



MONOBANK

Interim Presentation

| 4rd quarter 2018

| 8 February 2019



Growth driven by a more conservative approach in Norway

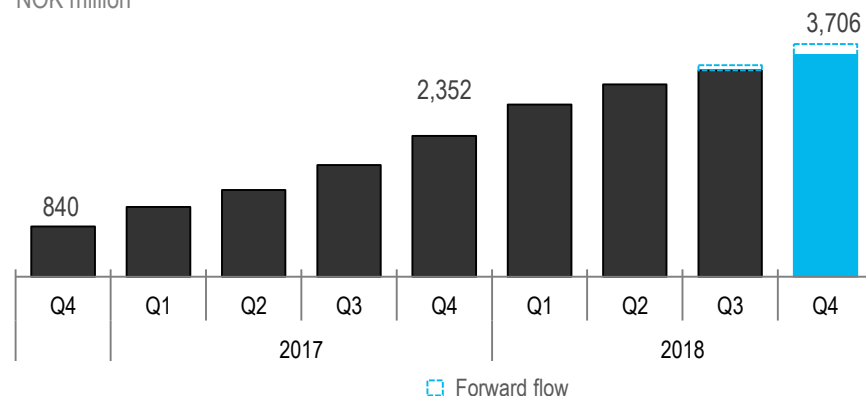
- Net loan balance up 7.4% to NOK 3 706 million
- Net interest income of NOK 95 million, up 10 % vs Q3'18 and 70 % vs Q4'17
- Growth level reflects reduced marketing spending
- More conservative approach in Norway due to regulatory environment

Profitability negatively affected by NOK 66 million in loan loss provisions due to:

- Increased data and portfolio insight
- Reserve strengthening in Finland
- One-off of NOK 11 million related to identified error in existing model
- Adjusted model will additionally contribute to somewhat higher loan loss provisions going forward

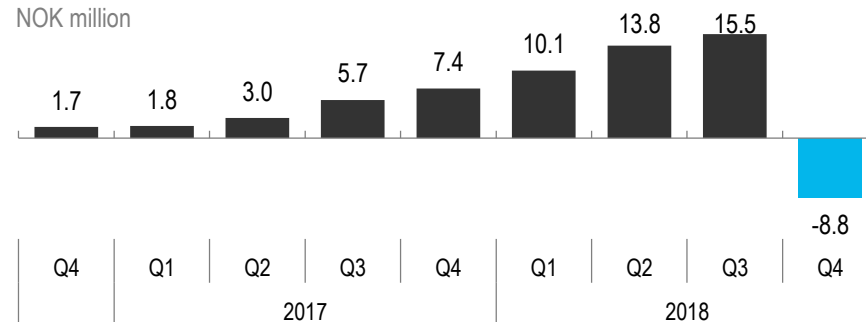
Net loans

NOK million



Profit after tax

NOK million





Financials

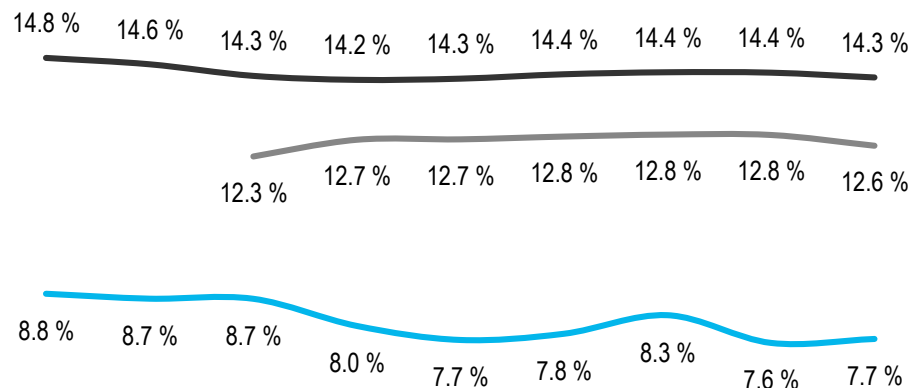
Continued high and stable margins

Total income impacted by loan loss provisions and conservative approach in Norway



