

A blue-tinted photograph of a sailboat on the water. A person is visible on the deck, and the boat is moving, creating white foam in the water. The text 'MONOBANK' is overlaid in white, bold, uppercase letters, with a white horizontal line underneath it.

MONOBANK

Interim Presentation | 2nd quarter 2016 | 11 August 2016



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- 1 Growth in net loans of **NOK 186 million** ✓
- 2 Outstanding net loans of **NOK 445 million** ✓
- 3 Customer deposits of **NOK 524 million** ✓
- 4 Total income of **NOK 11.11 million** ✓
- 5 Operating expenses & loan losses **developing as planned** ✓
- 6 Net loss after tax of **NOK 3.89 million** ✓
- 7 Total equity of **NOK 156 million** ✓

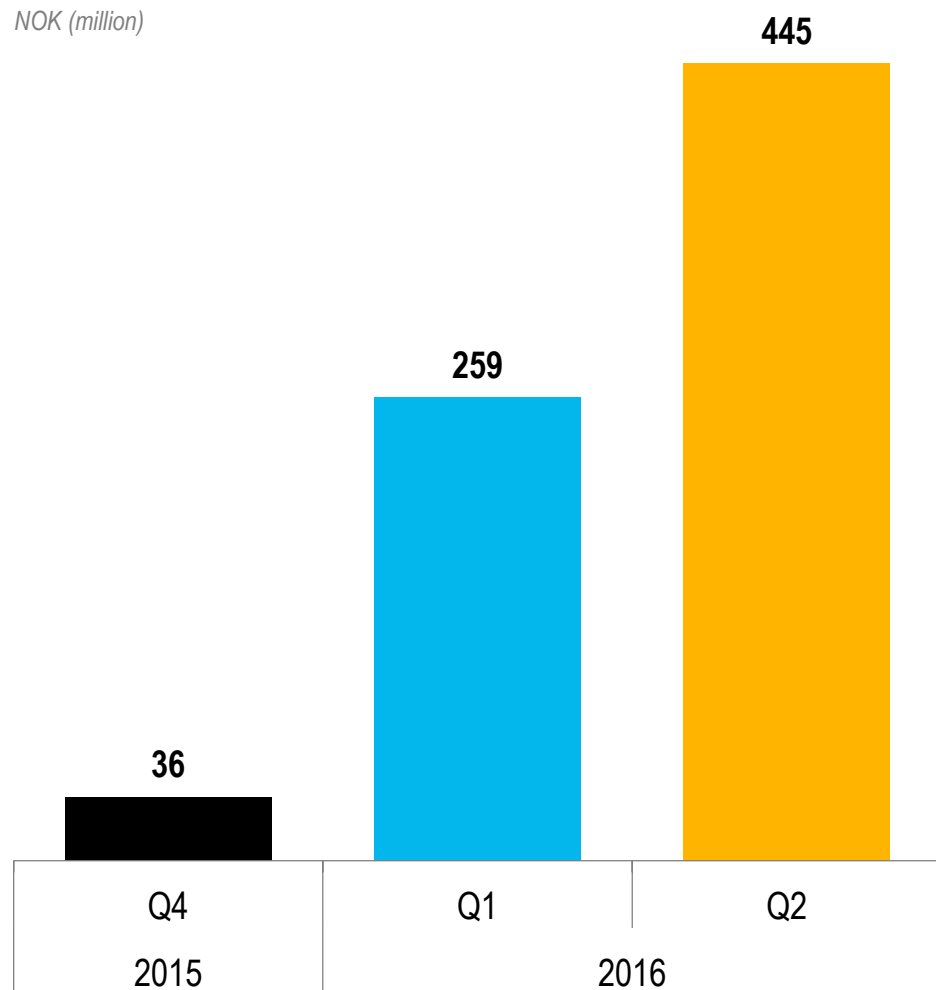
High Lending Activity Continues

Confirms underlying business model



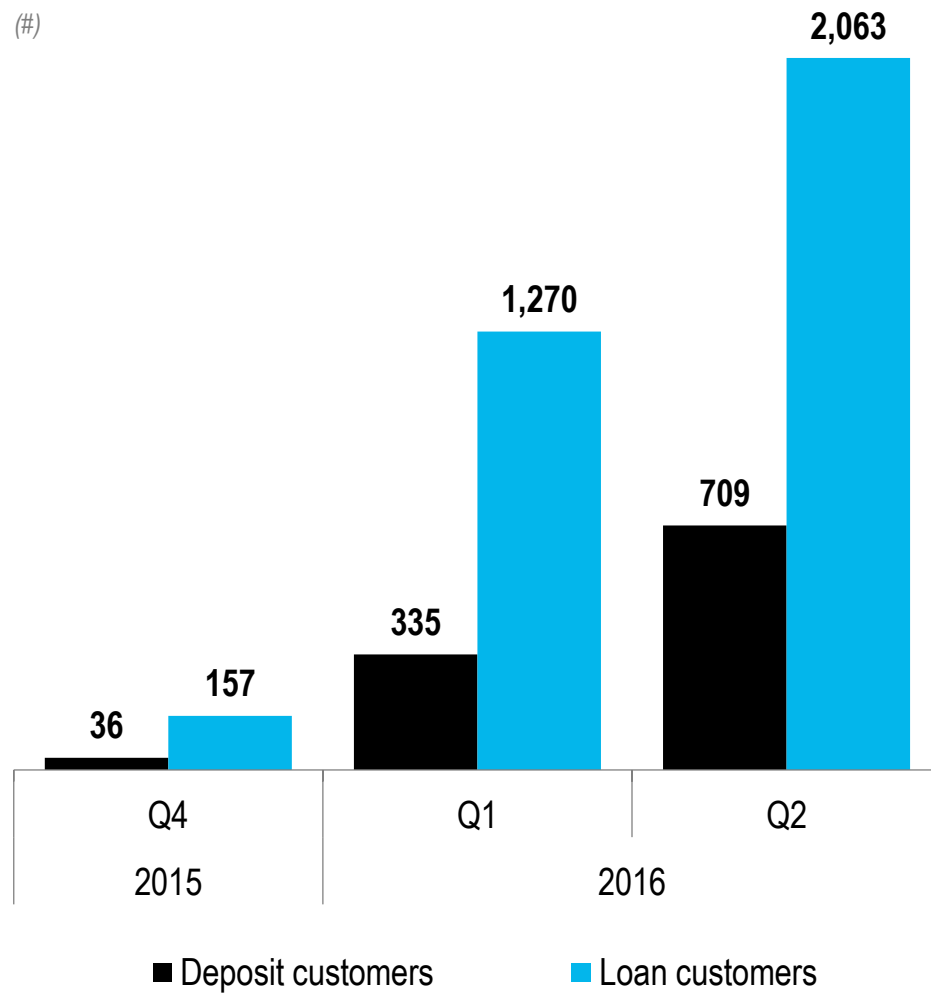
