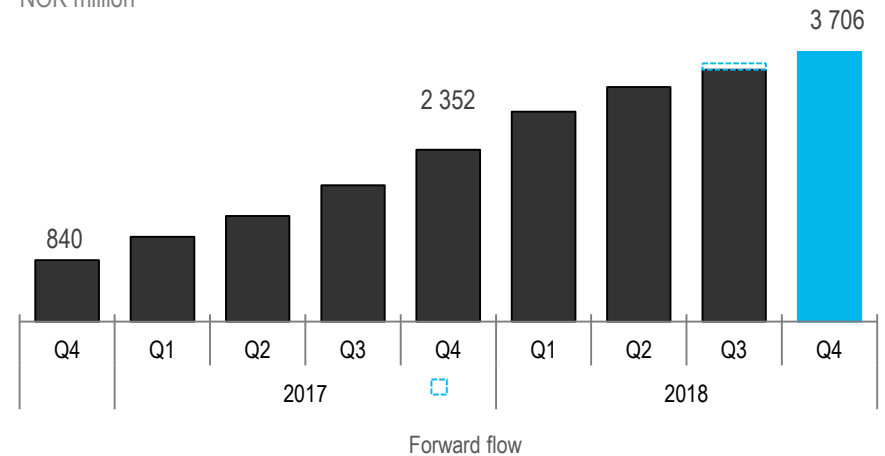
- BRABank transaction strengthens capital by up to NOK 350 mill
- NOK ~10 bn in net loans YE 2024

Highly scalable business model set for profitable growth

- Mid-term RoE target in the range of 10-15 percent (2020-2021)
- Long term RoE ambition of +20 percent