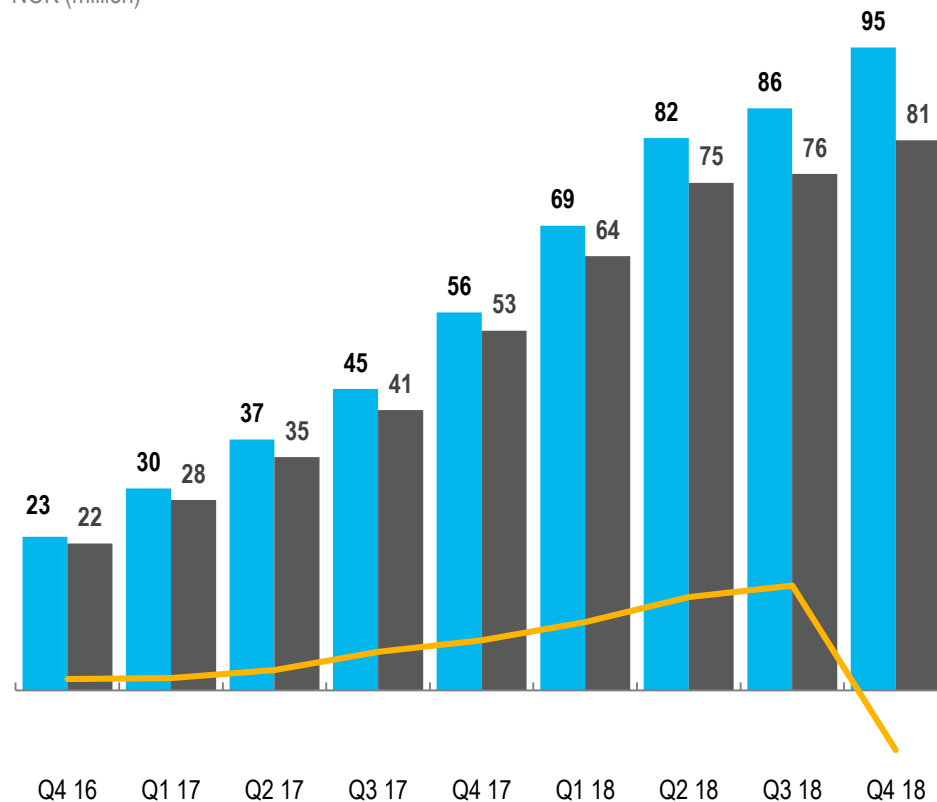
Key yields and margins

Per cent (%)



Income and profit after tax

NOK (million)



— Annualized loan yield (Norway) *

— Annualized loan yield (Finland) *

— Annualized NIM ***

■ Net interest income

■ Total income

— Net profit after tax

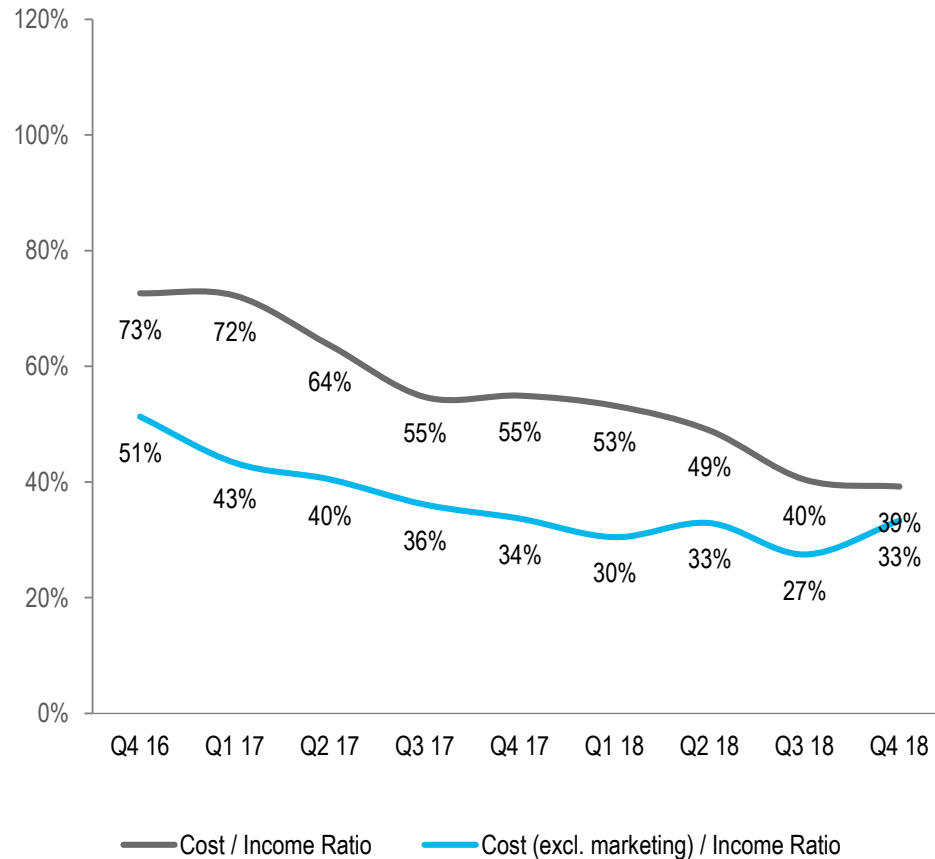
Efficient operations with economies of scale

