

# MONOBANK

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**Interim report  
3rd quarter 2018**

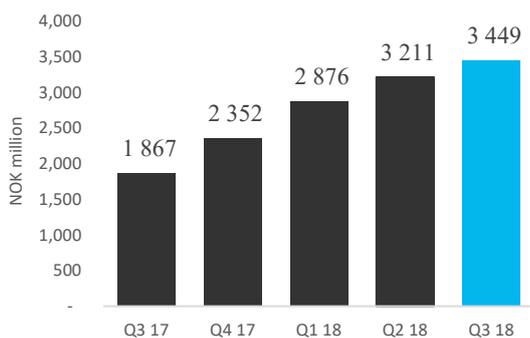


## Continued growth and improved profitability

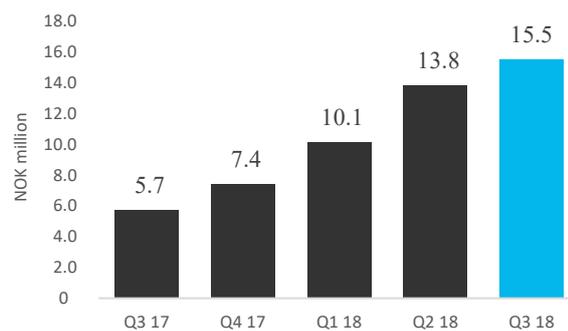
- **Growth driven by geographical expansion**
  - Net loan balance grew 7.4% to NOK 3 449 million, including transfer of loans in a forward flow agreement, reducing loan balance with NOK 86 million
  - Loan growth of 24% in Finland vs. Q2 corresponding to NOK 186 million in new loans
  - Growth of 5 % before effect of forward flow vs. Q2 reflects reduced marketing spending. More conservative approach in Norway due to regulatory environment
  - Net interest income of NOK 86.1 million, up 5 % vs Q2'18 and up 112 % vs. Q3'17
  
- **Improved profitability driven by increasing economies of scale**
  - Net profit after tax of NOK 15.5 million, up 12% vs. Q2 18
  - Net profit YTD Q3'18 of NOK 39.3 million, up 272.4% vs YTD Q3'17
  - Investments in Mono Pay credit card platform reduce short term company profitability
  
- **Monobank's multi-country platform enables continued geographical expansion and diversification**
  - Launching consumer loan offering in Sweden in Q1 2018
  - Receiving Euro denominated deposits from Germany, Austria, France and Spain through Raisin, a German online deposit platform
  
- **Mono Pay credit card platform continues to develop, strategic focus sharpened to ensure commercial success**
  - Introduction of Widerøe-branded digital credit card platform in September, full launch by the end of 2018
  - Identify potential partners for the new revenue stream "Banking as a service"

## Financial development

*Net loans and advances to customers*



*Net profit after tax*



## CEO comment

“Monobank continues to deliver growth and improved profitability. We are satisfied with close to NOK 40 million in profits year to date considering that we have built our digital bank focused on consumer loans independently from scratch three years ago. At the same time, we want to improve our profitability further and given that economies of scale matter we have firmed up our commitment to an ambitious goal of NOK 10 billion in consumer loans within the next three to four years. We want to achieve this through geographical expansion credit cards and purchase financing. Together with VISA and Evry, Monobank has started implementation of e-Wallet solutions enabling payments directly from handheld devices like smartphones, watches and other wearables. This provides our card users with faster, easier and more secure payment options both in store and online. In addition, we continue to develop the Mono Pay credit card platform and look forward to commercialize our significant technological capabilities together with existing partners as we move into 2019”. Bent Gjendem, CEO Monobank ASA

## About Monobank ASA

Monobank ASA is a digital bank focused on consumer finance in the Nordics. The Bank is cloud based with strong focus on customer experience and fintech solutions.