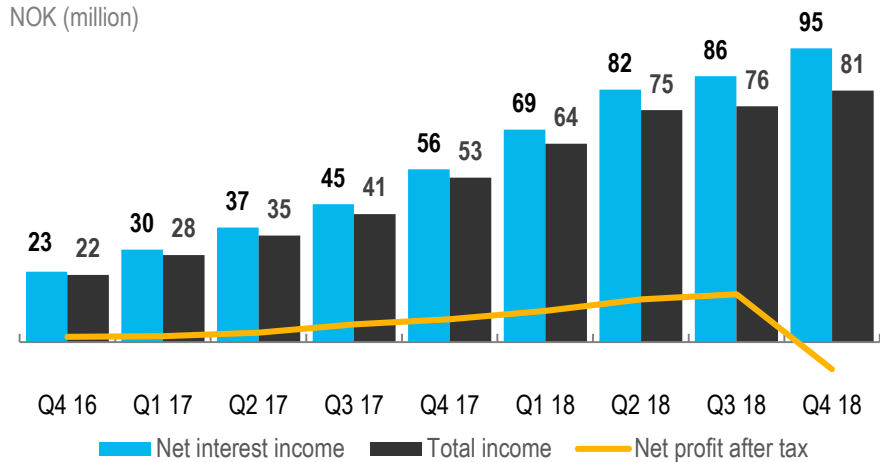
Net loans

NOK million

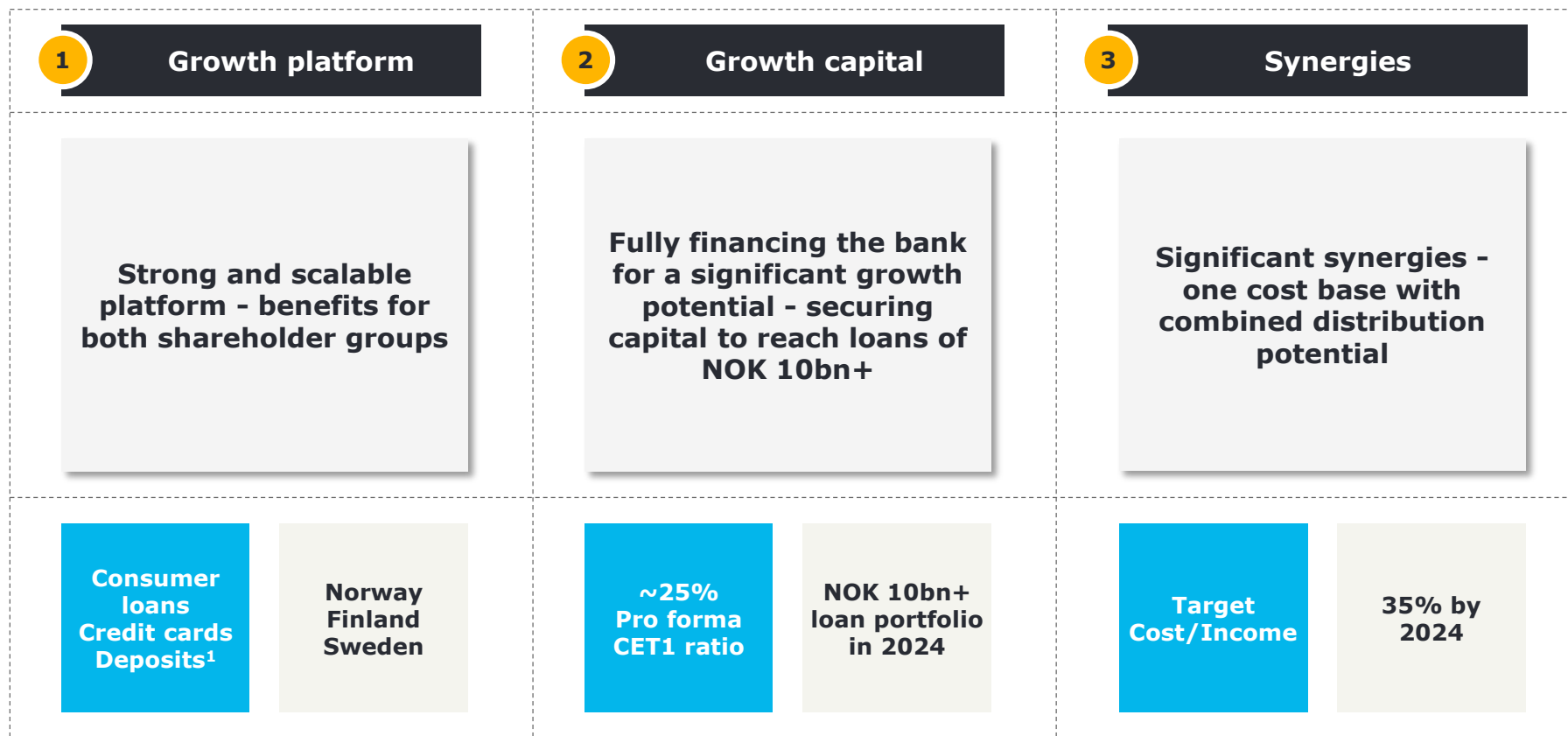


Income and profit after tax

NOK (million)



Monobank and BRABank – a perfect match



1) Deposits also from several countries in the EU through the platform Raisin; Germany, Spain and Austria

Illustrative pro forma capitalization

▶ Preliminary Q4 2018

- ▶ Monobank RWA ▶ 3,357
- ▶ BRA Bank RWA ▶ 170
- ▶ **Total RWA** ▶ **3,527**

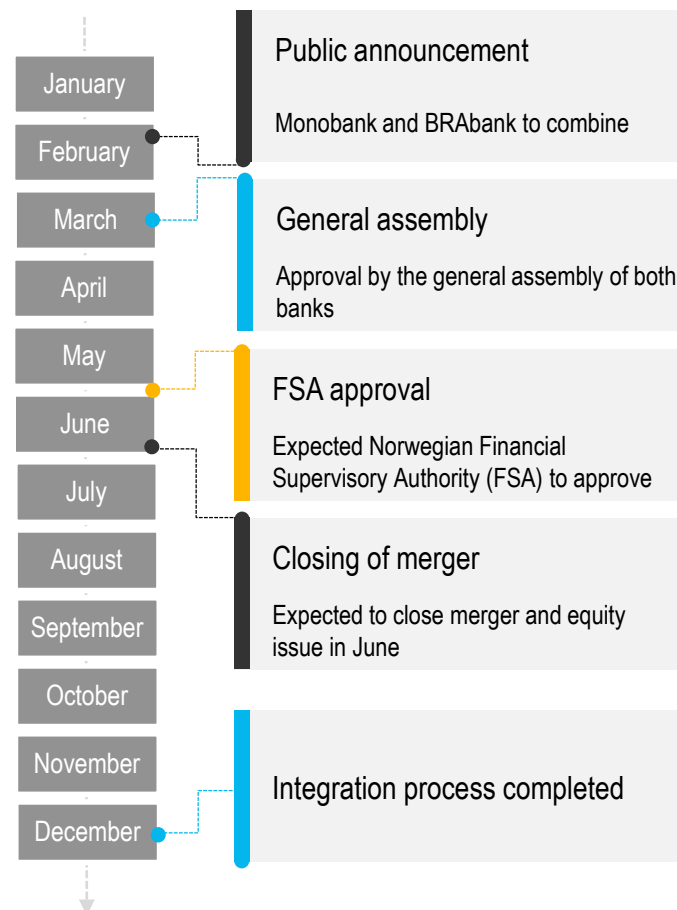
- ▶ **Pro forma CET1** ▶ **764.2**
- ▶ In % of RWA ▶ 21.7%