Reduced marketing expenses due to regulatory uncertainty



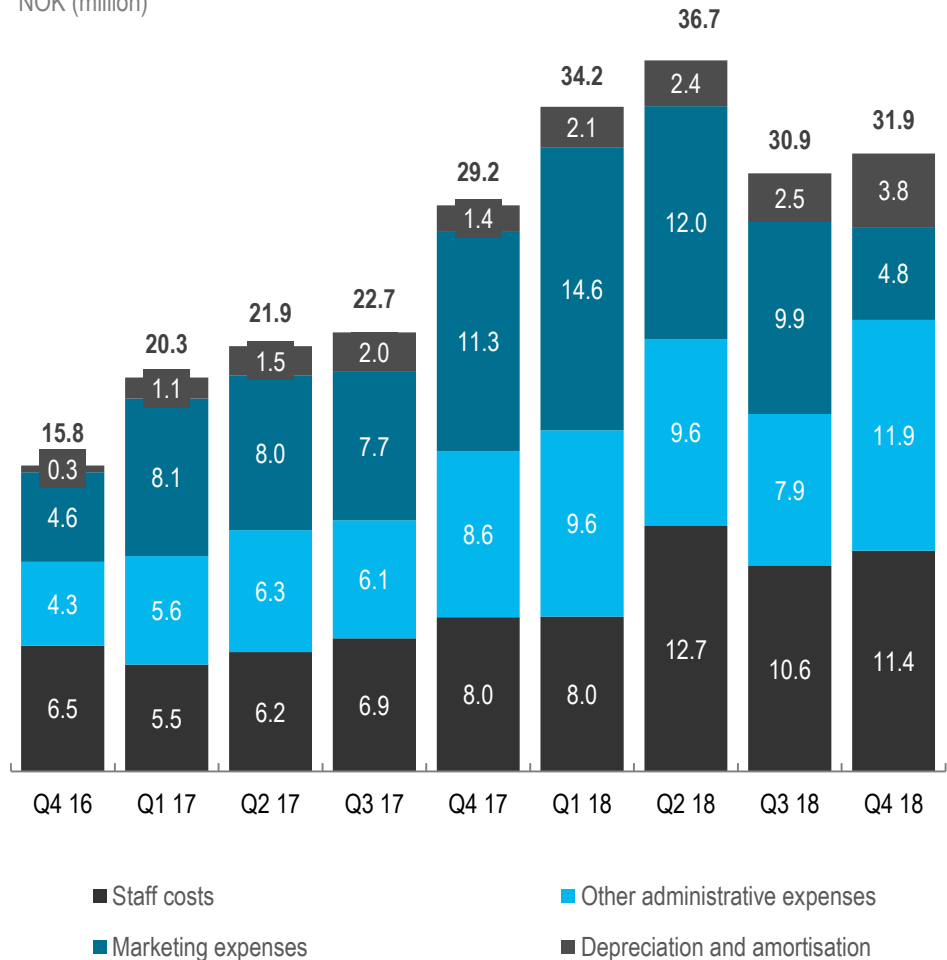
Cost / Income ratio *

Per cent (%)



Operational expenses

NOK (million)



Note(*): cost / income ratio = operating expenses (incl. or excl. marketing) / total income

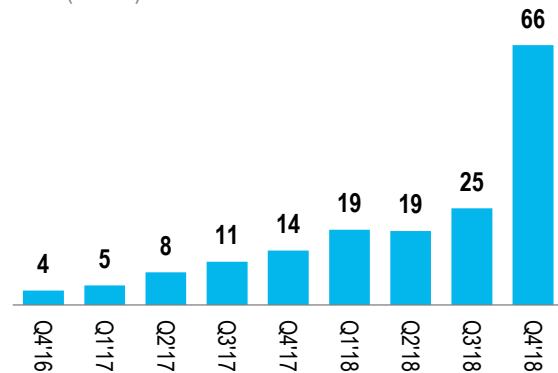
Loan losses and credit quality

Negatively affected by one-offs and increased data and portfolio insight



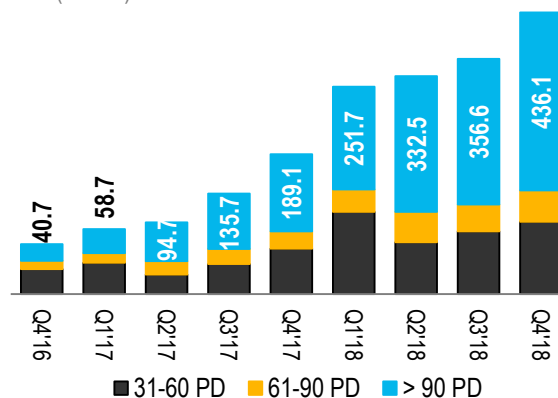
Loan losses

NOK (million)