Outstanding net loans to customers

NOK (million)



Number of customers

(#)

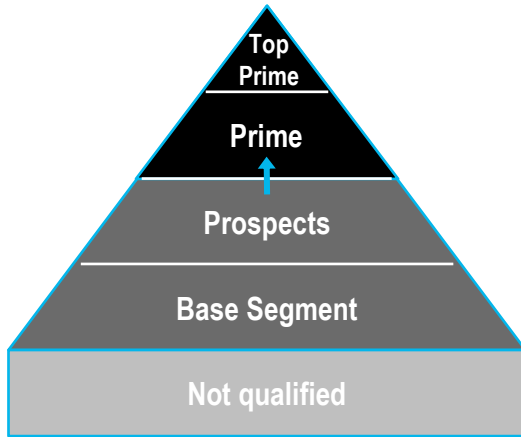


Customer Segmentation



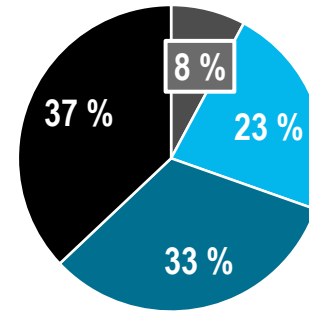
Typical customer: | male | 42 years | NOK 615k income | higher education | home owner | urban |

Targeting the prime segments



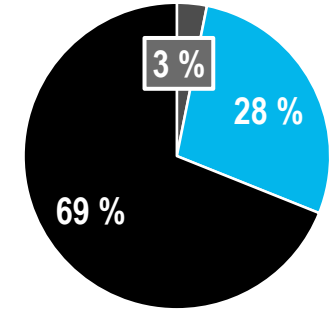
We deliver according to plan

Income



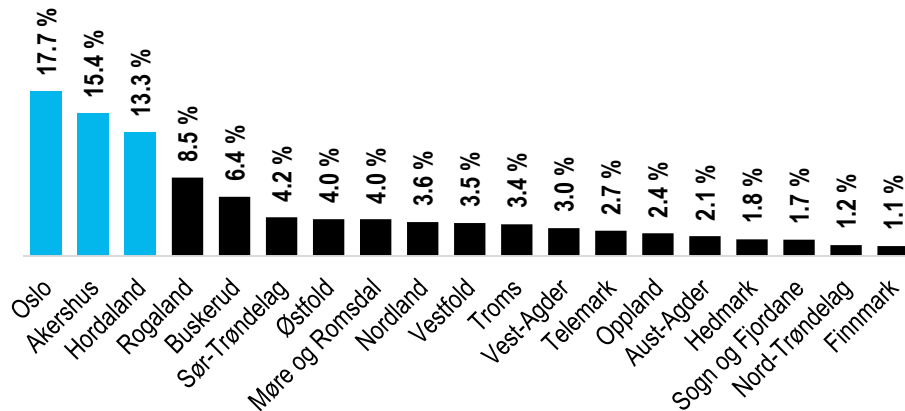
- NOK 250k-349k
- NOK 350k-499k
- NOK 500k-749k
- NOK 750k +

Education

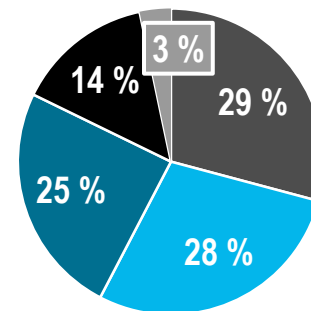


- Primary school
- Secondary school
- Higher education

Distribution of net loans to customers by county

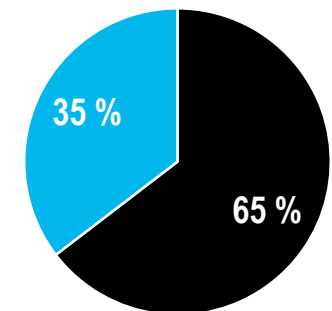


Age



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

Housing



- Home owner
- Tenant

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

15.17%

INTEREST RATE
DEPOSITS
(END OF QUARTER)

