



# MONOBANK

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Interim Presentation | 1<sup>st</sup> quarter 2017 | 26 April 2017



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- 1 Continued **high demand** and **attractive growth opportunities** within unsecured consumer credit ✓
- 2 Solid loan growth of **NOK 322 million** resulting in a net loan balance of **NOK 1 162 million** ✓
- 3 Total income amounted to **NOK 28.2 million** – a 30% increase compared to Q4 2016 ✓
- 4 Operating expenses and loan losses developing **in line with expectations** ✓
- 5 Net profit after tax of **NOK 1.8 million** – continuing into profitability ✓
- 6 Credit quality improving **in line with projections** after introducing internally generated score card ✓
- 7 Monobank listed on Oslo Børs' **Merkur Market** on 16<sup>th</sup> February 2017 (ticker: MONO-ME) ✓
- 8 **75% risk weight** when calculating the bank's capital ratio going forward ✓

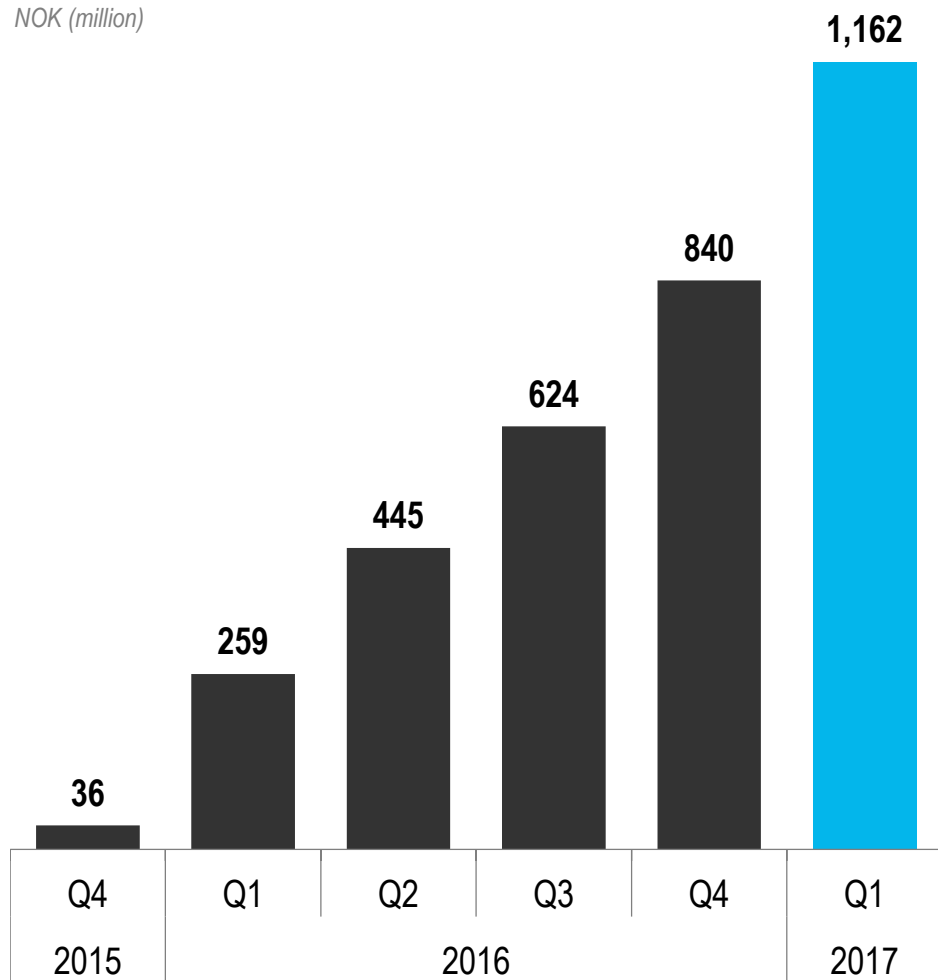
# High lending activity continues

Confirms business model



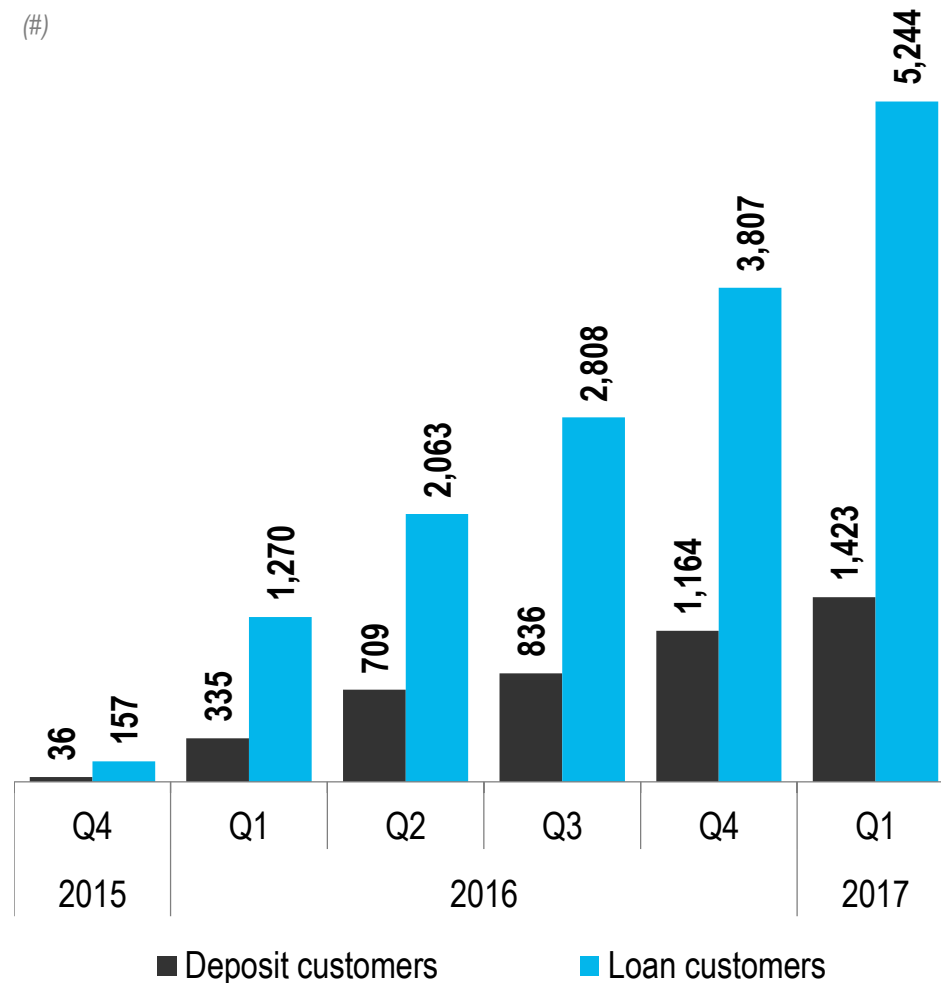
### Net loans and advances to customers

NOK (million)



### Number of customers

(#)