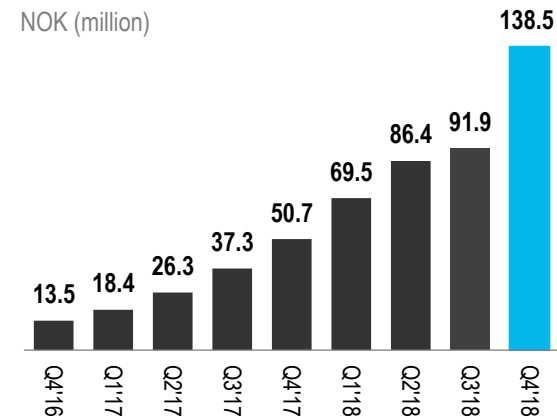
Gross loans past due (# of days)

NOK (million)



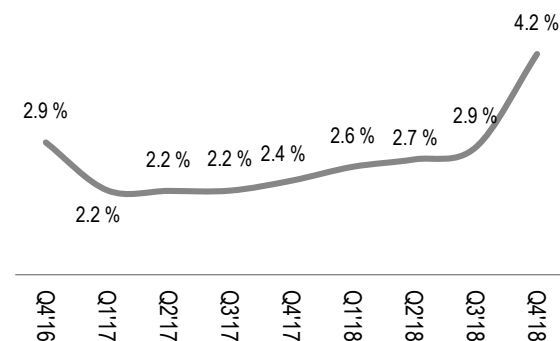
Provisions

NOK (million)



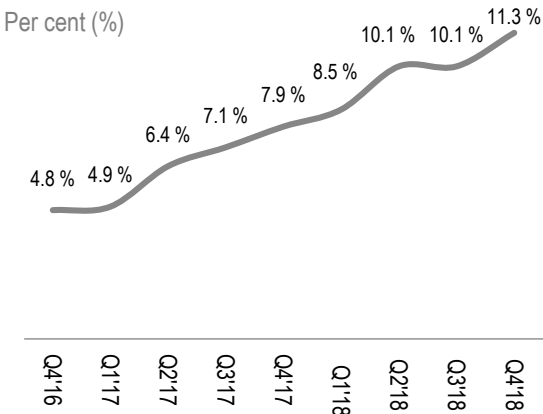
Loan loss ratio *

Per cent (%)



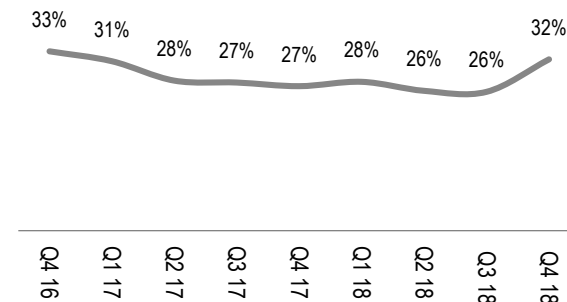
Non-performing loan ratio **

Per cent (%)



Total provision ratio ***

Per cent (%)