- ▶ **Total CET1 after equity issue** ▶ **894.2**
- ▶ In % of RWA ▶ 25.4%

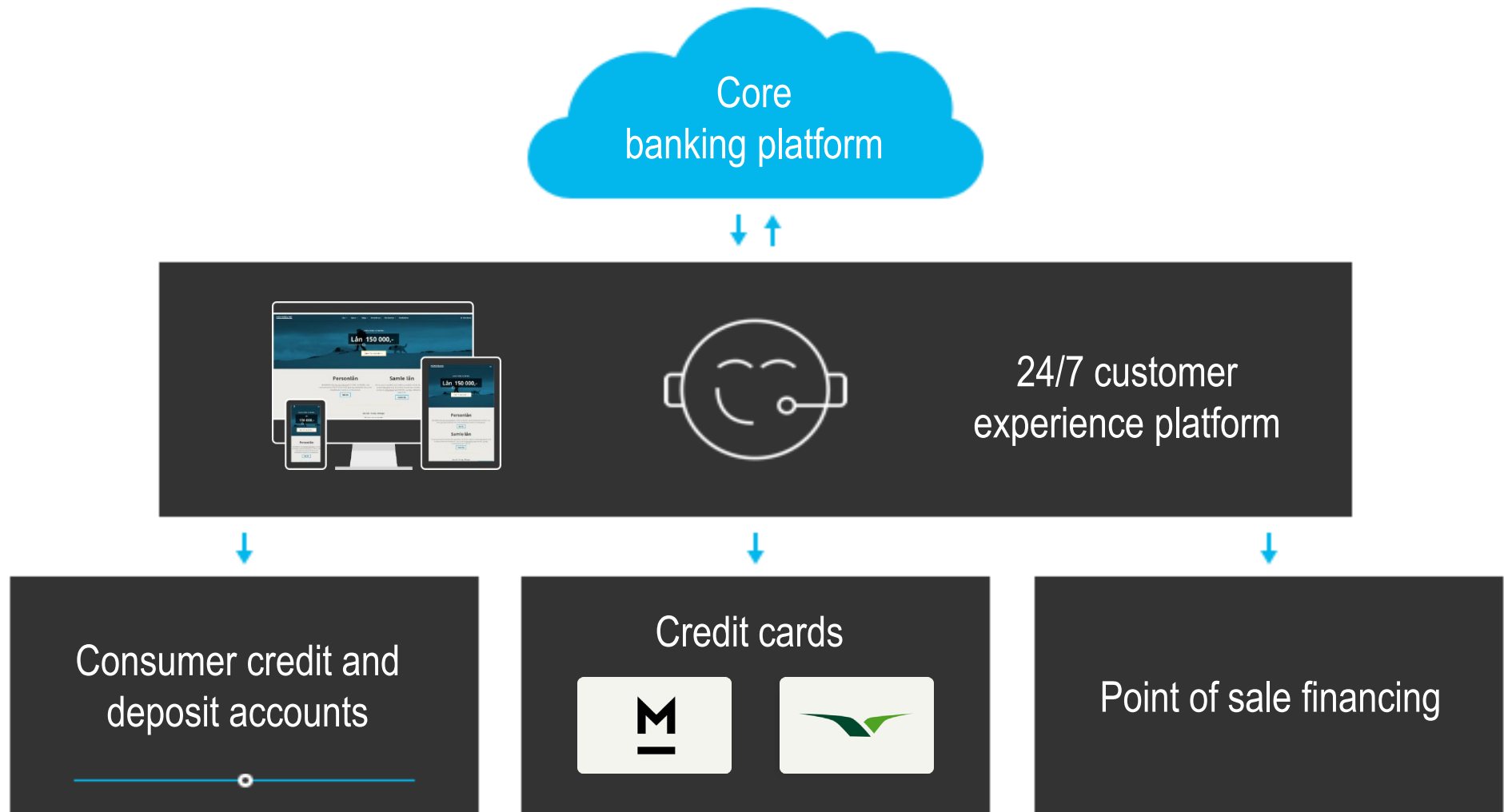
Transaction costs and other effects

- ▶ Expected transaction and restructuring cost of approx. NOK~60m
- ▶ Deferred tax asset from accumulated BRABank loss of approx. NOK 60m and expected write down of intangibles of approx. 38m