Headquarters is based in Bergen, Norway and the bank started operation in November 2015. Monobank has experienced strong growth and went profitable after only three quarters. The main products are deposits, unsecured lending to qualified private individuals in Norway and Finland and credit cards in Norway. The screening process is based on an automated evaluation system. Loans are granted up to

NOK 500 000. The bank also offers attractive deposit rates on its savings accounts. Deposits up to NOK 2 million are guaranteed by the Norwegian Banks' Guarantee fund of which Monobank is a member.

Monobank is an independent bank with approximately 1 000 shareholders and was listed on the Oslo Stock Exchange's Merkur Market on 16th February 2017 under the ticker symbol MONO-ME. Monobank has been awarded with "Great Place to Work" twice since the start.

## Strategy

Monobank is on a mission to redefine retail banking with a sharp focus on customer experience.

Monobank is a digital consumer bank with its home market being Norway covering people's need for liquidity. Monobank shall differentiate on availability and dominate on customer experience in its market segment. With 24/7 availability, fast loan processes combined with simple and easy to use products Monobank has grown to take a clear number three position among niche consumer banks in Norway. Monobank's Nordic footprint grew by entering

Finland in 2017 and will grow further by entering Sweden in 2019.

Going forward, Monobank seeks continued loan growth through geographical expansion credit card growth fuelled by innovative solutions and strategic partnerships and by developing Monobank's financing business together with commercial partners.

Furthermore, Monobank will develop and capitalise on its emerging fintech business and plan to increasingly commercialize its technological capabilities together with existing and new partners to create new revenue streams.

## Operations

During the third quarter of 2018, Monobank experienced positive operational development and continued strategic progress.

Overall third quarter loans and advances to customers increased 7% NOK 243 million to NOK 3 541 million (from 3 298 million) excluding provision for loan losses and prepaid agency commissions.

Monobank's forward flow agreement was implemented effective end of the second quarter. The agreement enhances the predictability of Monobank's future loan losses. It also has a positive impact on capital adequacy ratios. Monobank transferred NOK 86 million in loans in the forward flow agreement by the end of the quarter.

Loans and advances to customers in Norway increased with 5% compared to last quarter. The growth was impacted by lower marketing spending. This was mainly due to the absence for consistent market practice and some regulatory uncertainties of regulatory framework for consumer lending and credit cards. Net of the forward flow agreement and customer repayments of NOK 203 million, the lending growth in Norway was 2%.

Monobank concentrated its efforts on growth in net loans in Finland which continued at solid pace and grew 24% in the quarter.

Average loan size in Norway remained stable around NOK 220 000 while the corresponding figure in Finland was NOK 145 000.

Monobank's operations continued to perform well during the period. The bank handles loans and deposits from an internally developed multi country platform to facilitate efficient and expedient geographical expansion of its core business.

The credit quality has developed in line with expectations. A growing data base allows for further fine-tuning of the internally developed credit model. Customer support handle loan requests with an integrated pricing model which measures return on equity on individual loans. This enables Monobank to optimize credit quality overall and to practice selective pricing among different customer groups to further improve net interest margins in a highly competitive environment.

In Finland new agents were added and refined scoring and pricing models were introduced to further stimulate growth.

The multi country platform was connected to the deposit provider Raisin in the first quarter 2018, and handled competitive Euro denominated deposits from Germany, Austria, France and Spain in the third quarter 2018. Cost of customer acquisition in Finland is favourable compared to the Norwegian market and the set up with Raisin provide low funding costs for Euro denominated consumer loans.

The Bank introduced the Widerøe branded credit card on 27 September 2018. A Widerøe-branded credit card was made available in combination with the Mono Pay mobile payment application. The offering represents a milestone in the previously announced cooperation with Scandinavia's largest regional airline. The first step in the gradual launch was provided as an offering to all of Widerøe's employees. It also was made available for Widerøe customers in the App.

Monobank continued to prepare for the announced launch in Sweden in Q1 2019.