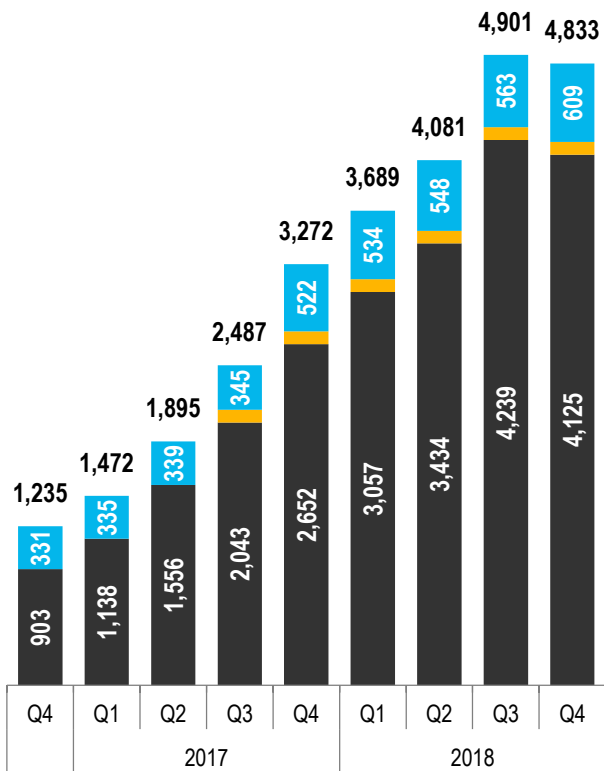


Easy access to low-cost deposit funding



Funding

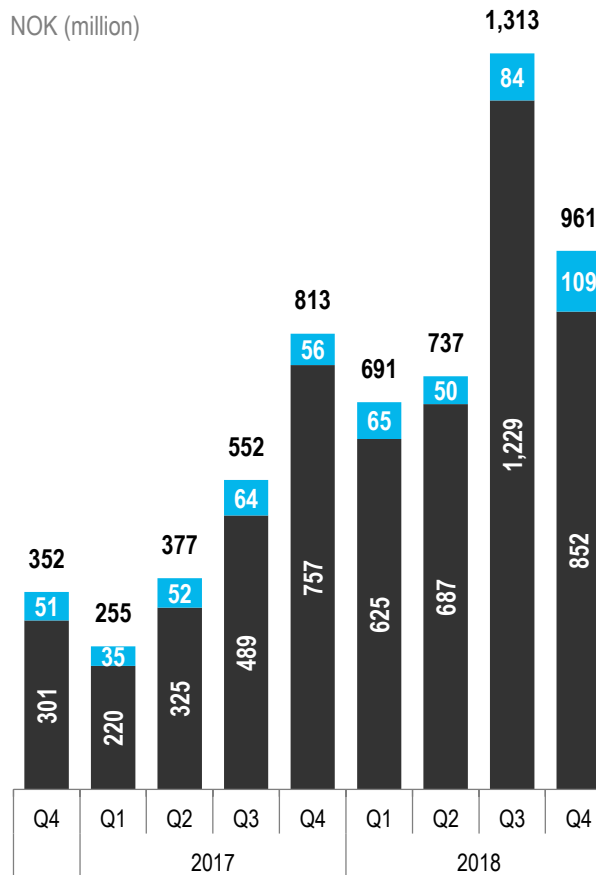
NOK (million)



■ Deposits by customers ■ Subordinated loan ■ Equity

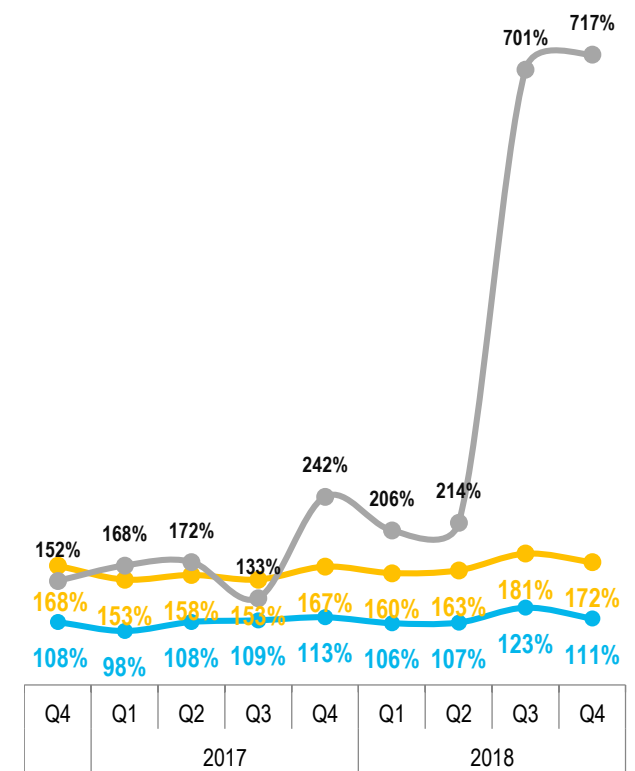
Liquidity

NOK (million)



■ Debt securities ■ Loans and advances to banks

Key ratios



● Deposit ratio * ● NSFR ● LCR

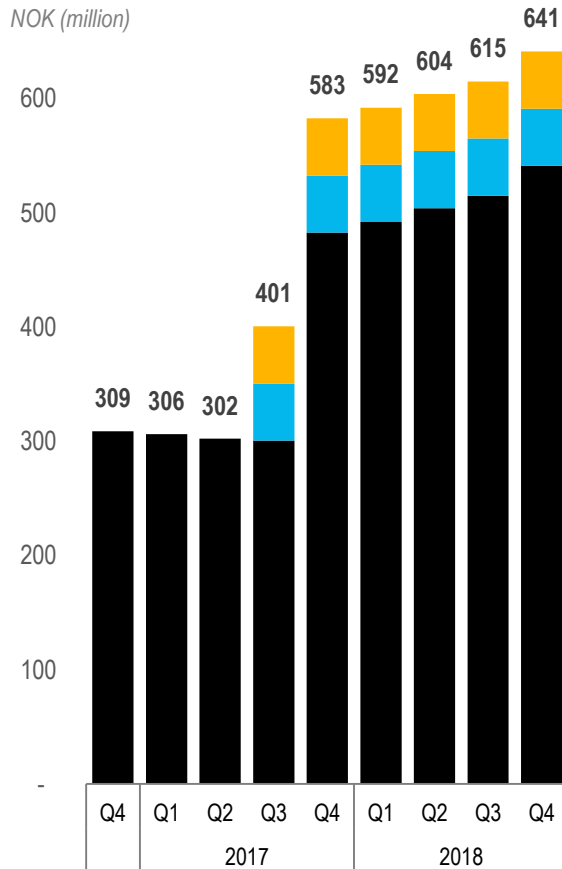
Note(*): deposit ratio = deposits / net loans

