

BRAbank ASA

1st quarter 2021 results presentation

29th April 2021



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BRABank ASA at a glance

Digital niche bank with a Nordic footprint

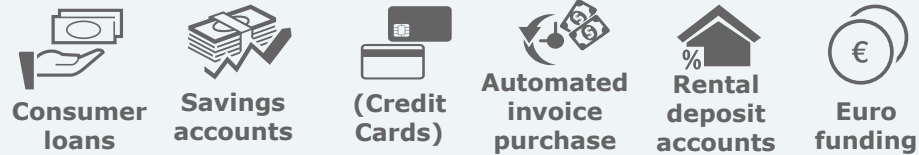
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Consumer finance with a strong presence in the Nordic market...

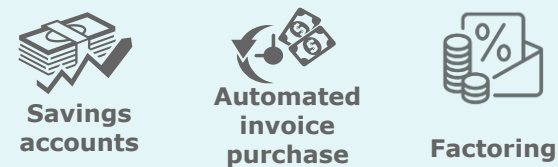
- Fully digital bank offering consumer loans, savings accounts, automated invoice purchase and SME financing
- Proven value chain with inhouse credit analysis and operations, broad distribution network and forward flow agreement with Kreditor
- Roots back to 2003. Rebranded to Easybank and strategically turned around in 2016, resulting in one of the most profitable start-up niche banks
- HQ in Oslo and regional office in Bergen

Product portfolio

B2C



B2B



...leveraged by a digital platform and strategic partnerships

- Easybank and BRABank joined forces in October 2020 with Easybank as surviving entity - enabling a more competitive bank with substantial synergy upside, scaling opportunities and increased self-funding capabilities
- Strategic partnerships with Convene, Conta, Horde, husleie.no, debet.no and more
- Listed on Euronext Growth at Oslo Børs, ~1 600 shareholders. Braganza AB largest shareholder. Other large shareholders include Hjellegjerde Invest, 4finance Group, Skagerrak Sparebank, Alfred Berg Norge/Aktiv, Fondsave

Gross loans 5 699 MNOK – geographical mix Q1 2021



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Q1 2021 highlights

Financials



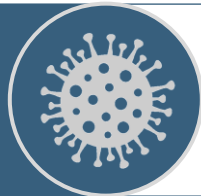
- Profit before tax 36.8 MNOK (profit after tax 27.9 MNOK)
- Total income 124.8 MNOK
- CET1 Capital ratio of 21.9%

Credit quality



- Sale of non-performing loans in Norway reduces downside risk
- Improvement in credit quality
- Still uncertain long-term impact of Covid-19

Covid-19 impact



- Lower demand for consumer financing
- Covid-related regulations in Finland continues
- The consumer finance market is expected to normalize in parallel with lifting lockdown restrictions

Merger



- No significant merger related one-off costs
- Scalable business model starting to materialize
- Streamlining of value chain and cost synergies on track

Key financial figures, MNOK

| | Q1-21 | Q4-20-adjusted ¹ | 2020-adjusted ¹ |
|-----------------|-------|-----------------------------|----------------------------|
| Interest income | 139.8 | 158.6 | 381.0 |
| PBT | 36.8 | 23.5 | 72.0 |
| ROE | 9.4% | 6.1% | 7.8% |
| EPS | 0.29 | 0.76 | 0.71 |
| C / I | 34.0% | 32.0% | 29.6% |
| Gross loans | 5 699 | 6 248 | 6 248 |

| Equity ² | # of shares | BVPS |
|---------------------|-------------|-----------|
| 1 197 | 94 794 380 | 12.62 NOK |

Note on key figures: PBT: Profit before tax, ROE: Annualized Return On Equity (excluding tier-1 capital), EPS: Annualized Earnings per share, C/I: Cost to income

Figures prior to merger October 1st 2020 are Easybank ASA

1) Adjusted: Badwill, write-down intangible assets, restructuring costs and other one-off costs and additional Covid-19 loan loss provision