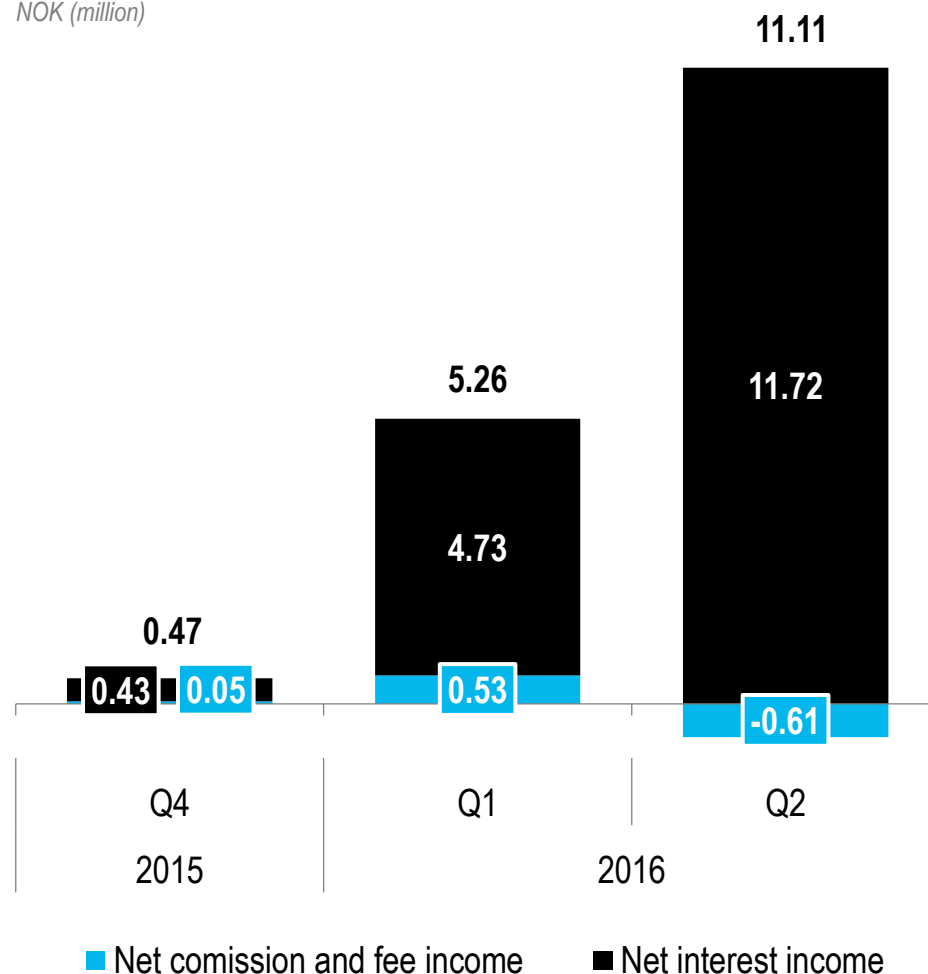
1.80%

LIQUIDITY
YIELD

1.05%

Total income

NOK (million)