Regulatory capital structure

Pro forma Q4 2018 CET1 ratio of ~25% - fully financed to reach NOK 10bn after merger

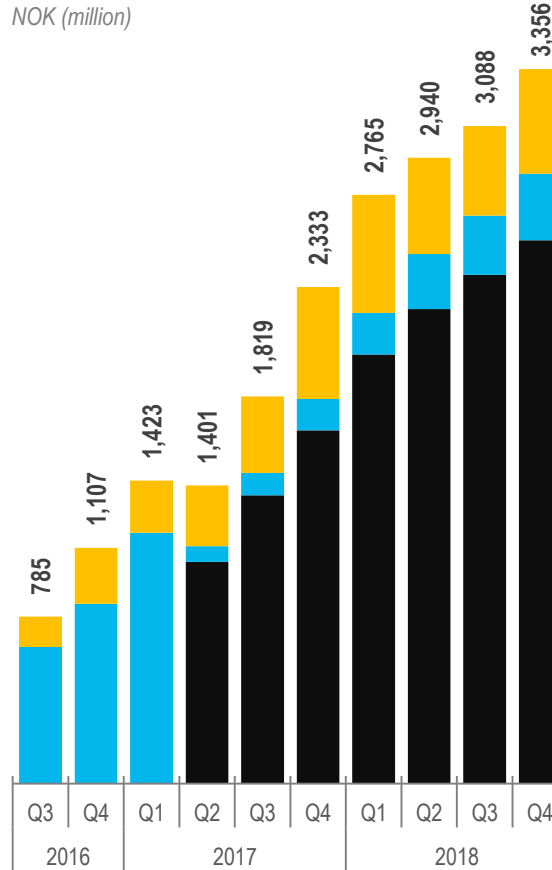


Regulatory capital



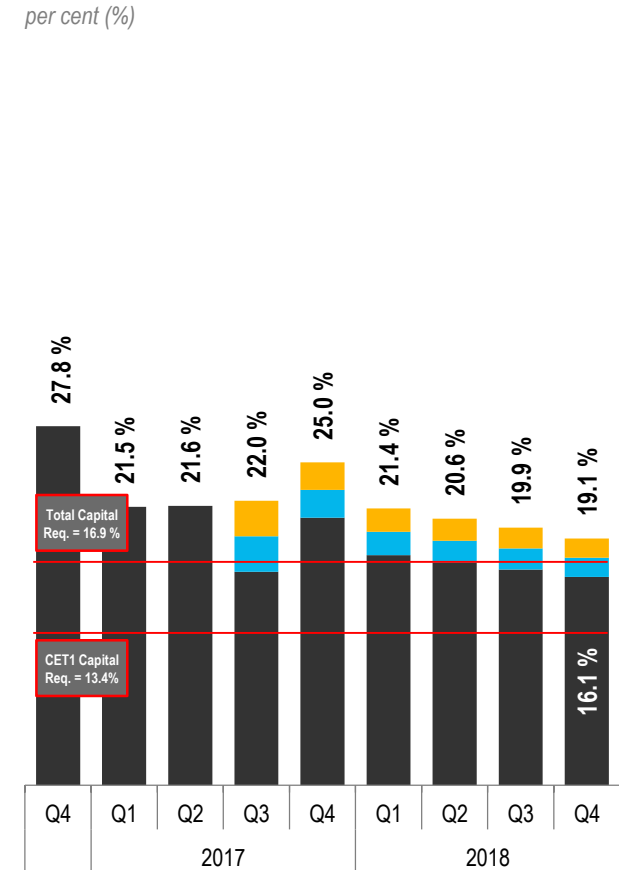
■ CET1 ■ T1* ■ T2*

Risk-weighted assets



■ 75% loans ■ 100% loans ■ Other RWA

Reported capital adequacy **



■ CET1 ■ T1* ■ T2*

Note(*): As of Q4 2018 NOK 50m Tier 1 (1.5% of RWA) and NOK 50m Tier 2 (2.0% of RWA) capital counts towards MONO's capital adequacy ratios || Note(**): capital requirements (Pillar I) are weighted between Norway and Finland



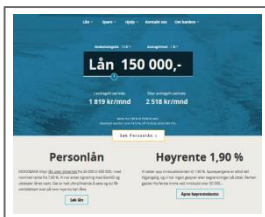
Strategy and operations

Multichannel distribution – Replicating Norwegian formula abroad from head quarter in Norway....