2) Book value (excl. tier 1 capital) of equity per share

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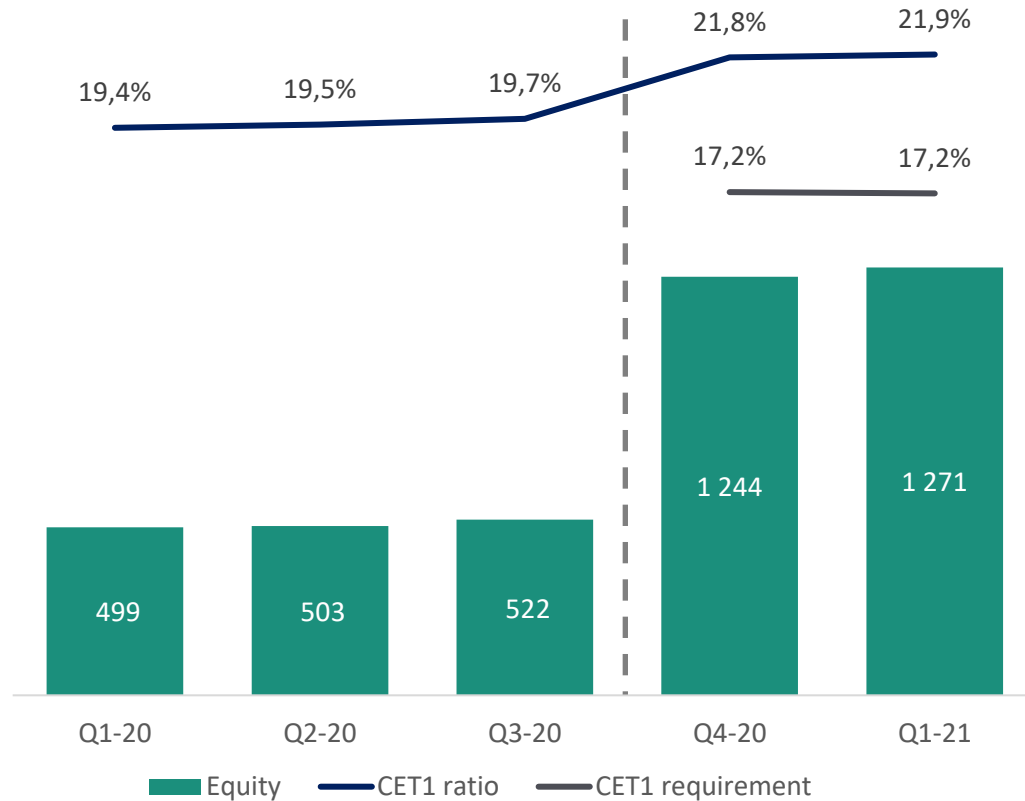
3 Merger update and outlook