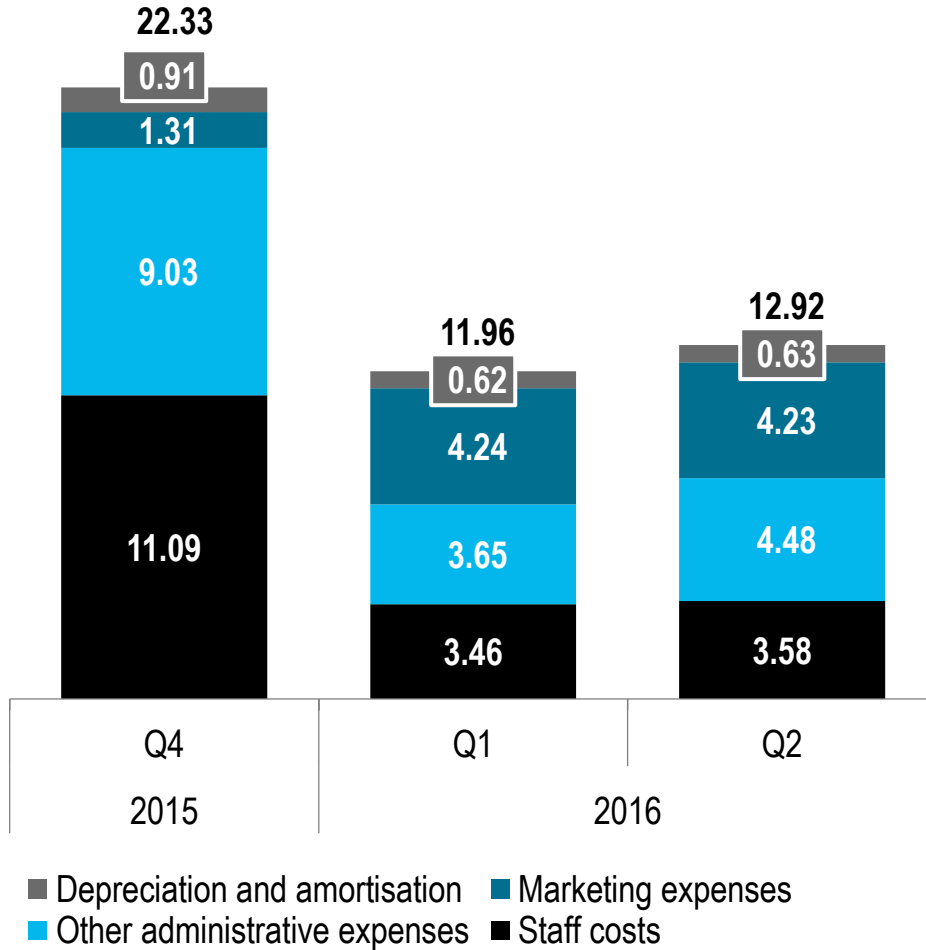
Efficient Operations



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

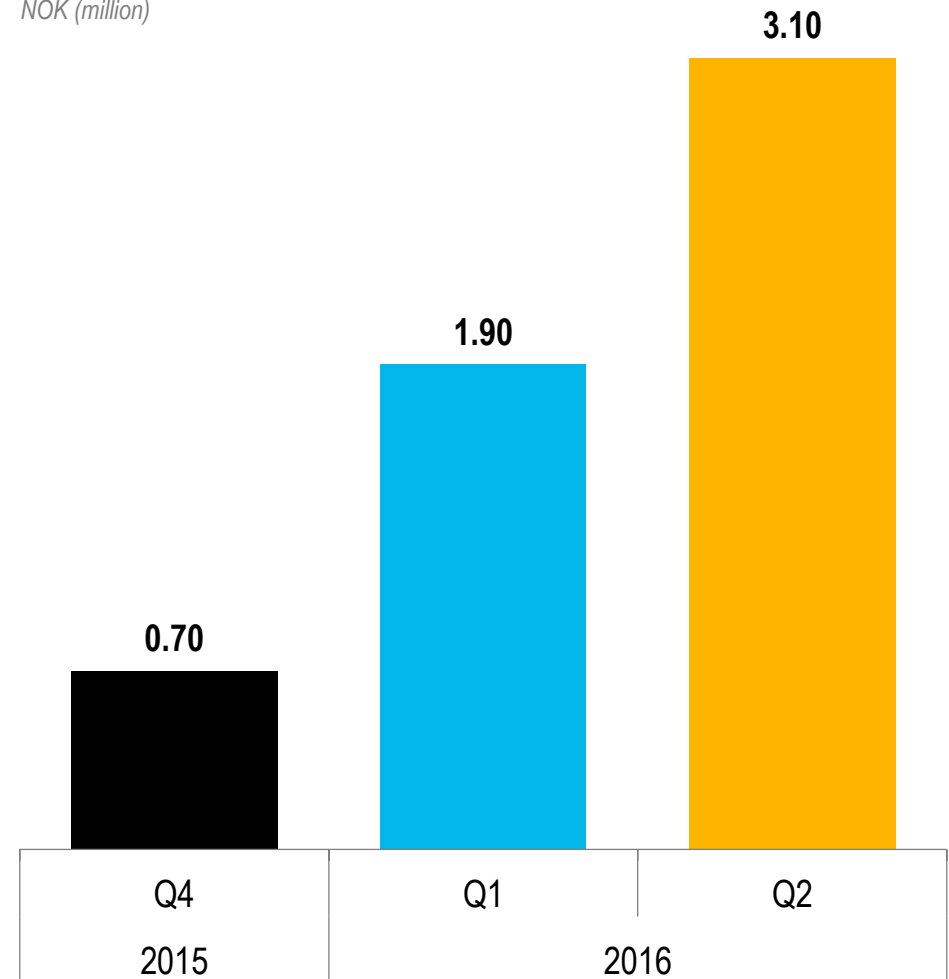
Operating expenses

NOK (million)



Impairment losses *

NOK (million)



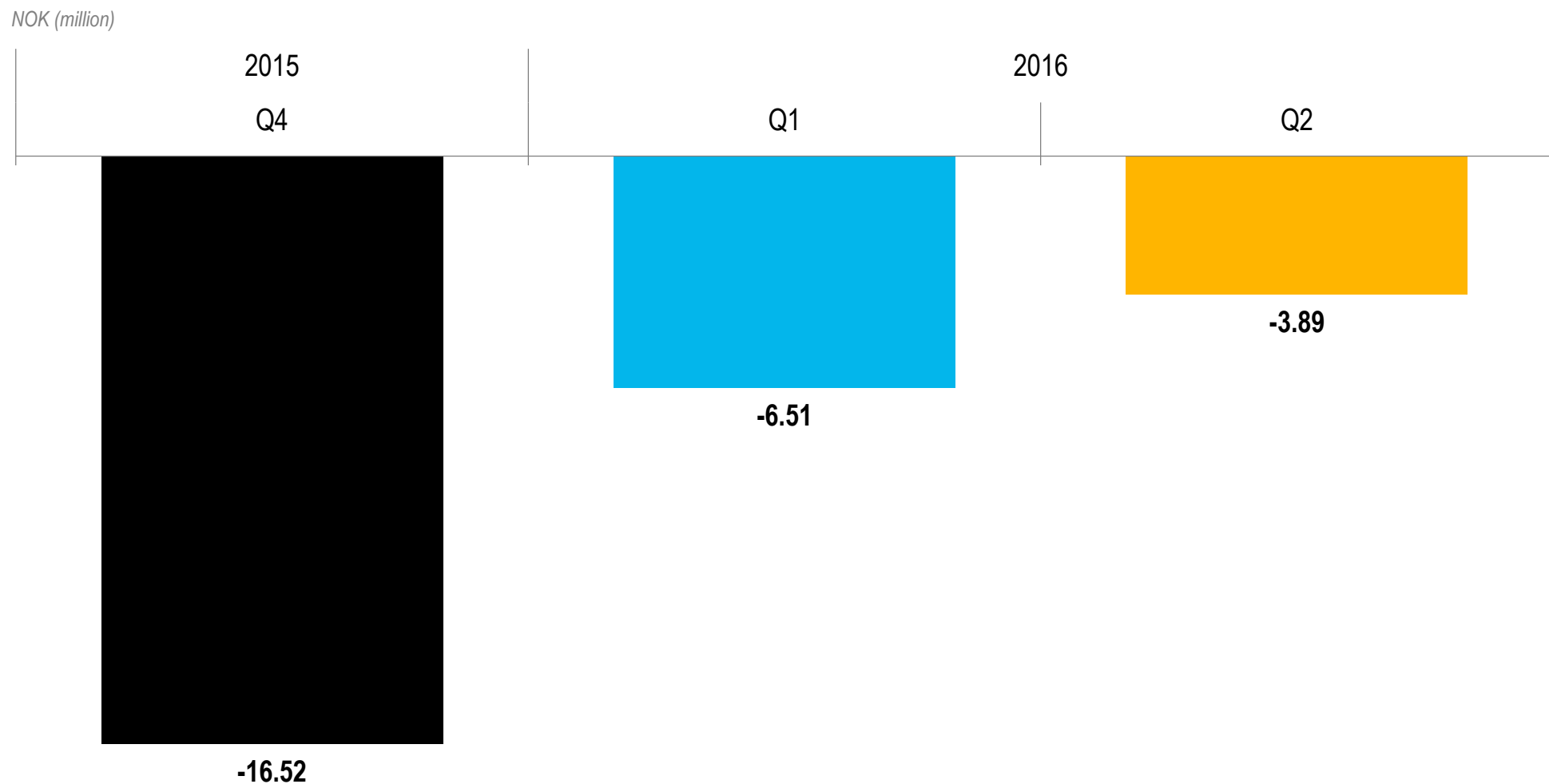
Note(*): loan losses represents mainly provisions as actual losses are negligible