Monobank brand

www.monobank.no



Monobank call center



Third party agents



Co-branding partners



Brand distribution volume *

24%

Agent distribution volume *

76%

Co-branding distribution volume **

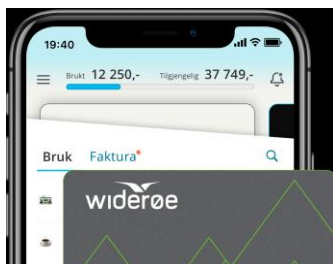
Not yet applicable

Note*): current loan portfolio | Note**): no live relationships with co-branding partners since inception

Monobank offering



MONOBANK MONO PAY
Credit card combined platform

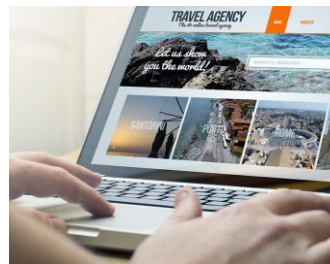


PARTNER BRANDED
FRONT-END



INSURANCE PROGRAM
Legehjelp 24 – Qualified nurses
and doctors available 24/7
Travel insurance

Teaming up for increased value enhancing solutions



TYPICAL POTENTIAL
PARTNERS

- Travel agencies



CUSTOMER VALUE
Ability to offer relevant
customer value towards
the customer

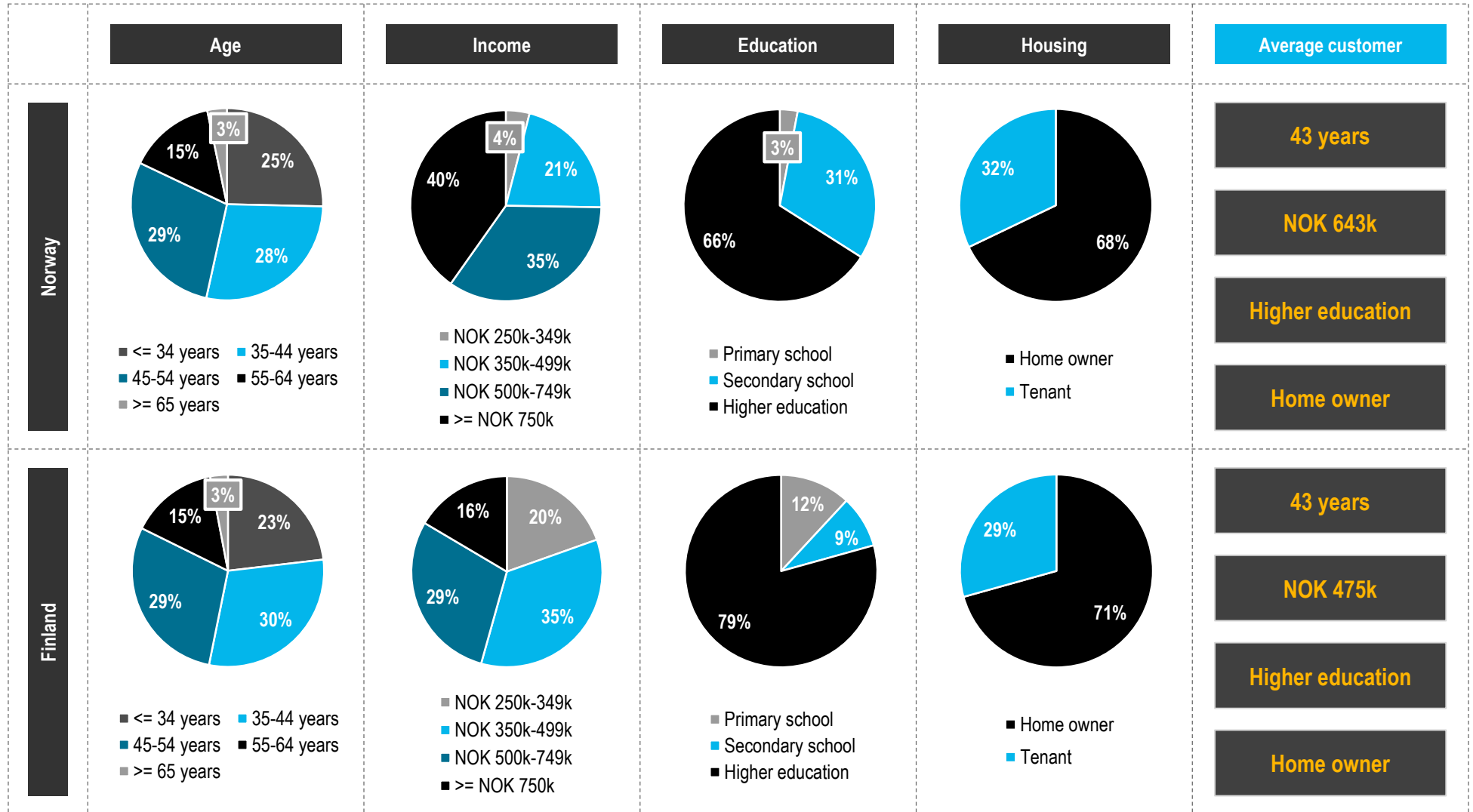


CO-OPERATION
Potential to increase
co-operation (credit card
and POS finance)