# Customer segmentation

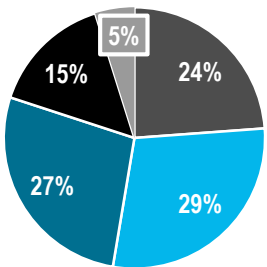
According to underlying strategy



## Age



43 years

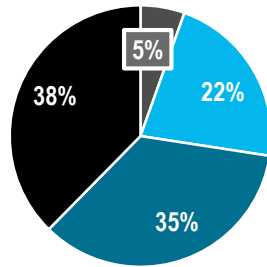


- 25-34 years
- 35-44 years
- 45-54 years
- 55-64 years
- 65 years +

## Income



NOK 623k

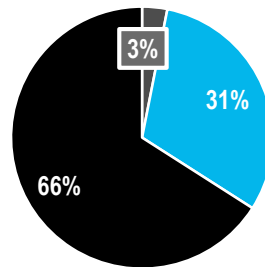


- NOK 250k-349k
- NOK 350k-499k
- NOK 500k-749k
- NOK 750k +

## Education



Higher education

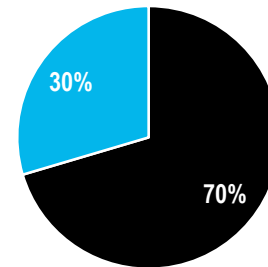


- Primary school
- Secondary school
- Higher education

## Housing



Home owner

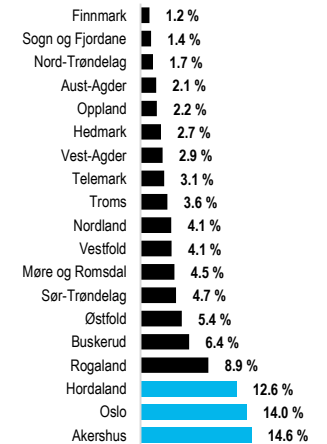


- Home owner
- Tenant

## Location



Urban



# Income generation gains momentum

Continued loan growth together with satisfying yields and margins drives increasing top-line



## Key yields and margins

**YIELD NET  
LOAN TO  
CUSTOMER**

**14.6%**

**INTEREST RATE  
DEPOSITS  
(END OF QUARTER)**

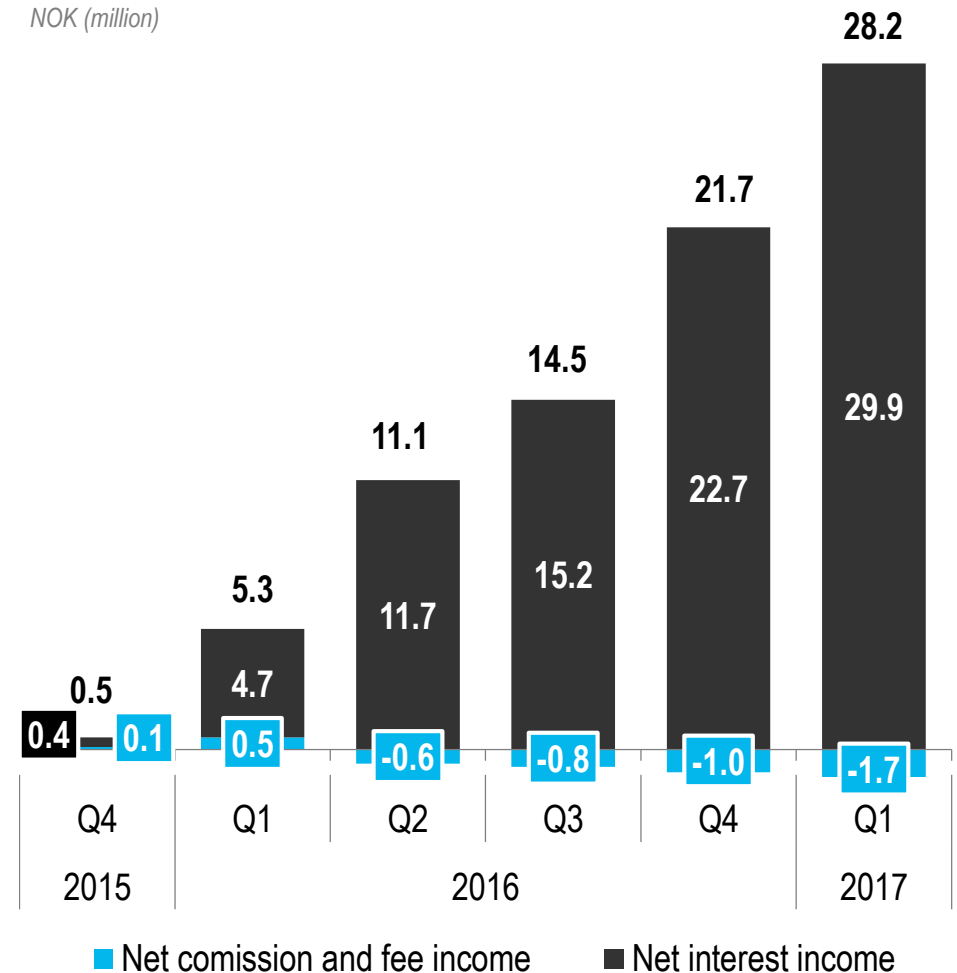
**1.9%**

**LIQUIDITY  
YIELD**

**0.8%**

## Total income

NOK (million)



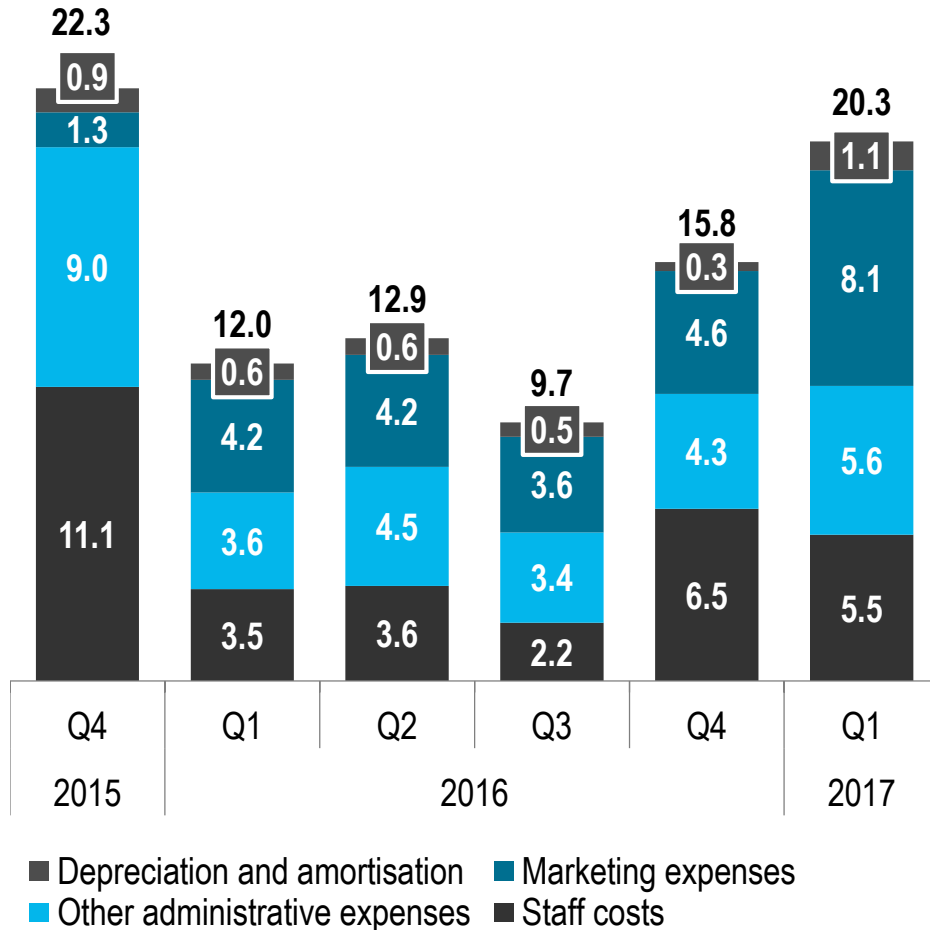
# Efficient operations

Operating expenses and loan losses are under control through strict internal supervision