Heading for Profitability

Improved net loss after tax of NOK 3.9 million in Q2 2016



Net loss after tax



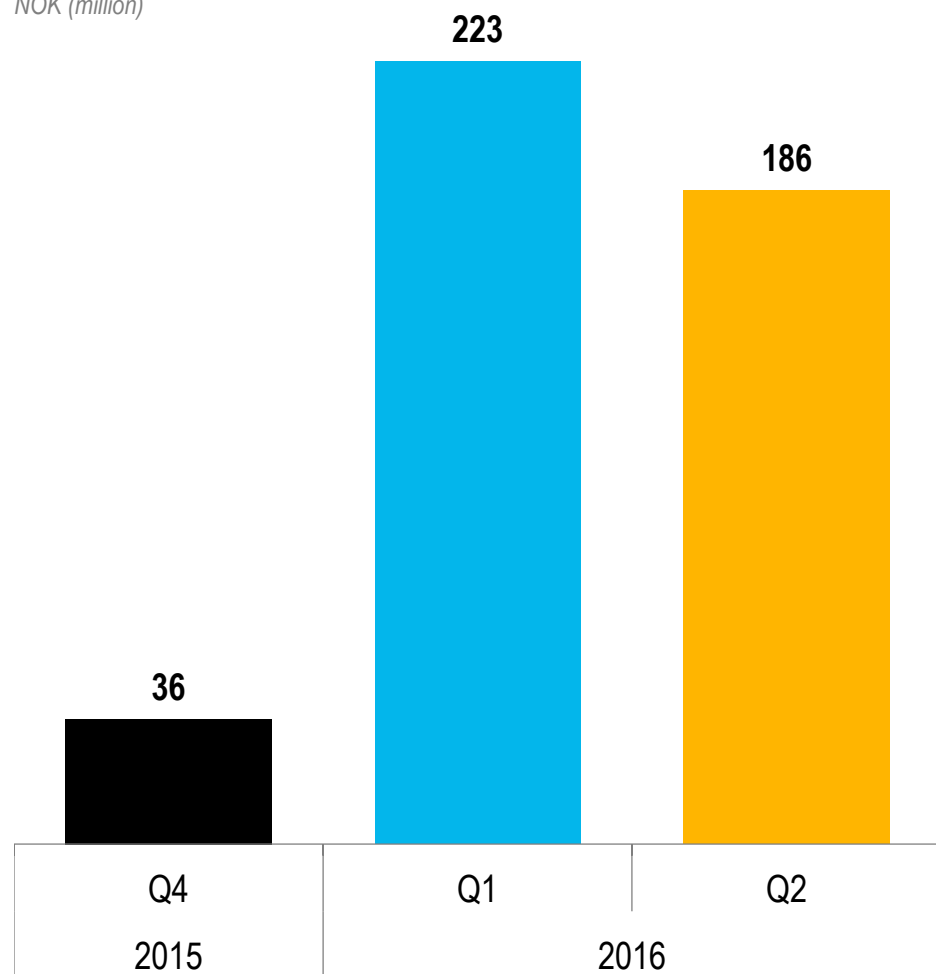
High Loan Growth Claims Regulatory Capital

Current CET1 ratio of 20.5% - still well above requirements from the Norwegian FSA

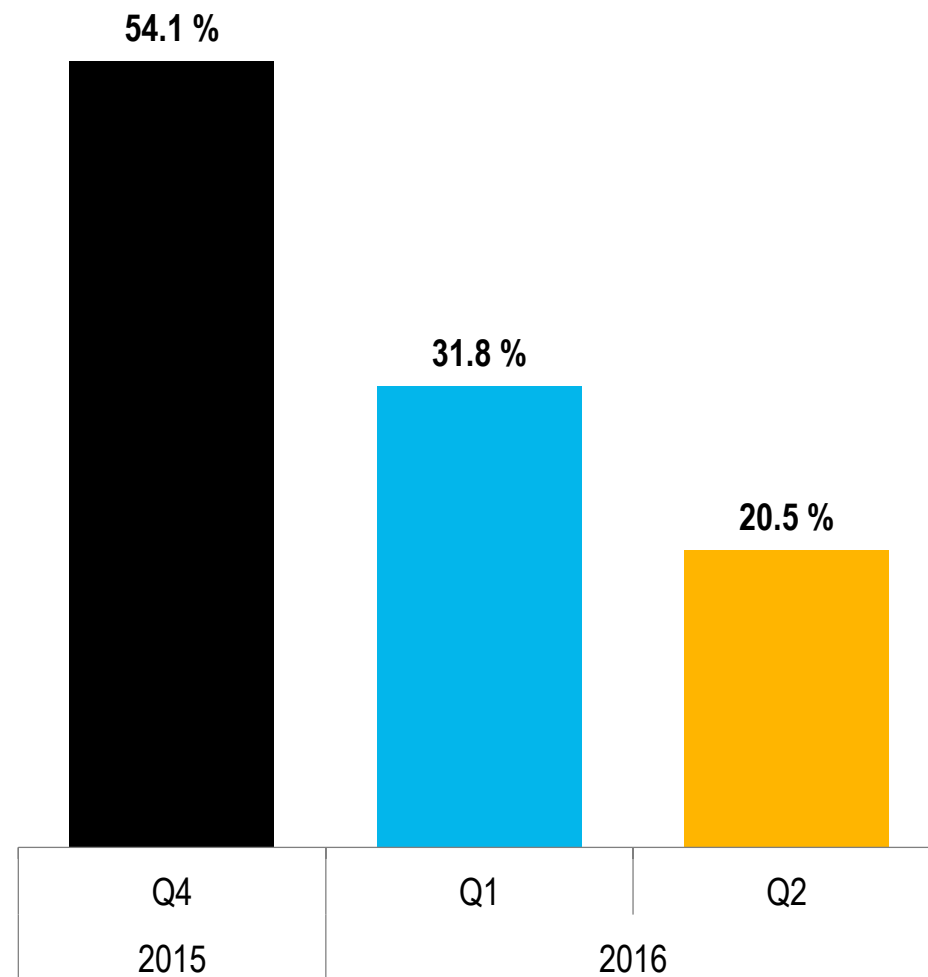


Growth in net loans

NOK (million)