## Financials

### Profit and loss

Interest income for the first 9 months of the year was NOK 288 million, an increase of 120% compared to first nine months of 2017 (131).

Total income was NOK 216 million. Operating costs amounted to NOK 102 million. Cost/income ratio was down 15 percentage points compared to the same period last year driven by the scalable operating model. Operating profit before impairment provisions was NOK 115 million compared to a profit of NOK 38 million for the first 3 quarters of 2017. Write down on loans was NOK 62 million in the period compared to NOK 38 million in the previous period.

This resulted in a profit of NOK 52.2 million before taxes year to date 2018. The after-tax profit of NOK 39.4 million has been added to other equity.

Interest income for the quarter was NOK 106 million, an increase of 8% compared to previous quarter (98 million).

Total income for the quarter was NOK 76.4 million. Operating costs amounted to NOK 30.9 million. Cost/ income ratio was down 9 percentage points compared to last quarter mainly driven by lower level of marketing spending and lower staff costs. Operating profit before impairment provisions was NOK 45.2 million compared to a profit of NOK 37.2 million in the previous quarter. Provisions for loan losses was NOK 24.5 million in the quarter compared to 18.8 million in the previous quarter.

This resulted in a third quarter profit of NOK 20.7 million before taxes. The after-tax profit of NOK 15.5 million has been added to other equity.

The loan loss ratio<sup>1</sup> was 2.9% in the quarter compared to 2.7% in the previous quarter.

### Balance sheet

Total assets amounted to NOK 4 948 million as of 30 September 2018 up from NOK 4 212 million at the end of the second quarter 2018. The bank's net loan balance was NOK 3 449 million (NOK 3 212 million) including unspecified loss provisions but excluding prepaid agency commissions. Of loans outstanding at 30 September, NOK 943 million was extended to Finnish customers representing 27% of total net loans.

Deposits from customers were NOK 4 239 million (NOK 3 434 million). Monobank's bank deposits and liquid securities amounted to NOK

1 312 million. Within policy guidelines, the bank seeks to optimize interest income through diversified placement of liquidity within eligible investment instruments. Accordingly, a portion of the bank's liquidity may be placed in approved higher weighted instruments from time to time. Total equity was NOK 563 million and CET1 was 16.7%. Assuming debt securities were placed entirely in zero weighted instruments the CET1 would be 17.1%. Minimum weighted CET1 is 13.5%. For further information about regulatory capital ratios see note 3.

<sup>1</sup> Loan loss ratio: Last twelve months impairment losses/average net loans to customer LTM. The

methodology used in determining loss provision have been constant since inception.

## Events after the balance date

There is no significant event to report

## Other information

This interim report has been reviewed in accordance with ISRE 2410 (International Standard on Review Engagement). The review report is enclosed to this report

Monobank has received objections to its registration and use of trademarks in certain EU countries from the French company Monabanq SA. Monobank does not agree with these objections and will take all steps necessary to defend its rights.

## Risk, uncertainties and additional factors impacting Monobank

Monobank is subject to a range of risks and uncertainties which may affect its business operations, financial condition and results of operations. The description of principal risks and uncertainties in the Financial statements and Board of Directors' Report 2017 gives a fair

description of principal risks and uncertainties that may affect Monobank in the fourth quarter 2018. The company is not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties.

## Outlook

Monobank is adapting to Norwegian regulatory guidelines for consumer banks which took effect on 1 October 2017. The FSA has announced that additional regulations will be introduced and announced in early September regulations in accordance with the guidelines for responsible lending practices for unsecured credit. It is still not clear to what extent these measures will affect overall demand for consumer loans, but Monobank welcomes regulations that will contribute to more consistent practice for all consumer loan banks operating in Norway.

Monobank's cloud based business model and multi-country platform offers considerable operational synergies across markets and gives scalability and efficient growth capacity. With a cost base and OPEX level scaled for growth, the Board decided in August to launch consumer loan business in Sweden in Q1 2019. The expansion will diversify Monobank's business and regulatory risk exposure. Taken into consideration the importance of scale, the Board also committed to an ambition of NOK 10 billion in consumer loans within the next three

to four years. This shall be achieved through continued Nordic geographical expansion, credit cards and purchase financing.