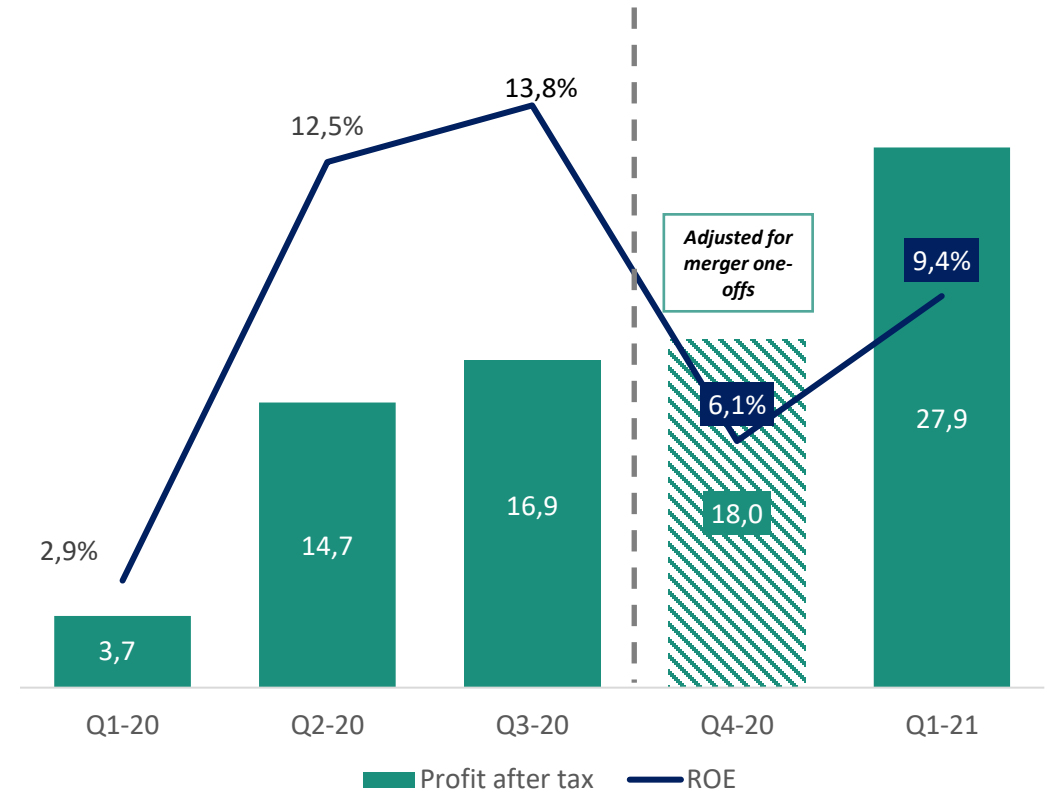
Solid buffer to capital requirement

Provides operational flexibility and growth capacity

Equity and CET1 ratio, MNOK



Profit after tax and Return on Equity¹, MNOK



Note: All figures left of the dotted line are standalone Easybank throughout the presentation, if not stated otherwise

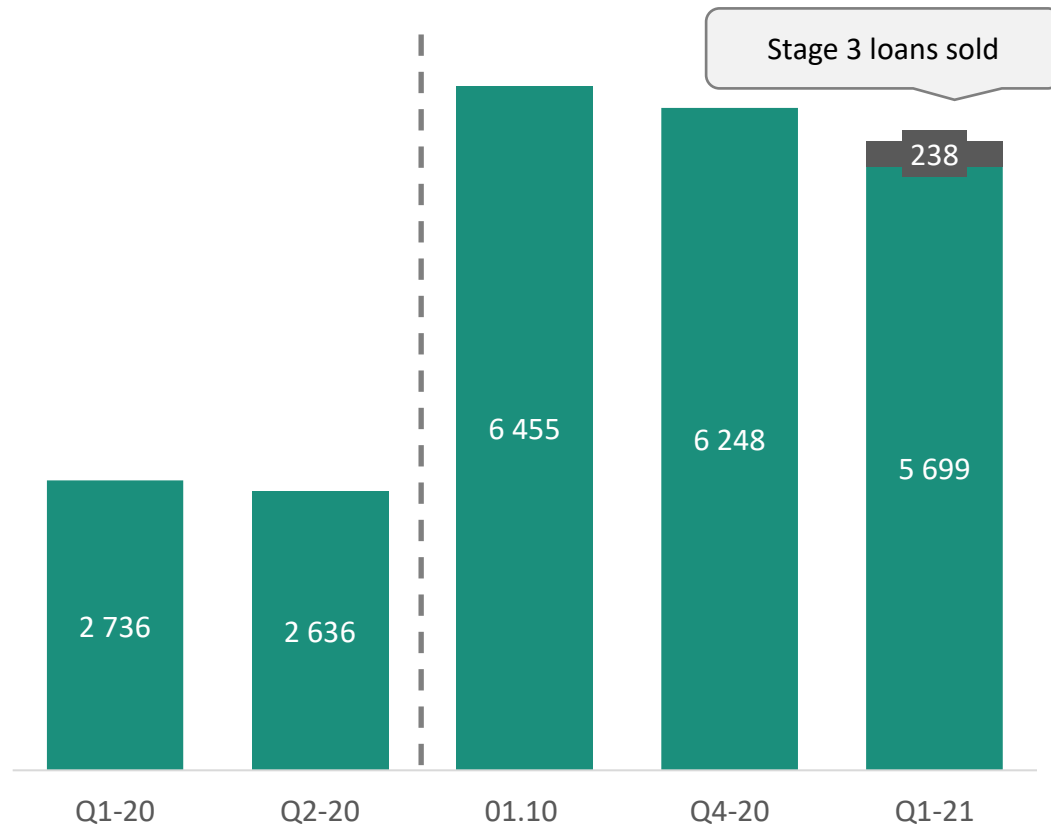
1) Equity used in the ROE calculation for Q4 2020 is the average of the opening balance as of 1 October and 31 December

Lower demand for unsecured loans

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Gross lending reduction driven by portfolio sale and Covid-19 impact

Gross lending, MNOK



Comments

- One-off sale of defaulted loans of 238 MNOK
- Additional sale of defaulted loans of 65 MNOK under forward flow agreement with Kreditor
- Lower demand for consumer financing
- Decline in the Norwegian unsecured market