Regulatory capital (CET1 ratio)

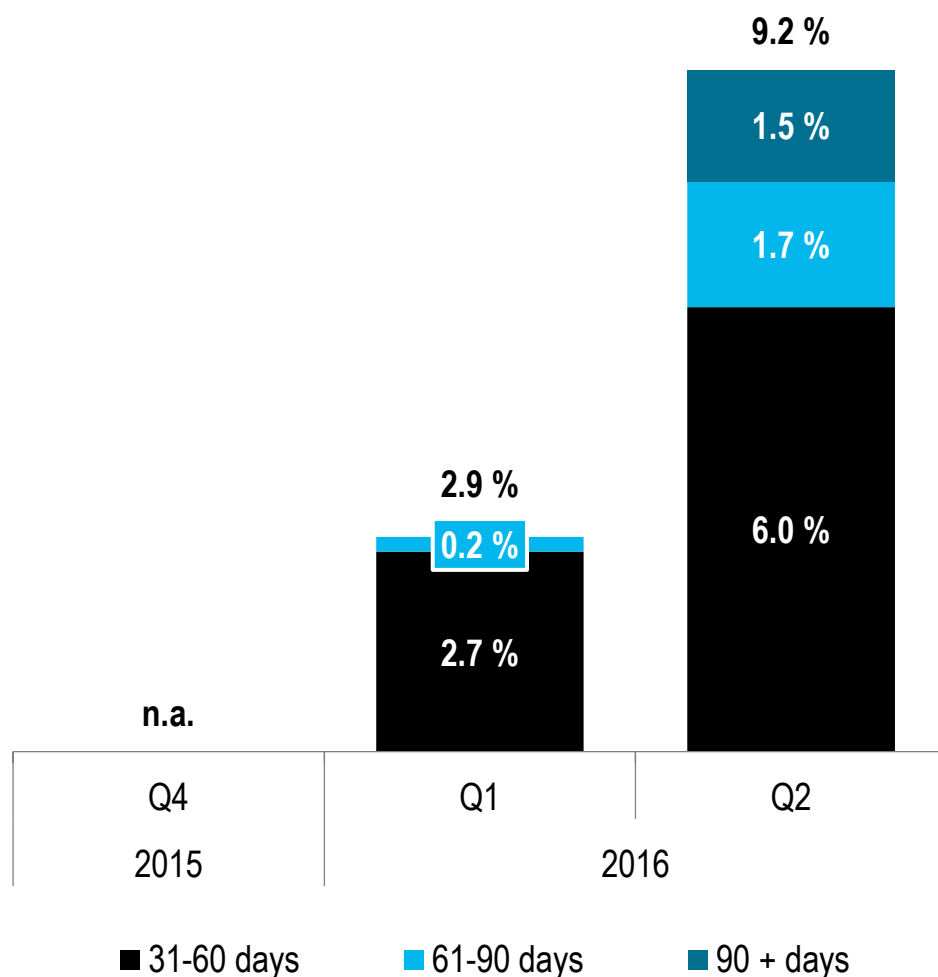


Satisfactory Credit Quality

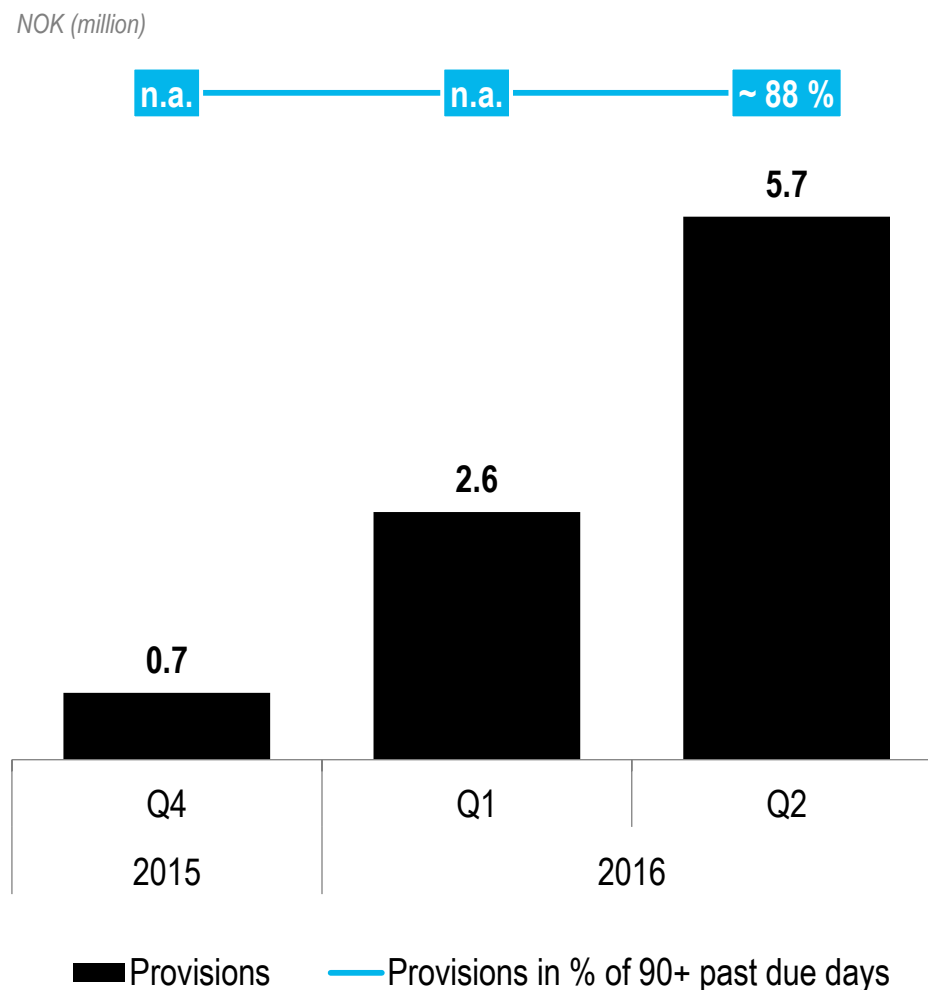
Portfolio risk under control through strict credit risk management and proven operational model