Increased focus on efficient use of marketing resources as well as leveraging its developed distribution platforms to increase operational efficiencies should improve the bank's profitability going forward. For the full year 2018 Monobank targets a net profit after tax in the range of NOK 55 – 60 million. This takes into account the investments related to the introduction of the Widerøe credit card in addition to expenses related to the continued development of the Monobank platform.

Monobank did not adequately factor in the effects of the forward flow agreement when guiding on net loans of 4.1 billion year end 2018 in April 2018. Furthermore, uneven practice of new guidelines, and uncertainty on final regulations by the FSA has encouraged Monobank to take a more conservative approach while awaiting for more clarity. Finally, the introduction of the Widerøe

branded credit card has been more gradual than previously expected. In all, these factors already had an effect on Q3 net lending growth. Accordingly, Monobank has adjusted the target of overall net loans to be in the area of NOK 3.7 to 3.8 billion by year end 2018, compared to 2.35 billion at YE 2017.

The adaption to IFRS9 will continue. The FSA has started the SREP process with estimated completion by year end 2018.

A key element of Monobank's strategy is to leverage its established position in digital consumer banking to create new revenue streams using the Mono Pay app which is included in the credit card platform. The first partner roll-out is with Scandinavia's largest regional airline Widerøe. The introduction of the combined credit card and Mono pay app to

Widerøes employees took place in late September. Next steps are a gradual introduction of the combined card and app mainly using Widerøe's owned marketing channels.

Monobank communicated in relation to the private placement of 23 October 2017 its plans to apply for a listing on Oslo Stock Exchange' main market within the next 12 months subject to equity market conditions. Based on uncertainties related to the regulatory framework for consumer lending and credit cards in Norway Monobank continues to evaluate timing for a listing at Oslo Stock Exchange' main market until the Bank has more clarity on these topics. Accordingly, the bank wants to maintain full flexibility for the timing of accessing the capital markets to fund accretive growth.

## Financial statement

### Statement of comprehensive income

| <i>In NOK thousands</i>                       | Q3 2018       | Q3 2017       | YTD<br>2018    | YTD<br>2017    | 2017           |
|-----------------------------------------------|---------------|---------------|----------------|----------------|----------------|
| Interest income                               | 105 680       | 53 535        | 288 437        | 130 927        | 201 202        |
| Interest expenses                             | 19 549        | 8 953         | 51 847         | 19 368         | 33 733         |
| <b>Net interest income</b>                    | <b>86 131</b> | <b>44 582</b> | <b>236 589</b> | <b>111 559</b> | <b>167 469</b> |
| Income commissions and fees                   | 6 975         | 4 076         | 19 715         | 9 648          | 14 857         |
| Expenses commissions and fees                 | 16 706        | 7 201         | 40 581         | 17 085         | 24 983         |
| <b>Total income</b>                           | <b>76 400</b> | <b>41 457</b> | <b>215 723</b> | <b>104 122</b> | <b>157 343</b> |
| Income/loss from trading activities           | (348)         | (279)         | 606            | (997)          | (1 456)        |
| Staff costs                                   | 10 602        | 6 862         | 31 070         | 18 538         | 26 503         |
| Other administrative expenses                 | 17 753        | 13 806        | 63 650         | 41 826         | 61 708         |
| - of which marketing expenses                 | 9 958         | 7 705         | 36 574         | 23 830         | 35 141         |
| Depreciation and amortisation                 | 2 513         | 1 999         | 7 008          | 4 578          | 5 957          |
| <b>Total operating costs</b>                  | <b>30 868</b> | <b>22 666</b> | <b>101 728</b> | <b>64 941</b>  | <b>94 168</b>  |
| <b>Profit/(loss) before impairment losses</b> | <b>45 184</b> | <b>18 511</b> | <b>114 602</b> | <b>38 183</b>  | <b>61 719</b>  |
| Impairment releases/(losses)                  | (24 524)      | (10 946)      | (62 407)       | (24 141)       | (37 975)       |
| <b>Operating profit/(loss) before tax</b>     | <b>20 660</b> | <b>7 565</b>  | <b>52 196</b>  | <b>14 041</b>  | <b>23 743</b>  |
| Tax charge                                    | (5 168)       | (1 857)       | (12 853)       | (3 477)        | (5 784)        |
| <b>Profit/Loss for the year</b>               | <b>15 492</b> | <b>5 708</b>  | <b>39 342</b>  | <b>10 564</b>  | <b>17 960</b>  |