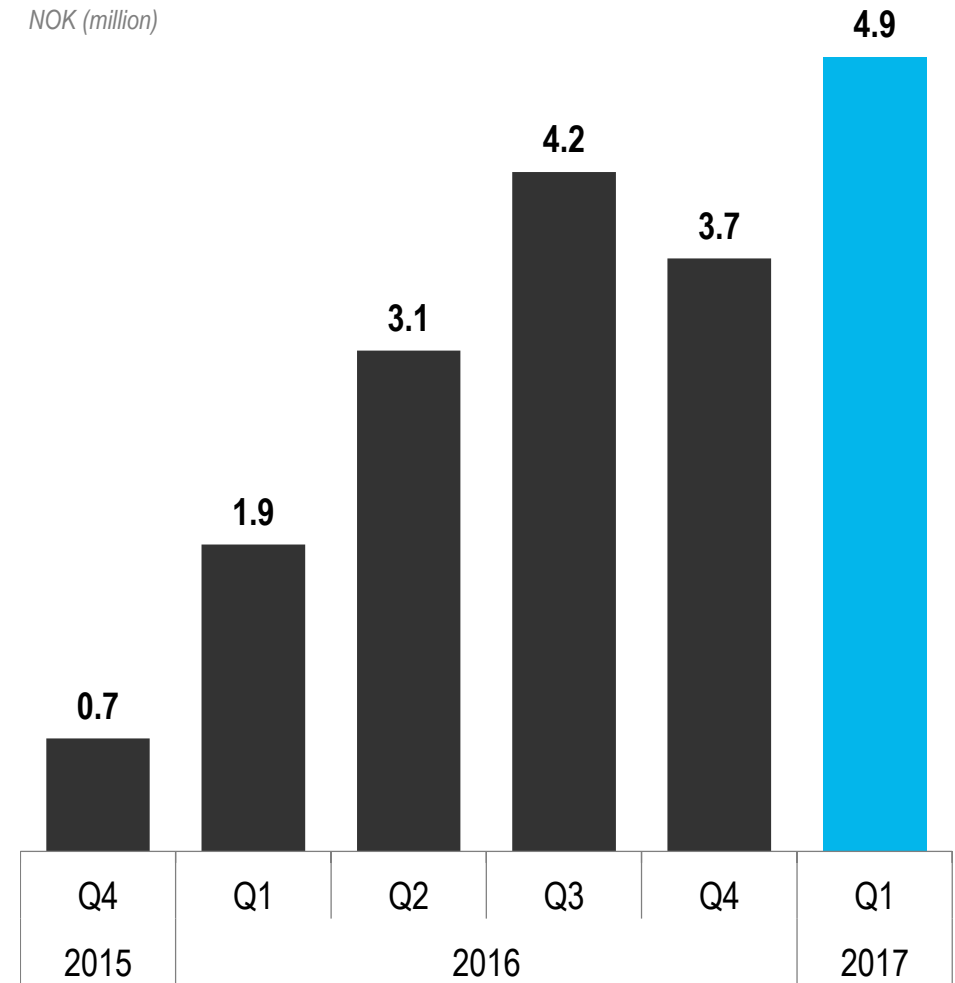
## Operating expenses

NOK (million)



## Impairment losses \*

NOK (million)



Note(\*): impairment losses are mainly provisions since actual losses are negligible

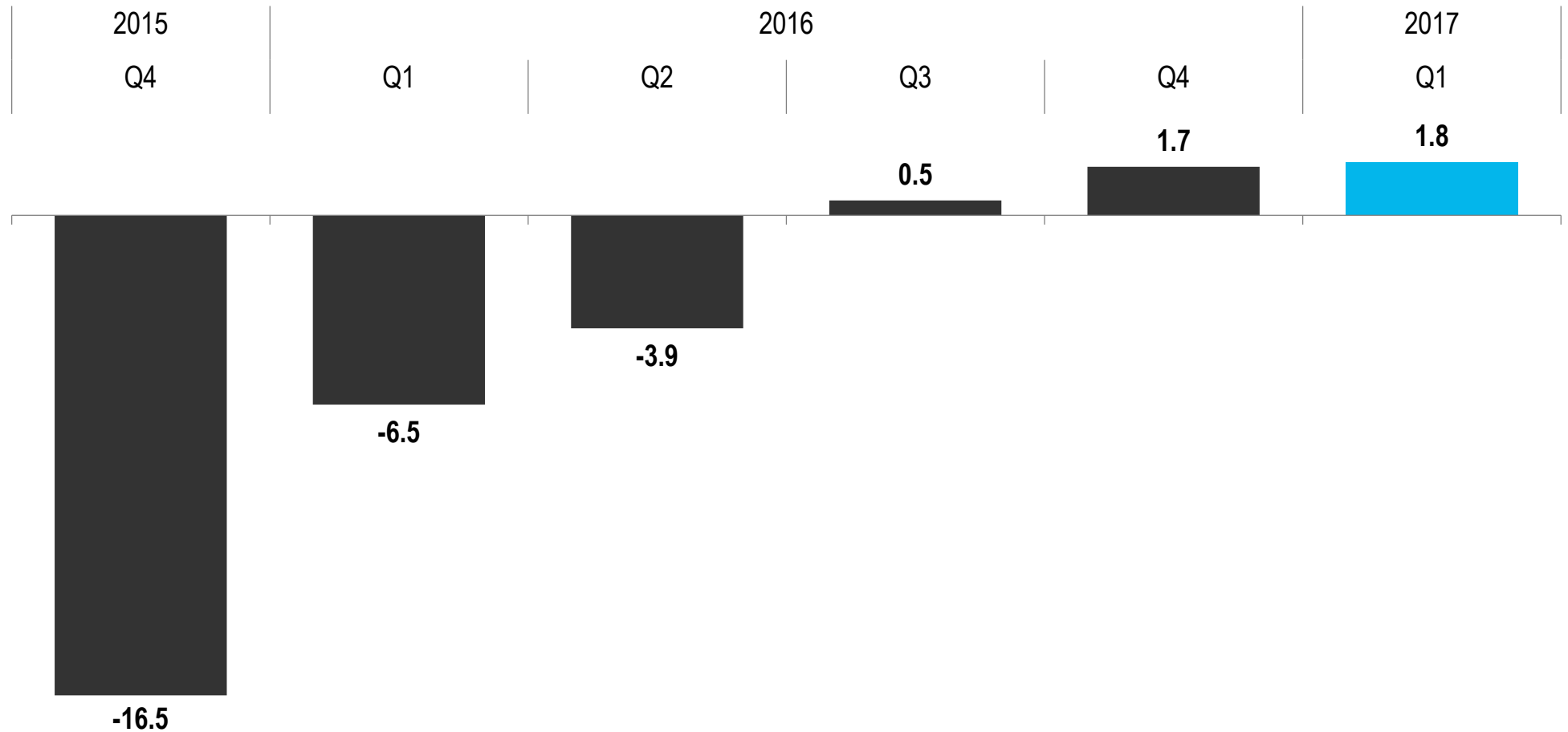
# Continues into profitability

Achieved break-even after only 3 quarters of operation



## Net profit after tax

NOK (million)