Past due days at end of quarter



Collective provisions



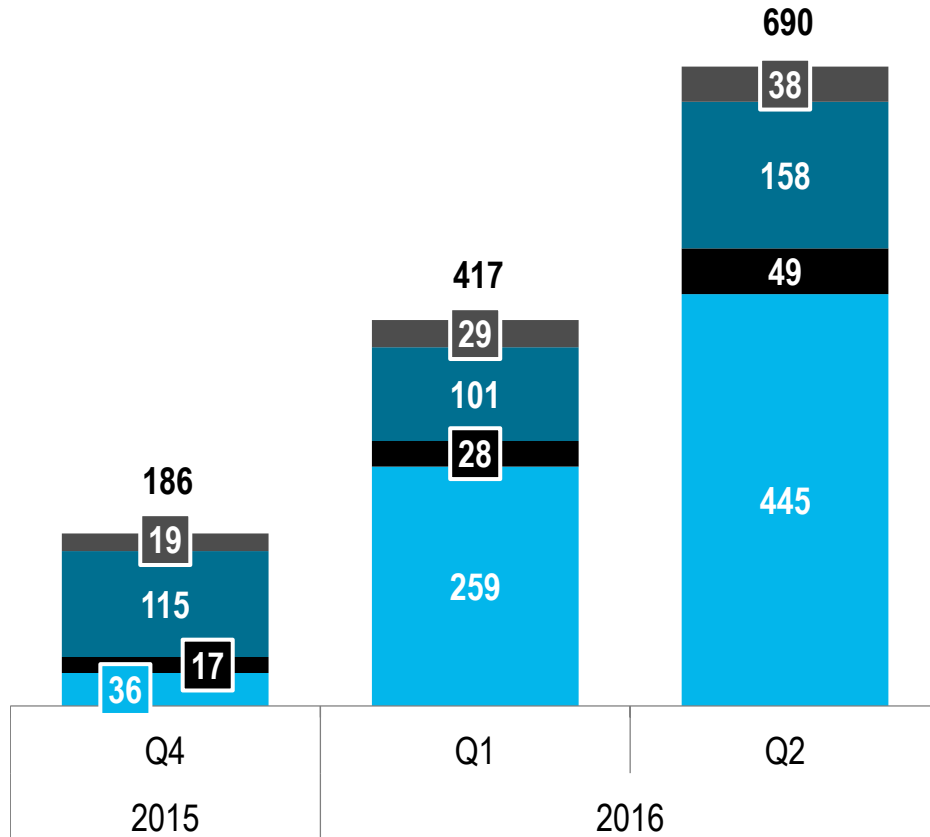
Balance Sheet Structure



Important ratios: | LCR: 147% | NSFR: 169% | deposits constitute 118% of net loans |

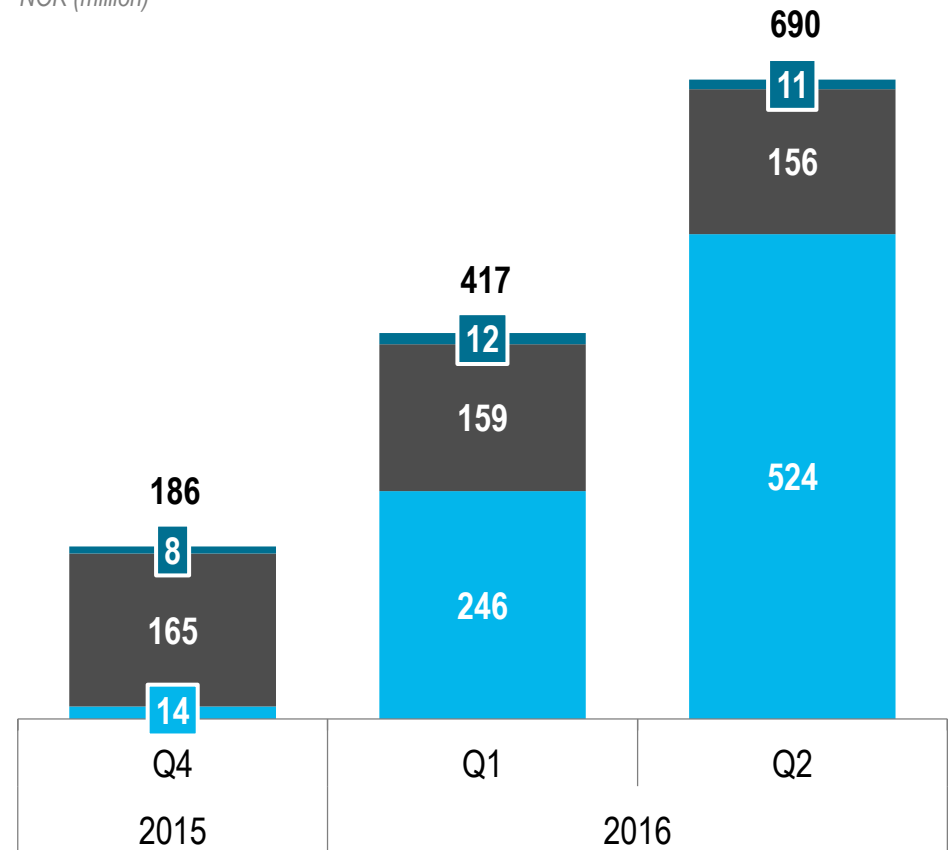
Assets

NOK (million)