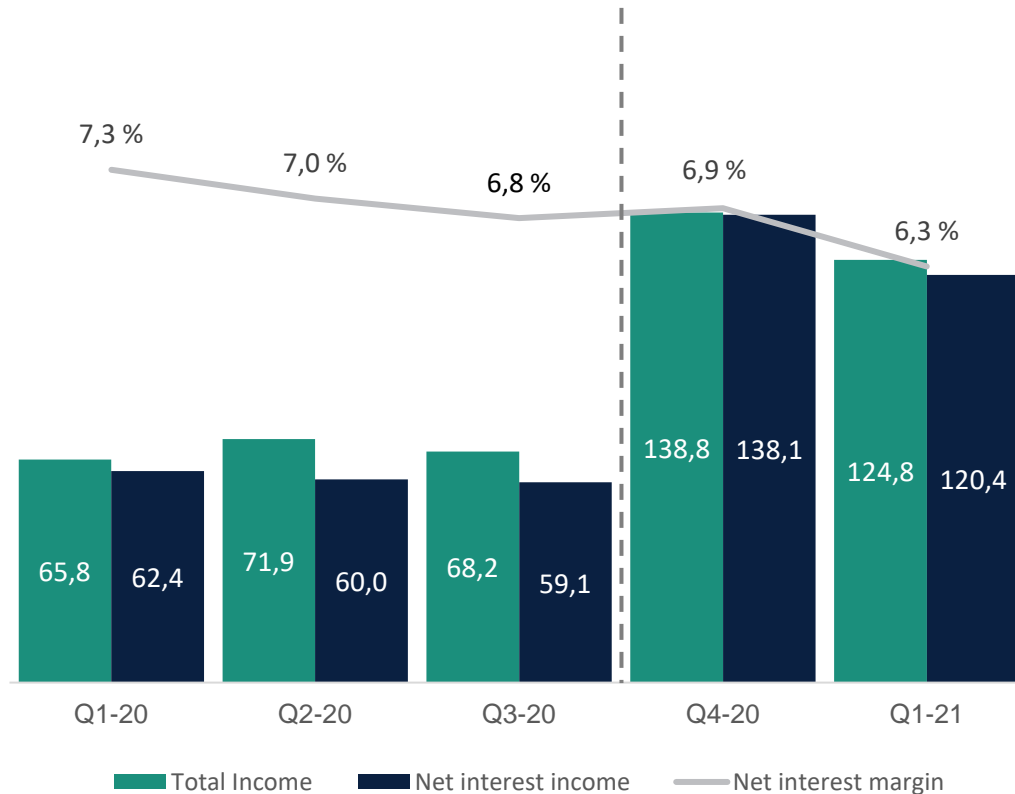
Decline in net interest margin, but attractive risk/reward

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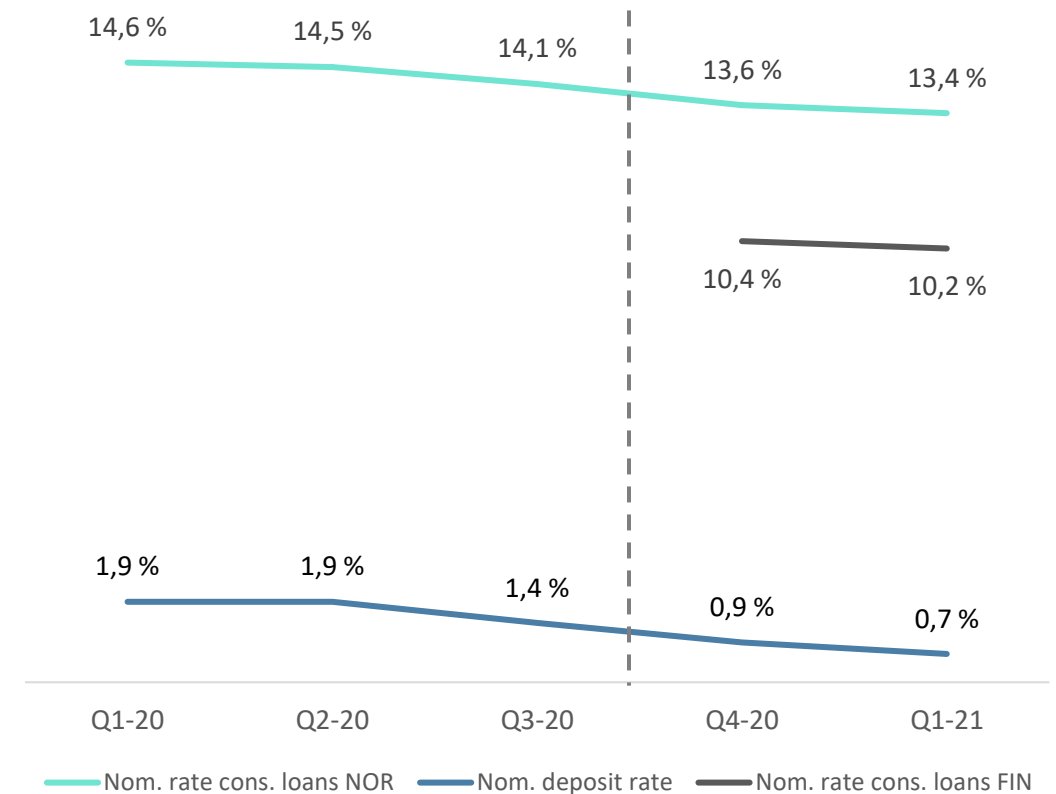
However, improved credit quality and declining funding cost