## Statement of financial position

| <i>NOK million</i>                          | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
|---------------------------------------------|-------------------|-------------------|-------------------|
| <b>Assets</b>                               |                   |                   |                   |
| Loans and advances to banks                 | 83 630            | 63 559            | 56 000            |
| Loans and advances to customers             | 3 540 868         | 1 904 116         | 2 402 869         |
| Provision for impairment losses             | 91 882            | 37 278            | 50 681            |
| <b>Net loans and advances to customers</b>  | <b>3 448 985</b>  | <b>1 866 839</b>  | <b>2 352 188</b>  |
| Debt securities                             | 1 228 593         | 488 535           | 756 536           |
| Deferred tax asset                          | 0                 | 8 902             | 8 592             |
| Other intangible assets                     | 62 119            | 31 606            | 39 349            |
| Property, plant and equipment               | 2 104             | 1 675             | 1 755             |
| Financial derivatives                       | 2 150             |                   | 1 374             |
| Prepayments accrued income and other assets | 120 552           | 65 980            | 85 095            |
| - of which accrued commission to agents     | 113 837           | 62 677            | 80 817            |
| <b>Total assets</b>                         | <b>4 948 135</b>  | <b>2 527 096</b>  | <b>3 300 888</b>  |
| <b>Equity and liabilities</b>               |                   |                   |                   |
| <b>Liabilities</b>                          |                   |                   |                   |
| Deposits by customers                       | 4 238 973         | 2 042 687         | 2 651 861         |
| Provisions, accruals and other liabilities  | 43 154            | 40 370            | 28 797            |
| Subordinated loan                           | 98 654            | 98 811            | 98 399            |
| Tax payable                                 | 4 261             |                   |                   |
| <b>Total liabilities</b>                    | <b>4 385 042</b>  | <b>2 181 868</b>  | <b>2 779 057</b>  |
| <b>Equity</b>                               |                   |                   |                   |
| Share capital                               | 249 196           | 200 746           | 248 318           |
| Surplus capital                             | 256 597           | 132 911           | 255 170           |
| Retained Earnings                           | 57 302            | 10 564            | 17 960            |
| Not registered capital                      | 0                 | 622               | 0                 |
| Other paid in capital (options)             | 0                 | 384               | 0                 |
| <b>Total equity</b>                         | <b>563 093</b>    | <b>345 227</b>    | <b>521 447</b>    |
| <b>Total equity and liabilities</b>         | <b>4 948 135</b>  | <b>2 527 096</b>  | <b>3 300 504</b>  |