High level timeline of merger



A scalable business model enabling both geographical and product expansion

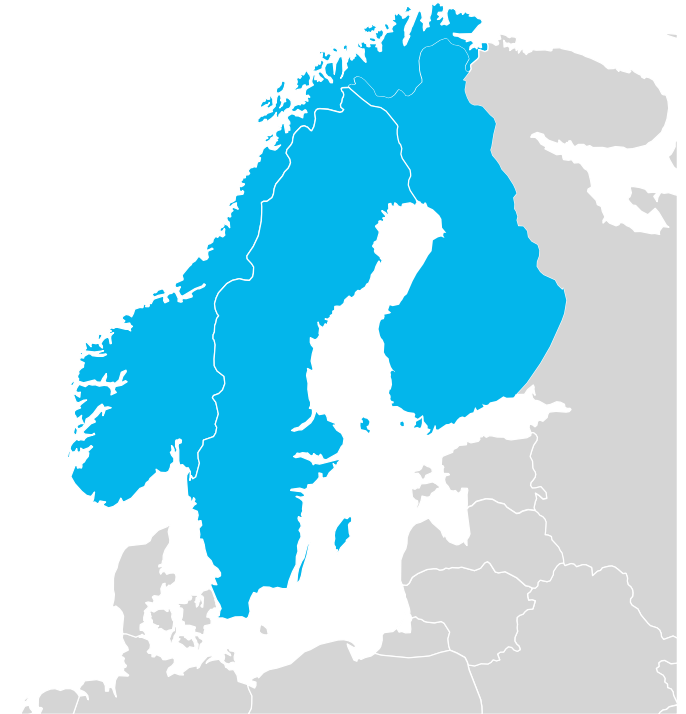


Even better positioned to win market share in the Nordics

- Continue MONOBANK's track record in Norway and Finland – supported by BRA distribution of loans in Norway
- Leverage on Monobank internally developed creditplatform and innovative technological solutions
- Sweden expansion supported by BRA strength in Sweden – both loans and credit cards
- Explore further consolidation alternatives within existing markets

**NOK 5bn
2019**

**Targeted loan book
NOK 10bn
YE 2024**



Credit quality - Debt register creates short term uncertainty, long term stability

Loan requests handled with integrated pricing model

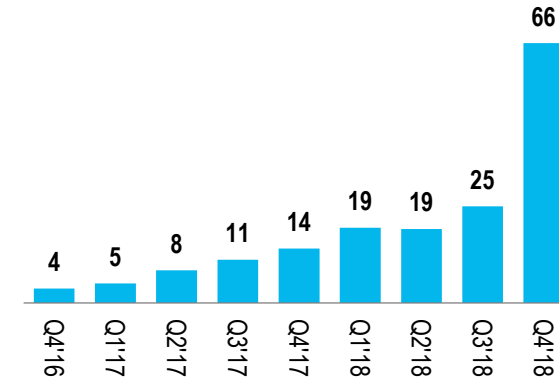
- Return on equity measured from individual loans
- Optimize overall credit quality
- Selective pricing to improve interest margin further
- Growing database improves proprietary credit model

Q4 loan losses negatively affected by:

- One-offs
- Increased data and portfolio insight
- Reserve strengthening in Finland

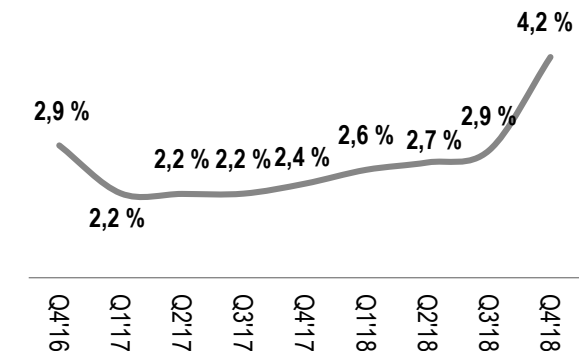
Loan losses

NOK (million)