Net interest income and net interest margin of total assets

MNOK / % of total assets



Yields end of quarter¹



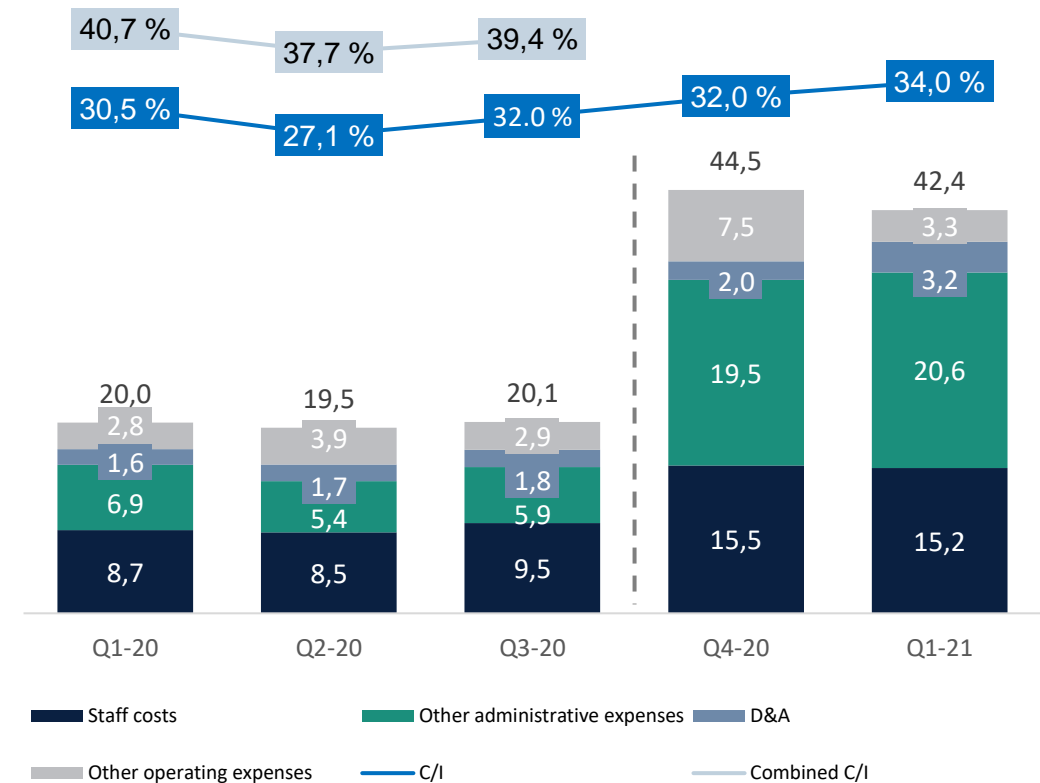
1) All figures are end of quarter and nominal

New cost base established with competitive C/I

- Rightsizing of the organization completed, new organization was in place end of October
- Competitive C/I ratio at 34.0 %
- Ambition to further reduce other administrative expenses, primarily related to IT
- Management has established a cost synergy plan to secure a leading C/I ratio