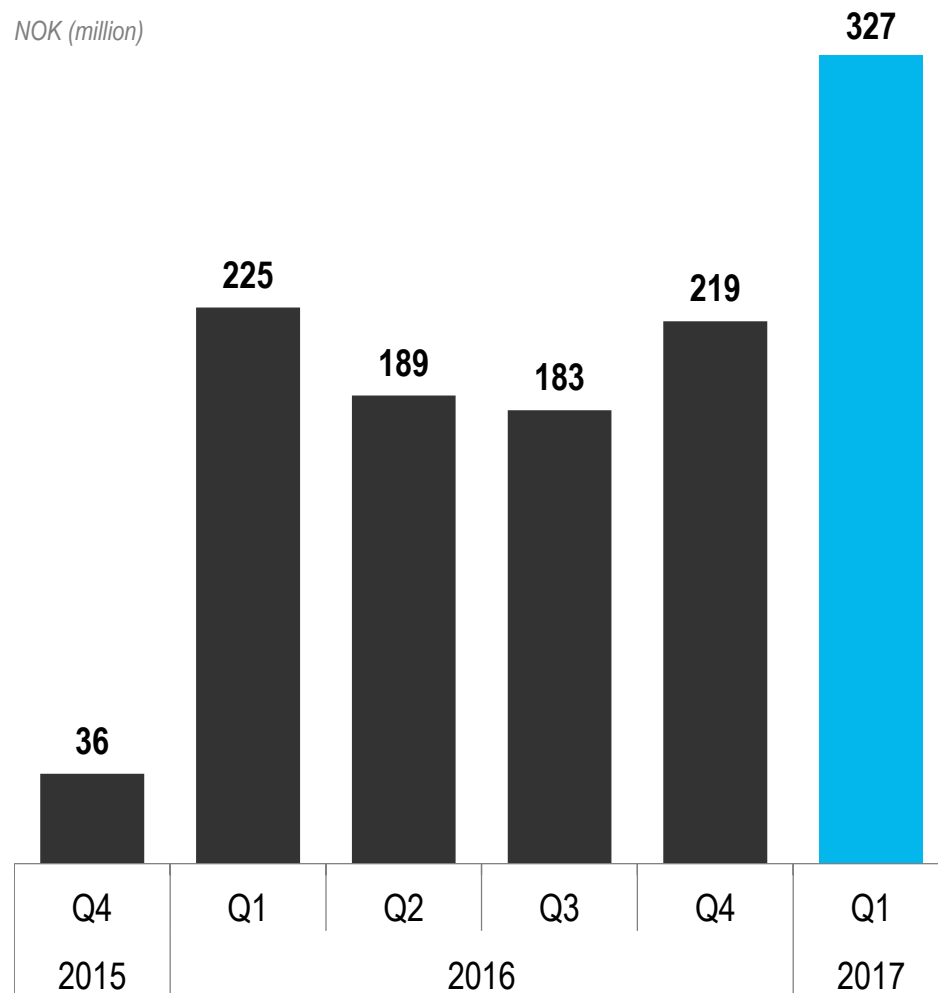
# High loan growth demands available regulatory capital



Well-capitalized and ready for continued growth, cross-border expansion and credit card launch

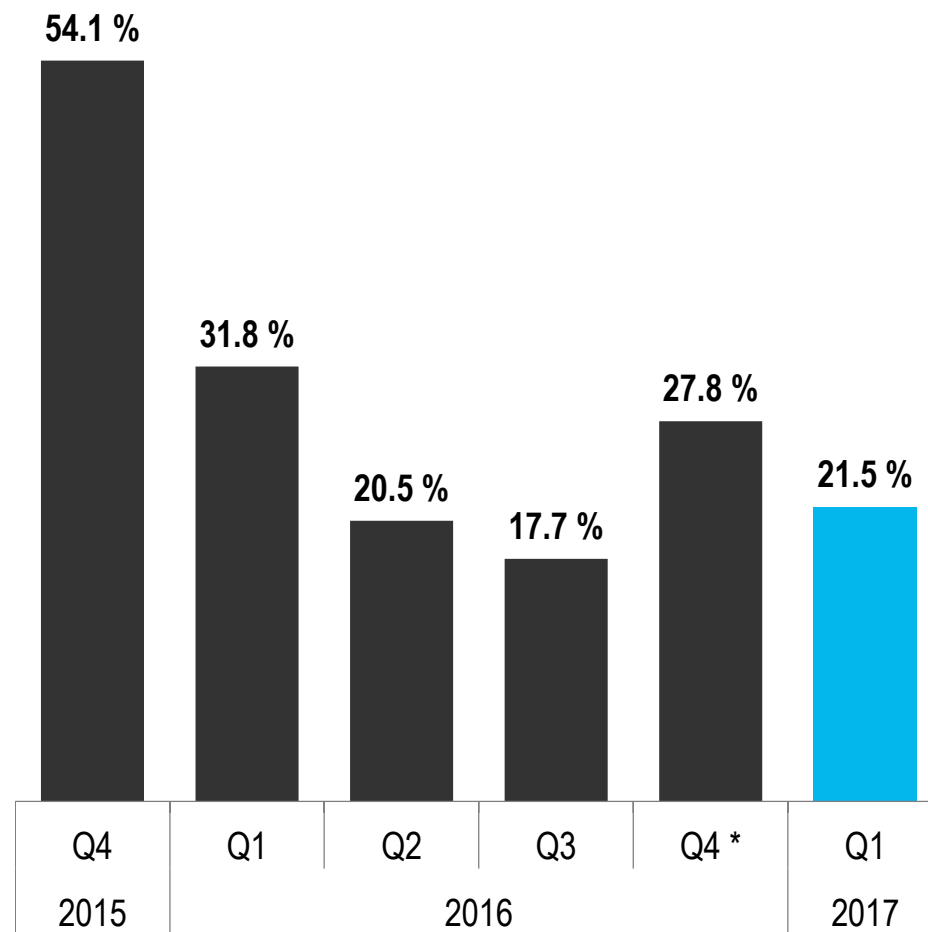
### Growth in gross loans

NOK (million)



### Regulatory capital (CET1 ratio)

(%)



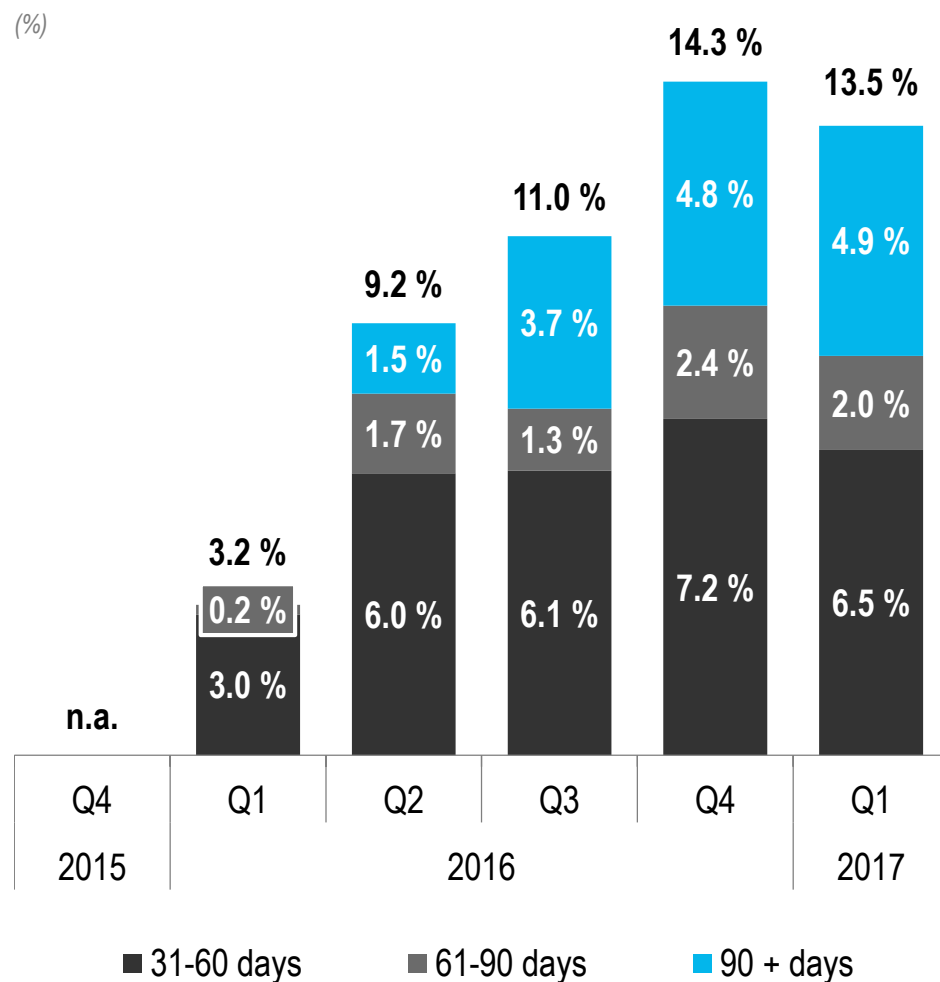
Note(\*): in Q4 2016 Monobank completed a NOK 175 million Private Placement of Equity Capital followed by a NOK 3 million Subsequent Repair Offering