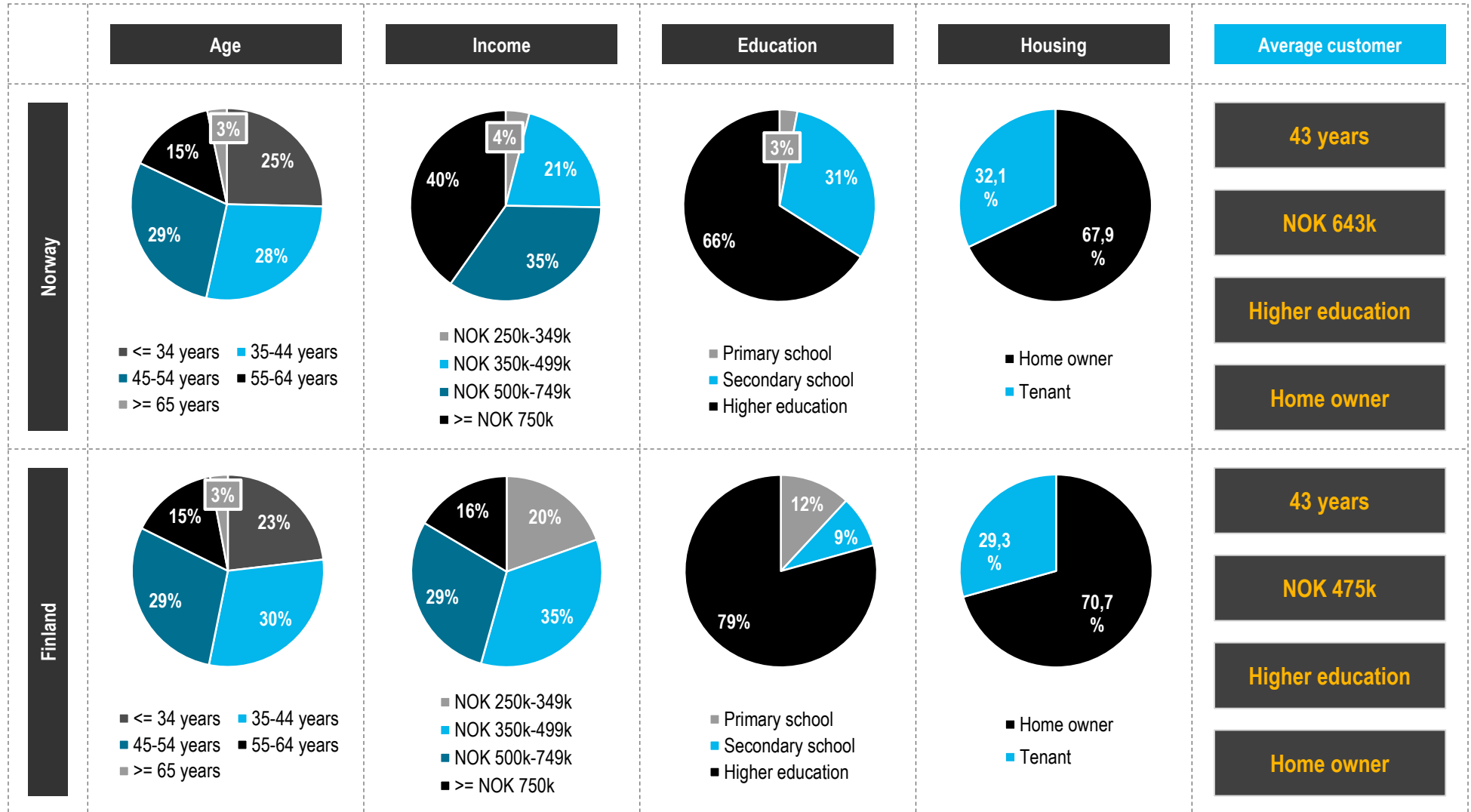


Loan loss ratio *

Per cent (%)



Customer segmentation - Tuning of scorecards to navigate the portfolio



Well capitalized

- Fully financed to reach critical mass after BRABank transaction
- Fully financing the combined bank to reach NOK +10bn by 2024 in net loans
- Full focus on successful integration and cost control

Well positioned

- Monobank and BRABank with complementary distribution strengths
- Growing database improves credit model and pricing
- Highly scalable business model set for growth