Jan Greve-Isdahl  
Chairman of the Board

Tore Hopen

Mette Henriksen

Guro Røberg

Torhild Eide Torgersen

Tore Amundsen  
Employee representative

Bent Gjendem CEO

## Statement of changes in equity

| <i>In NOK thousands</i>           | <b>Share capital</b> | <b>Surplus capital</b> | <b>Other paid-in capital (options)</b> | <b>Not registered capital</b> | <b>Retained earnings</b> | <b>Total</b> |
|-----------------------------------|----------------------|------------------------|----------------------------------------|-------------------------------|--------------------------|--------------|
| <b>Equity at 01.01.2018</b>       | 248 318              | 255 170                | 384                                    |                               | 17 960                   | 521 830      |
| Profit/(loss) for the period      |                      |                        |                                        |                               | 39 342                   | 39 342       |
| Option programme                  | 778                  | 1 400                  | (384)                                  |                               |                          | 1 794        |
| Shares issued net of fees and tax | 100                  | 27                     |                                        |                               |                          | 127          |
| <b>Equity at 30.09.2018</b>       | 249 196              | 256 597                |                                        |                               | 57 302                   | 563 093      |

## Statement of cash flows

| <i>In NOK thousand</i>                                                   | <b>Q3 2018</b> | <b>Q3 2017</b> | <b>2017</b>   |
|--------------------------------------------------------------------------|----------------|----------------|---------------|
| <i>Cash flows from operating activities</i>                              |                |                |               |
| Operating profit/(loss) before tax                                       | 20 660         | 7 565          | 23 743        |
| Adjustment for change in provision for impairment losses                 | 5 463          | 10 938         | 37 150        |
| Adjustment for unrealised changes in fair value of financial instruments | (931)          | 964            | 7 311         |
| Adjustment share option programme                                        |                |                |               |
| Depreciation and amortisation                                            | 2 599          | 1 999          | 5 957         |
| Changes in loans and advances to customers                               | (242 730)      | (431 472)      | (1 549 300)   |
| Changes in deposits by customers                                         | 805 346        | 486 360        | 1 748 455     |
| Changes in financial derivatives                                         | (4 820)        | 1 524          | (1 374)       |
| Changes in debt securities                                               | (540 838)      | (166 514)      | (462 582)     |
| Changes in other operating assets and liabilities                        | (2 029)        | 8 342          | (39 658)      |
| Net cash flows from operating activities                                 | 42 720         | (80 294)       | (230 298)     |
| <i>Cash flows from investing activities</i>                              |                |                |               |
| Purchase of property plant and equipment                                 | (306)          | (284)          | (1 810)       |
| Investment in intangible assets                                          | (8 690)        | (6 440)        | (32 008)      |
| Net cash flows from investing activities                                 | (8 996)        | (6 724)        | (33 818)      |
| <i>Cash flows from financing activities</i>                              |                |                |               |
| Issue of ordinary shares                                                 | 0              | 0              | 170 498       |
| Issued Tier 1 and Tier 2 capital                                         | 0              | 98 495         | 98 399        |
| Net cash flows from financing activities                                 |                | 98 495         | 268 897       |
| Net increase/(decrease) in cash and cash equivalents                     | 33 725         | 11 478         | 4 781         |
| Cash and cash equivalents at period start                                | 49 906         | 52 081         | 51 219        |
| Cash and cash equivalents at period end                                  | <b>83 630</b>  | <b>63 559</b>  | <b>56 000</b> |
| Cash and cash equivalents consists of:                                   |                |                |               |
| Loans and advances from banks                                            | 83 630         | 63 559         | 56 000        |

## Notes to the financial statements

### Note 1 Accounting principles

Monobank Q3 2018 report is prepared in accordance with general accounting principles as described in the annual report for 2017. This interim report has been reviewed in accordance with ISRE 2410 (International Standard on Review Engagement).

### Note 2 Loans and advances to customers

| <i>In NOK thousands</i>                    | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
|--------------------------------------------|-------------------|-------------------|-------------------|
| Loans and advances to customers            | 3 540 868         | 1 904 116         | 2 402 869         |
| Provision for impairment losses            | 91 882            | 37 278            | 50 681            |
| <b>Net loans and advances to customers</b> | <b>3 448 985</b>  | <b>1 866 839</b>  | <b>2 352 188</b>  |

| <i>In NOK thousands</i>                                            | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Realized losses in the period                                      | 19 061            | 8                 | 431               |
| The period's change on individual impairment of loans              | 5 305             | 9 020             | 11 748            |
| The period's change on impairment of loans - collectively assessed | 159               | 1 918             | 1 655             |
| <b>Write downs on loans</b>                                        | <b>24 525</b>     | <b>10 946</b>     | <b>13 834</b>     |