# Satisfactory credit quality

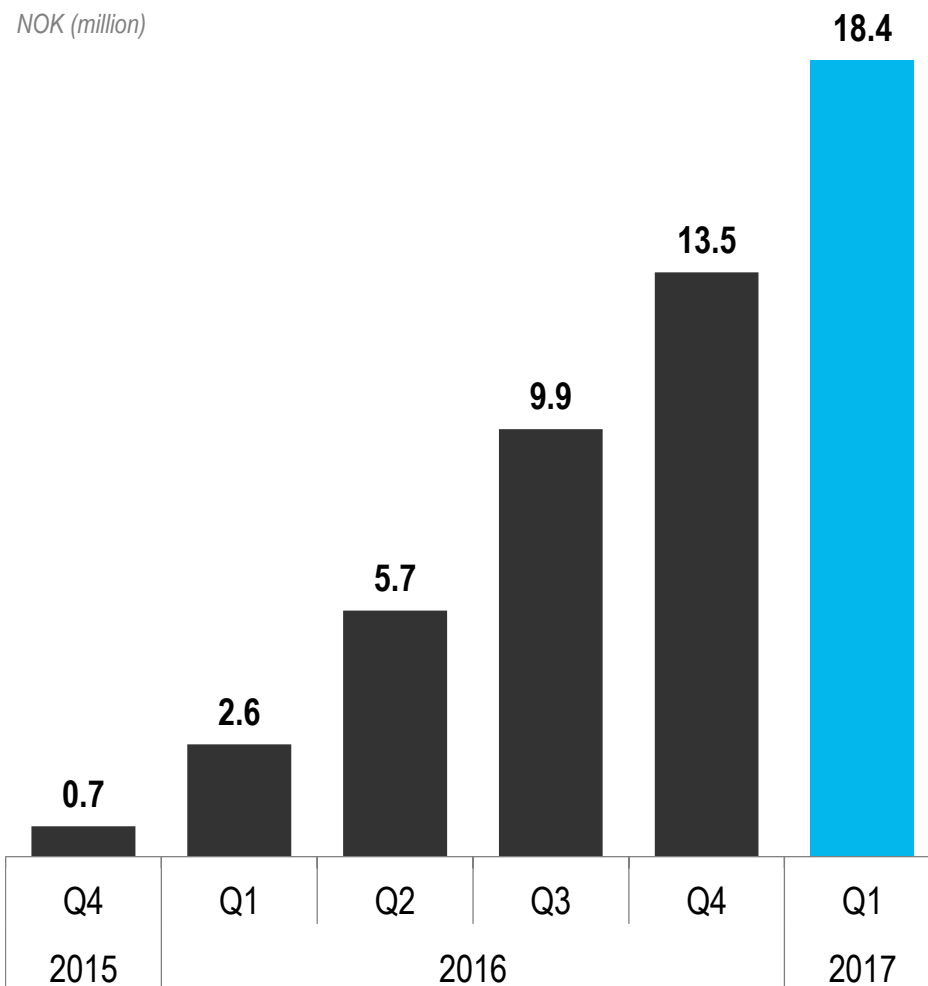
Portfolio risk under control through diligent credit risk management and solid operational model



Past due days (end of quarter) in % of gross loans to customers



Collective loan loss provisions



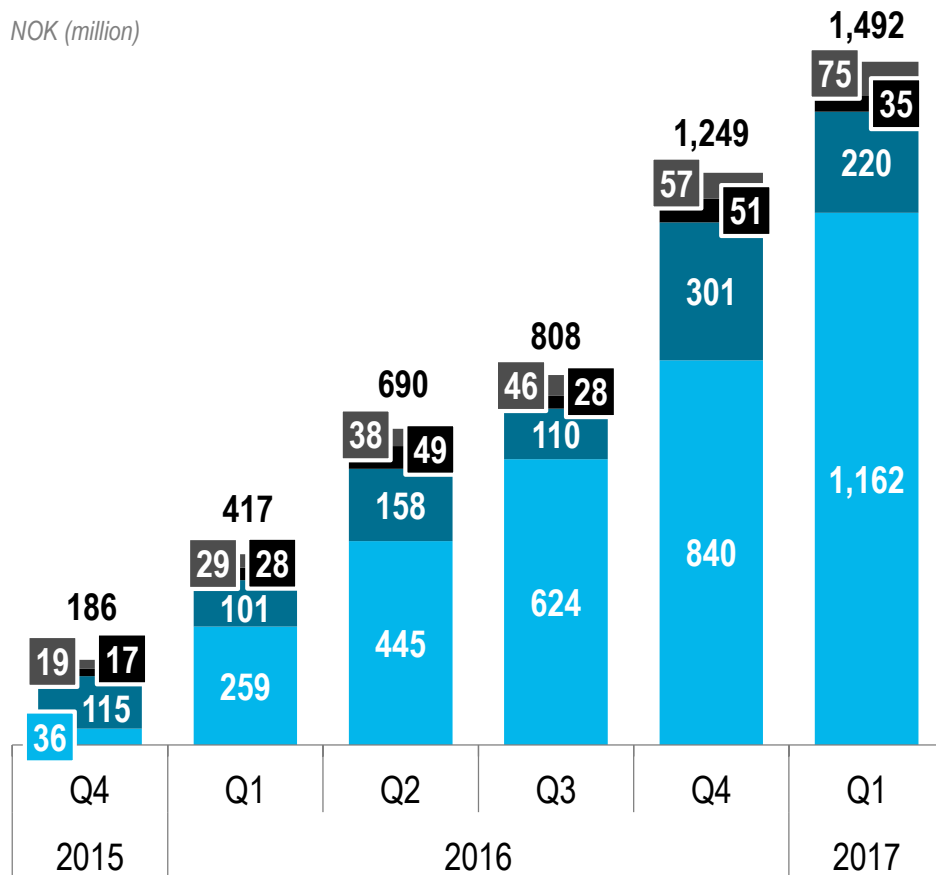
# Balance sheet structure

Important ratios: | LCR: 168% | NSFR: 153% | Deposits constitute 98% of net loans |