Liabilities and equity

NOK (million)



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

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)	2016		2015
	Q2	Q1	Q4
Interest income	13,875	5,175	509
Interest expenses	2,151	446	83
Net interest income	11,723	4,730	427
Income commissions and fees	1,124	1,137	127
Expenses commissions and fees	1,737	612	82
Net commissions and fees	-613	525	45
Total income	11,110	5,254	472
Income/loss from trading activities	-257	-69	39
Staff costs	3,581	3,460	11,088
Other administrative expenses	8,709	7,883	10,333
- of which marketing expenses	4,227	4,237	1,308
Depreciation and amortisation	630	620	910
Total operating costs	12,920	11,963	22,331
(Loss)/profit before impairment losses	-2,067	-6,777	-21,820
Impairment releases/(losses)	-3,100	-1,900	-700
Operating (loss)/profit before tax	-5,167	-8,677	-22,520
Tax charge	1,276	2,167	5,996
Loss for the year	-3,891	-6,510	-16,524

Balance Sheet

BS (NOK thousand)	2016		2015
	Q2	Q1	Q4
ASSETS			
Loans and advances to banks	49,293	27,631	17,204
Debt securities	158,215	101,177	114,583
Loans and advances to customers	450,671	261,281	36,325
Provision for impairment losses	5,700	2,600	700
Net loans and advances to customers	444,971	258,681	35,625
Deferred tax asset	11,161	9,885	7,717
Other intangible assets	7,635	7,384	7,123
Property, plant and equipment	260	137	157
Prepayments, accrued income and other assets	18,960	11,855	3,878
- of which accrued commission to agents	15,971	8,969	1,525
Debt securities	38,015	29,261	18,875
Total assets	690,494	416,750	186,287
LIABILITIES & EQUITY			
Deposits by customers	523,737	246,217	13,579
Provisions, accruals and other liabilities	10,519	11,905	7,570
Total liabilities	534,257	258,122	21,149
Share capital	155,000	155,000	155,000
Surplus capital	-	3,628	10,138
Not registered capital	1,500	-	-
Other equity	-263	-	-
Total equity	156,237	158,628	165,138
Total liabilities and equity	690,494	416,750	186,287

Largest Shareholders

Overview



Top 30 investors

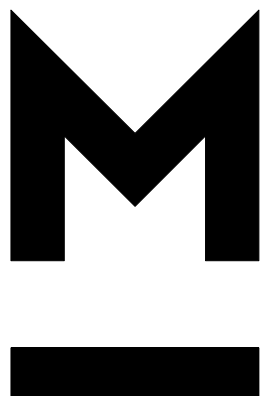
#	Investor	Role	Type	03.08.2016	
				# of shares	% total
1	DANSKE BANK A/S *	Represented on the Board	Nominee	15,926,700	10.28%
2	JO CAPITAL AS	Represented on the Board	Company	12,000,000	7.74%
3	BARA EIENDOM AS		Company	6,800,800	4.39%
4	HAVA FINANCIALS AS		Company	4,630,000	2.99%
5	ZICO AS		Company	4,250,000	2.74%
6	LADEGAARD AS		Company	4,000,000	2.58%
7	EKREM AS		Company	3,660,000	2.36%
8	SANDSOLO HOLDING AS		Company	3,269,723	2.11%
9	SPORTSMAGASINET AS		Company	3,203,410	2.07%
10	LAS INVEST AS		Company	3,100,000	2.00%
11	ANDREAS BAKKE INVEST AS		Company	2,751,000	1.77%
12	GREVE-ISDAHL FINN		Private investor	2,501,000	1.61%
13	BROSS AS		Company	2,500,000	1.61%
14	HØYSÆTER T-BANE COMPAGNIE AS		Company	2,500,000	1.61%
15	LINDBANK AS		Company	2,400,000	1.55%
16	MIKE AS		Company	2,150,000	1.39%
17	STIAN MIKKELSEN AS		Company	2,075,000	1.34%
18	GREVE-ISDAHL JAN	Chairman of the Board	Private investor	2,000,500	1.29%
19	DAHLE BJØRN		Private investor	2,000,000	1.29%
20	DRAGESUND INVEST AS		Company	1,898,000	1.22%
21	HILDING INVEST AS	CEO / Bent H. Gjendem	Company	1,810,000	1.17%
22	IVAR S LØGE AS		Company	1,600,000	1.03%
23	SHELTER AS		Company	1,600,000	1.03%
24	ANGARDE AS		Company	1,500,000	0.97%
25	BRASSETS A/S	IT architect / Erik A. Brandstødmoen	Company	1,500,000	0.97%
26	RIMESTAD TOM HENNING	COO	Private investor	1,450,000	0.94%
27	PETCO AS		Company	1,390,000	0.90%
28	VALLAND MARTIN	CTO	Private investor	1,390,000	0.90%
29	LUCKY RIVER AS		Company	1,375,000	0.89%
30	AMUNDSEN DATA AS	IT architect & board member / Tore Amundsen	Company	1,350,000	0.87%
Sum TOP 30				98,581,133	63.60 %
Other shareholders				56,418,867	36.40 %
Total				155,000,000	100.00 %

Management and employees

Investor	Role	# of shares	% of total
Bent H. Gjendem	CEO	1,810,000	1.17 %
Tom Rimestad	COO	1,450,000	0.94 %
Martin Valland	CTO	1,390,000	0.90 %
Lene Sjøbakk	CFO	320,000	0.21%
Hans Ljøen	CRO	170,000	0.11%
Other employees		5,913,893	3.82 %
Sum		11,053,893	7.13 %

2016 Outlook For Monobank

Will continue to execute underlying business plan



- 1 The market for unsecured lending in Norway continues to grow ✓
- 2 Likely to reach a year-end net loan balance of NOK 750m-800m ✓
- 3 Marketing efforts will be increased and distribution broadened ✓
- 4 Operations estimated to reach break-even during Q3 2016 ✓
- 5 Evaluating potential cross-border expansion opportunities ✓

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