Appendix

Customer segmentation

Continuous development and tuning of scorecards to navigate the portfolio



Detailed financial figures

Quarterly income statement and balance sheet



Income Statement

	2018				
	Total	Q4	Q3	Q2	Q1
<i>In NOK thousands</i>					
Interest income	403,642	115,206	105,680	98,055	84,702
Interest expenses	71,996	20,149	19,549	16,358	15,940
Net interest income	331,646	95,057	86,131	81,697	68,761
Income commissions and fees	25,970	6,255	6,975	6,255	6,485
Expenses commissions and fees	60,456	19,875	16,706	12,888	10,988
Total income	297,161	81,438	76,400	75,064	64,259
Income/(loss) from trading activities and currency	4,136	3,530	-348	-1,182	2,136
Staff costs	42,423	11,354	10,602	12,675	7,793
Other administrative expenses	80,361	16,711	17,753	21,663	24,234
- of which marketing expense	41,393	4,819	9,958	12,018	14,598
Depreciation and amortisation	10,855	3,847	2,513	2,364	2,131
Total operating costs	133,640	31,912	30,868	36,702	34,158
Profit / (loss) before impairment losses	167,658	53,056	45,184	37,181	32,237
Impairment releases/(losses)	-128,435	-66,029	-24,524	-18,825	-19,057
Operating profit / (loss) before tax	39,223	-12,973	20,660	18,356	13,180
Tax charge	-8,655	4,198	-5,168	-4,563	-3,122
Profit / (Loss) for the period	30,567	-8,776	15,492	13,793	10,058

Balance Sheet

	2018				
	Total	Q4	Q3	Q2	Q1
<i>In NOK thousands</i>					
Assets					
Loans and advances to banks	108,790	108,790	83,630	49,906	65,439
Loans and advances to customers	3,844,229	3,844,229	3,540,868	3,298,138	2,945,025
Provision for impairment losses	138,493	138,493	91,882	86,419	69,470
Net loans and advances to customers	3,705,736	3,705,736	3,448,985	3,211,719	2,875,555
Debt securities	851,879	851,879	1,228,593	686,825	625,089
Deferred tax asset	2,791	2,791	0	907	5,470
Other intangible assets	67,064	67,064	62,119	55,669	47,157
Property, plant and equipment	2,681	2,681	2,104	2,072	2,094
Financial derivatives	6,644	6,644	2,150	0	0
Prepayments, accrued income and other assets	130,341	130,341	120,552	113,827	103,108
- of which accrued commission to agents	121,249	121,249	113,837	107,773	97,586
Total assets	4,875,927	4,875,927	4,948,135	4,120,925	3,723,911
Liabilities					
Deposits by customers	4,125,245	4,125,245	4,238,973	3,433,627	3,057,120
Provisions, accruals and other liabilities	40,668	40,668	43,154	38,458	30,014
Financial derivatives	0	0	0	2,670	4,489
Subordinated loan	98,739	98,739	98,654	98,568	98,483
Tax payable	2,105	2,105	4,261	0	0
Total liabilities	4,266,756	4,266,756	4,385,042	3,573,323	3,190,106
Equity					
Share capital	274,023	274,023	249,196	249,196	249,196
Surplus capital	286,621	286,621	256,595	256,595	256,591
Retained Earnings	48,527	48,527	57,301	41,810	28,018
Not registered capital	0	0	0	0	0
Other paid in capital (options)	0	0	0	0	0
Total equity	609,171	609,171	563,093	547,602	533,805
Total liabilities and equity	4,875,927	4,875,927	4,948,135	4,120,925	3,723,911



This presentation (the “Presentation”) has been produced by Monobank ASA (the “Company”, the “Bank”, “Monobank” or “MONO”), solely for use at the presentation to investors and is strictly confidential and may not be reproduced or redistributed, in whole or in part, to any other person. To the best of the knowledge of the Company and its board of directors, the information contained in this Presentation is in all material respect in accordance with the facts as of the date hereof, and contains no material omissions likely to affect its import.

This Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading. This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or any of their parent or subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH THE COMPANY’S BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. THE COMPANY DOES NOT INTEND, AND DOES NOT ASSUME ANY OBLIGATION, TO UPDATE OR CORRECT THE INFORMATION INCLUDED IN THIS PRESENTATION.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of their parent or subsidiary undertakings or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

This Presentation speaks as of 17 October 2018. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.