## Assets

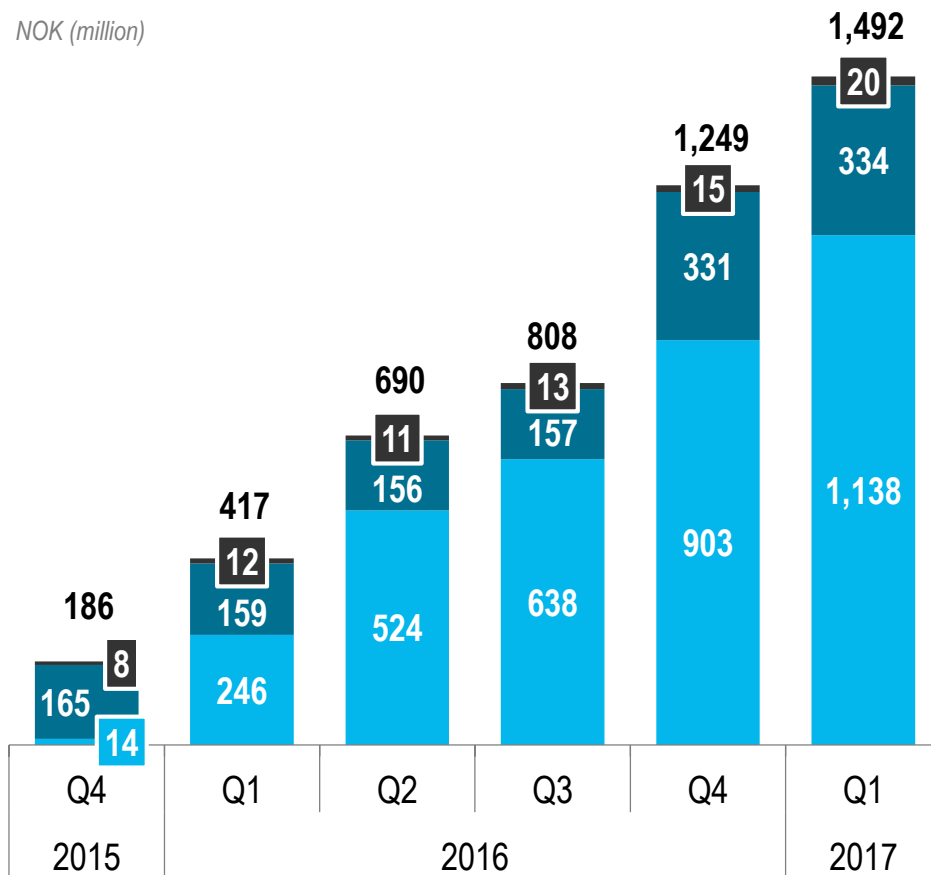
NOK (million)



- Other assets
- Loans and advances to banks
- Debt securities
- Net loans to customers

## Liabilities and equity

NOK (million)



- Deposits by customers
- Total equity
- Other debt

# Quarterly income statement and balance sheet

Solid start after commencing operations in November 2015



## Income Statement

P&L (NOK thousand)	2017	2016					2015
	Q1	Q4	Q3	Q2	Q1	Q4	
Interest income	34,174	26,679	17,815	13,875	5,175	509	
Interest expenses	4,305	3,944	2,597	2,151	446	83	
Net interest income	29,869	22,735	15,218	11,723	4,730	427	
Income commissions and fees	2,641	2,040	1,286	1,124	1,137	127	
Expenses commissions and fees	4,350	3,037	2,048	1,737	612	82	
Net commissions and fees	-1,709	-997	-762	-613	525	45	
<b>Total income</b>	<b>28,160</b>	<b>21,738</b>	<b>14,456</b>	<b>11,110</b>	<b>5,254</b>	<b>472</b>	
<b>Income / (loss) from trading activities</b>	<b>-472</b>	<b>-124</b>	<b>191</b>	<b>-257</b>	<b>-69</b>	<b>39</b>	
Staff costs	5,514	6,491	2,203	3,581	3,460	11,088	
Other administrative expenses	13,736	8,957	6,999	8,709	7,883	10,333	
- of which marketing expenses	8,133	4,629	3,610	4,227	4,237	1,308	
Depreciation and amortisation	1,079	335	546	630	620	910	
<b>Total operating costs</b>	<b>20,329</b>	<b>15,783</b>	<b>9,749</b>	<b>12,920</b>	<b>11,963</b>	<b>22,331</b>	
<b>Profit / (Loss) before impairment losses</b>	<b>7,359</b>	<b>5,831</b>	<b>4,898</b>	<b>-2,067</b>	<b>-6,777</b>	<b>-21,820</b>	
Impairment (losses) / releases	-4,919	-3,672	-4,207	-3,100	-1,900	-700	
<b>Operating profit / (loss) before tax</b>	<b>2,440</b>	<b>2,160</b>	<b>692</b>	<b>-5,167</b>	<b>-8,677</b>	<b>-22,520</b>	
Tax charge	-611	-484	-172	1,276	2,167	5,996	
<b>Profit / (Loss) for the year</b>	<b>1,829</b>	<b>1,676</b>	<b>520</b>	<b>-3,891</b>	<b>-6,510</b>	<b>-16,524</b>	