#### **Defaulted loans and losses**

| <i>In NOK thousands</i>        | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
|--------------------------------|-------------------|-------------------|-------------------|
| Defaulted loans                | 356 618           | 135 653           | 189 053           |
| Individual impairment of loans | 78 456            | 29 844            | 41 592            |
|                                | <b>278</b>        |                   |                   |
| <b>Net defaulted loans</b>     | <b>162</b>        | <b>105 809</b>    | <b>147 462</b>    |

|                                             |        |       |       |
|---------------------------------------------|--------|-------|-------|
| Impairment of loans - collectively assessed | 13 426 | 7 434 | 9 089 |
|---------------------------------------------|--------|-------|-------|

Net loan balance of NOK 3 449 million, includes transfer of loans in a forward flow agreement, reducing loan balance with NOK 86 million.

### Note 3 Capital adequacy

| <i>In NOK thousands</i>                                                                          | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Share capital                                                                                    | 249 196           | 200 746           | 248 318           |
| Surplus capital                                                                                  | 274 555           | 132 911           | 273 129           |
| Retained Earnings                                                                                | 39 341            |                   |                   |
| - Deduction of deferred tax assets, other intangible assets and additional valuation adjustments | (47 818)          | (33 095)          | (38 862)          |
| <b>Common equity Tier 1 capital</b>                                                              | <b>515 275</b>    | <b>300 562</b>    | <b>482 585</b>    |
| Additional Tier 1 capital instruments                                                            | 50 000            | 50 000            | 50 000            |
| <b>Tier 1 capital</b>                                                                            | <b>565 275</b>    | <b>350 562</b>    | <b>532 585</b>    |
| Subordinated loan capital                                                                        | 50 000            | 50 000            | 50 000            |
| <b>Tier 2 capital</b>                                                                            | <b>615 275</b>    | <b>400 562</b>    | <b>582 585</b>    |
| <b>Capital requirements</b>                                                                      | <b>30.09.2018</b> | <b>30.09.2017</b> | <b>31.12.2017</b> |
| Institutions                                                                                     | 42 259            | 55 942            | 58 014            |
| Loans to customers 75% as of 25.04.17                                                            | 2 389 500         | 1 353 616         | 1 658 723         |
| Defaulted loans 100%                                                                             | 278 162           | 105 809           | 147 462           |
| Covered bonds                                                                                    | 9 758             | 3 825             | 3 821             |
| Other assets                                                                                     | 122 657           | 67 655            | 86 850            |
| Corporate                                                                                        | 1 042             | 95 030            | 119 892           |
| Regional governments or local authorities                                                        | 48 216            | 38 309            | 63 380            |
| <b>Market risk</b>                                                                               | 196 783           | 98 548            | 196 783           |
| <b>Operational risk</b>                                                                          |                   |                   |                   |
| <b>CVA risk</b>                                                                                  |                   | 5                 | 414               |
| <b>Total risk-weighted volume and capital requirements</b>                                       | <b>3 088 377</b>  | <b>1 818 737</b>  | <b>2 335 339</b>  |
| Common equity Tier 1 capital ratio                                                               | 16.7 %            | 16.5 %            | 20.7 %            |
| Tier 1 capital ratio                                                                             | 18.3 %            | 19.3 %            | 22.8 %            |
| Capital ratio                                                                                    | 19.9 %            | 22.0 %            | 25.0 %            |
| Minimum CET 1 capital ratio requirement                                                          | 13.5%             | 13.4%             | 13.7%             |

LCR (Liquidity Coverage Ratio) 701% and NSFR (Net stable funding ratio) 181.4 % as of 30.09.2018

# MONOBANK

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