## Balance Sheet

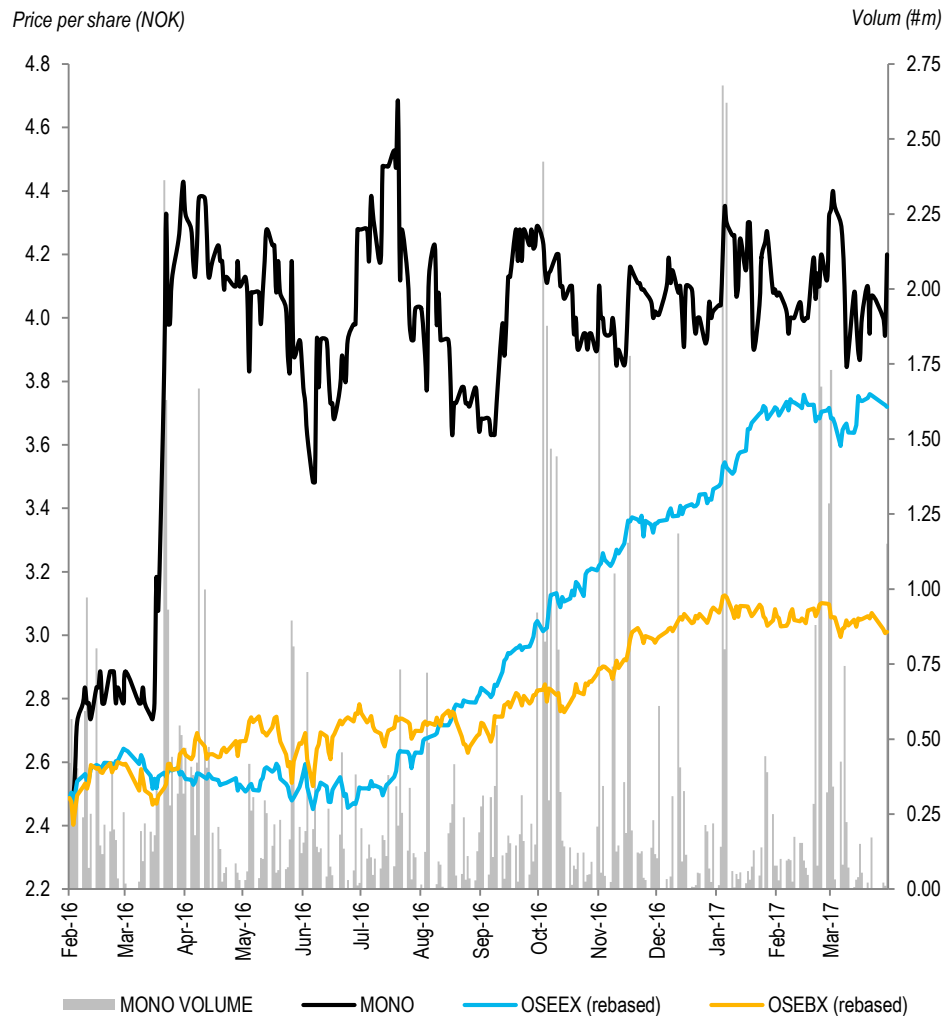
BS (NOK thousand)	2017	2016					2015
	Q1	Q4	Q3	Q2	Q1	Q4	
<b>ASSETS</b>							
<b>Loans and advances to banks</b>	<b>34,536</b>	<b>51,219</b>	<b>27,735</b>	<b>49,293</b>	<b>27,631</b>	<b>17,204</b>	
<b>Debt securities</b>	<b>220,474</b>	<b>301,265</b>	<b>110,002</b>	<b>158,215</b>	<b>101,177</b>	<b>114,583</b>	
Loans and advances to customers	1,180,590	853,569	634,159	450,671	261,281	36,325	
Provision for impairment losses	18,439	13,531	9,900	5,700	2,600	700	
<b>Net loans and advances to customers</b>	<b>1,162,150</b>	<b>840,038</b>	<b>624,259</b>	<b>444,971</b>	<b>258,681</b>	<b>35,625</b>	
Deferred tax asset	11,769	12,380	10,989	11,161	9,885	7,717	
Other intangible assets	19,133	12,898	9,835	7,635	7,384	7,123	
Property, plant and equipment	433	346	166	260	137	157	
Prepayments, accrued income & other assets	43,360	31,296	24,795	18,960	11,855	3,878	
- of which accrued commission to agents	40,504	29,815	22,225	15,971	8,969	1,525	
<b>Other assets</b>	<b>74,695</b>	<b>56,920</b>	<b>45,784</b>	<b>38,015</b>	<b>29,261</b>	<b>18,875</b>	
<b>Total assets</b>	<b>1,491,856</b>	<b>1,249,441</b>	<b>807,780</b>	<b>690,494</b>	<b>416,750</b>	<b>186,287</b>	
<b>LIABILITIES &amp; EQUITY</b>							
Deposits by customers	1,137,690	903,406	637,734	523,737	246,217	13,579	
Provisions, accruals and other liabilities	19,842	15,040	13,289	10,519	11,905	7,570	
<b>Total liabilities</b>	<b>1,157,532</b>	<b>918,446</b>	<b>651,024</b>	<b>534,257</b>	<b>258,122</b>	<b>21,149</b>	
Share capital	200,461	199,461	156,000	155,000	155,000	155,000	
Surplus capital	133,862	131,534	756	-	3,628	10,138	
Not registered capital	-	-	-	1,500	-	-	
Other equity	-	-	-	-263	-	-	
<b>Total equity</b>	<b>334,324</b>	<b>330,995</b>	<b>156,756</b>	<b>156,237</b>	<b>158,628</b>	<b>165,138</b>	
<b>Total liabilities and equity</b>	<b>1,491,856</b>	<b>1,249,441</b>	<b>807,780</b>	<b>690,494</b>	<b>416,750</b>	<b>186,287</b>	

# MONO-ME on Merkur Market as of 16<sup>th</sup> February 2017

Strong share price development and healthy investor base



## Share price development \*



## Shareholders as of 13.04.2017 \*\*

#	Investor	Role	Type	13.04.2017	
				# of shares	% total
1	PRIORITET GROUP AB	Board Member	Company	23,960,344	12.0%
2	JO CAPITAL AS	Board Member	Company	18,622,029	9.3%
3	SPENCER TRADING INC		Company	15,242,324	7.6%
4	BARA EIENDOM AS		Company	11,313,104	5.6%
5	HAVA FINANCIALS AS		Company	5,530,572	2.8%
6	EKREM AS		Company	4,646,854	2.3%
7	SWEDBANK AB		Nominee	4,000,000	2.0%
8	7FJELL VENTURES AS		Company	3,725,000	1.9%
9	MIKE AS		Company	3,670,000	1.8%
10	GREVE-ISDAHL FINN		Private Investor	3,501,000	1.7%
11	SANDSOLO HOLDING AS		Company	3,300,000	1.6%
12	DAHLE BJØRN		Private Investor	3,103,672	1.5%
13	LAS INVEST AS		Company	3,100,000	1.5%
14	SPORTSMAGASINET AS		Company	3,000,000	1.5%
15	HØYSÆTER T-BANECOMPAGNIE AS		Company	2,841,464	1.4%
16	ANGARDE AS		Company	2,327,754	1.2%
17	STIAN MIKKELSEN AS		Company	2,223,000	1.1%
18	GREVE-ISDAHL JAN	Chairman of the Board	Private Investor	2,200,500	1.1%
19	HILDING INVEST AS	CEO / Bent H. Gjendem	Company	2,200,244	1.1%
20	JENSEN ERIK		Private Investor	2,115,260	1.1%
21	DRAGESUND INVEST AS		Company	1,898,000	0.9%
22	RIMESTAD TOM HENNING	COO	Private Investor	1,700,000	0.8%
23	ARTEL INVEST AS		Company	1,600,000	0.8%
24	EIANE CARL PEDER		Priv.	1,522,093	0.8%
25	VALLAND MARTIN	CTO	Private Investor	1,511,952	0.8%
26	BRASSETS A/S	IT / Erik Brandstadmoen	Company	1,500,000	0.7%
27	MYRAN MICHAEL		Private Investor	1,455,355	0.7%
28	AMUNDSEN DATA AS	Board Member / Tore Amundsen	Company	1,350,000	0.7%
29	GEIR SKÅR HOLDING AS		Company	1,300,000	0.6%
30	DELRAY TRADING AS		Company	1,219,513	0.6%
<b>Sum TOP 30</b>				<b>135,680,034</b>	<b>67.7%</b>
<b>Other shareholders</b>				<b>64,781,171</b>	<b>32.3%</b>
<b>Total</b>				<b>200,461,205</b>	<b>100.0%</b>
<b>Management and Employees</b>				<b>12,969,718</b>	<b>6.5%</b>

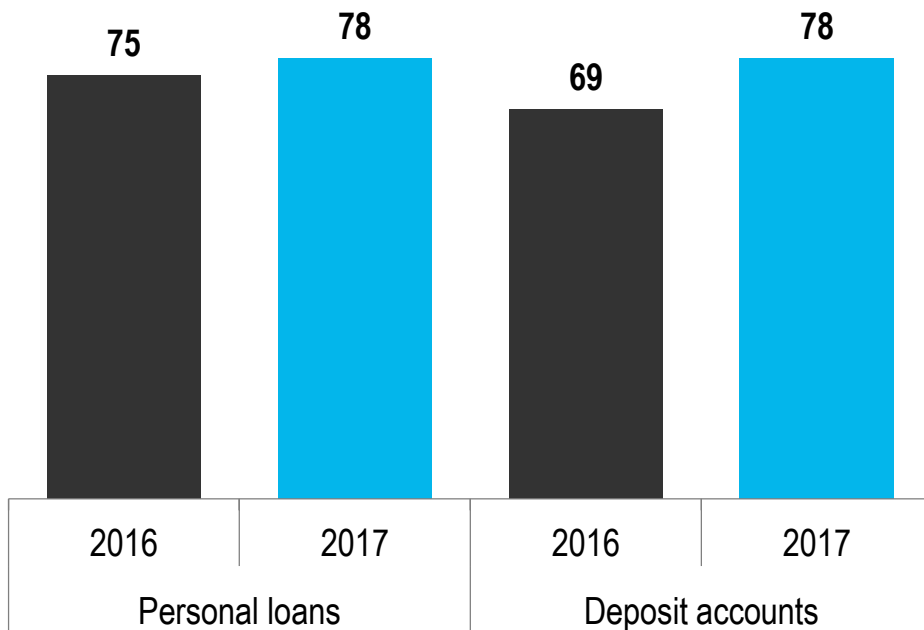
# Experience strategy

Monobank delivers on customer and employee satisfaction



## Average customer satisfaction \*

Index (#)



> 80 points – enthusiastic customers

70-75 points – satisfied customers

< 60 points – very dissatisfied customers

75-80 points – very satisfied customers

60-70 points – dissatisfied customers

## Great place to work



Awarded “A Great Place to Work 2017” in Norway

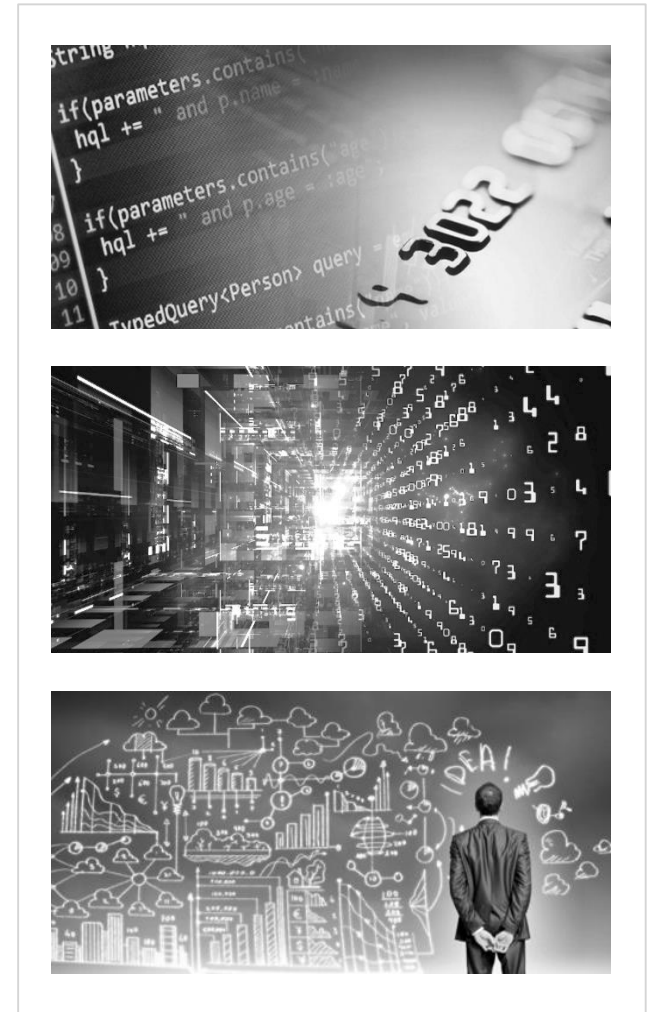
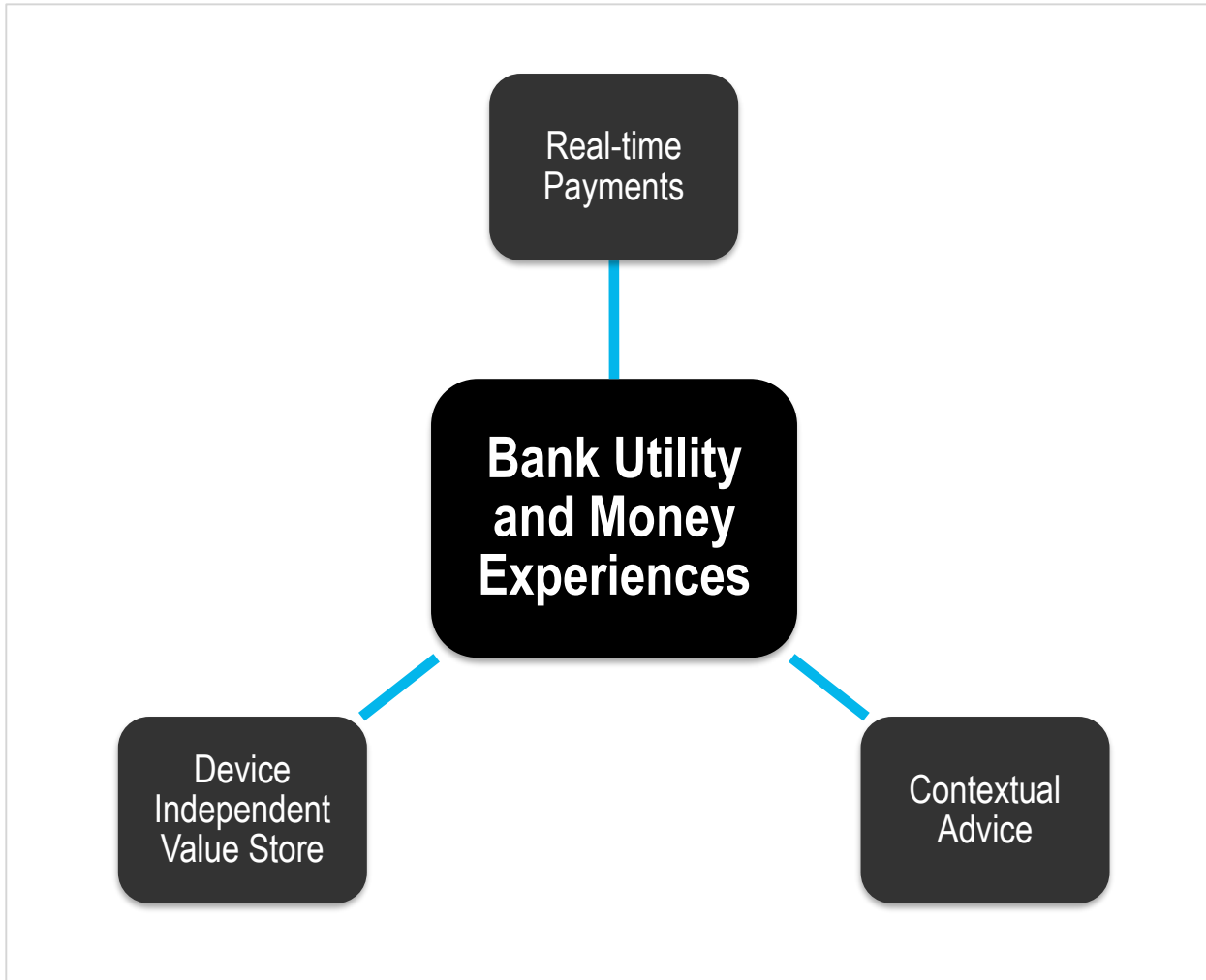
#1 within banking

#5 overall (20-49 employees)



# Fintech simplified

Monobank aiming to deliver “fintech” in existing business context



# Strategy going forward

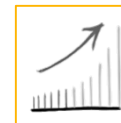
MONOBANK will continue to execute underlying business plan and pursue strategic add-ons



1

**Continued organic domestic growth**

- High demand and high margins in Norway enables high organic growth
- Norwegian consumer loans YE-2017 of approximately NOK 1,800 million



2

**Initiate cross-border expansion**

- Launch consumer loans in Finland within mid-2017
- Further investigate other potential markets



3

**Launch credit card product**

- Launch credit card in cooperation with Widerøe and SAS EuroBonus around YE-2017
- Further investigate other strategic partners



4

**Maintain efficient operation**

- Efficient and scalable operation
- Diligent credit risk management
- Focus on innovative technology and flexible IT solutions – Fintech is key for Monobank



5

**Strengthen and develop the MONOBANK brand**

- Increase direct marketing – TV campaigns are already live
- Increase share of direct distribution
- Strengthen the public recognition of the MONOBANK brand





# MONOBANK

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