Operational C/I-ratio¹

MNOK

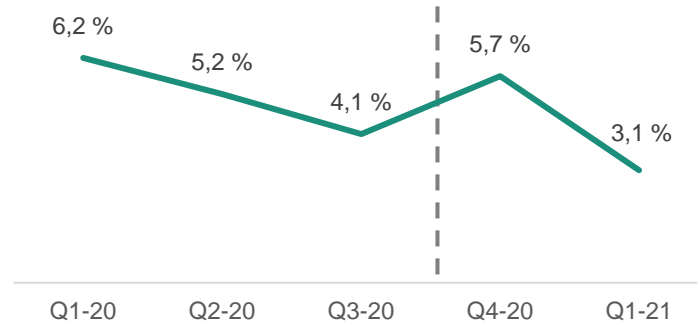


1) Q4-20 adjusted for merger related one-offs. Combined C/I calculated as sum of pre-merger BRABank and Easybank

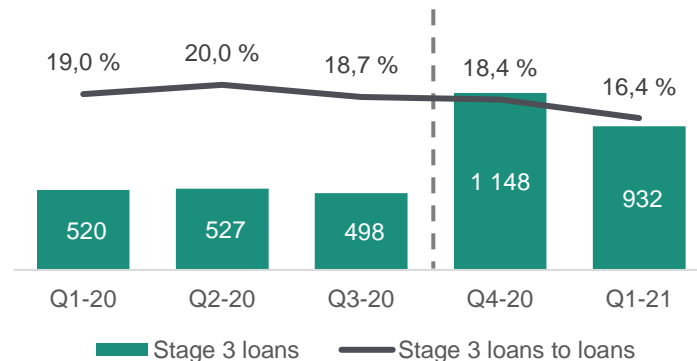
Improved credit quality

Forward flow agreement and sale of defaulted loans reduce downside risk

Improvement in loan loss ratio



Improvement in stage 3 ratio



Comments on credit quality development

- Improvement in stage 3 driven by sale of defaulted loans with outstanding claims totaling approximately MNOK 238. These loans originated mainly from old BRABank/Monobank acquired prior to the merger, and the sale yield a neutral earnings impact in Q1 2021
- The forward flow agreement with Kreditor is still valid until year-end 2023 for all new cases sent to debt collection in Norway. Former BRABank had a forward flow agreement with Axactor until May 2020 and has not sold new loans in Norway since May 2019
- The bank has no forward flow agreement in Finland at the moment. This will be reconsidered depending on commercial terms. New management has after the merger strengthened provisions in both stage 2 and stage 3 for the Finnish portfolio
- Provisions related to uncertainty around Covid-19 of 40 MNOK

Note: Coverage ratio = Expected credit loss / Gross loans

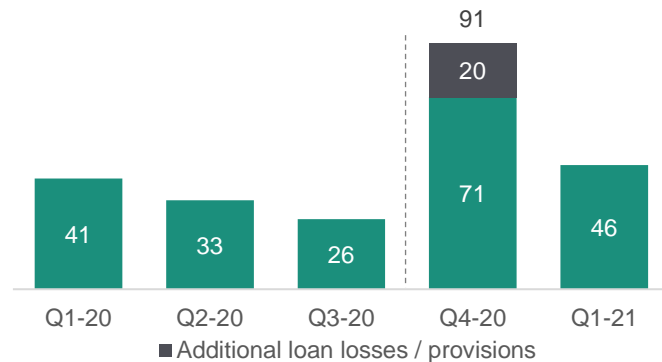
1) Note that stand alone Easybank figures are used for the period 19Q4 - 20Q3 and the combined bank for Q4 20

2) Total = Total provision / Gross loans

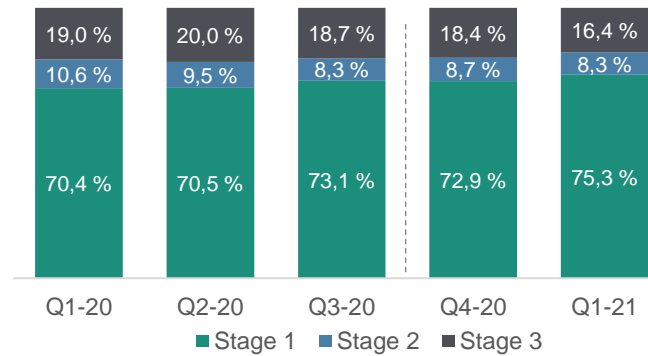
Loan losses and provisions overview

De-risked loan balance following the sale of old BRAbank/Monobank portfolio

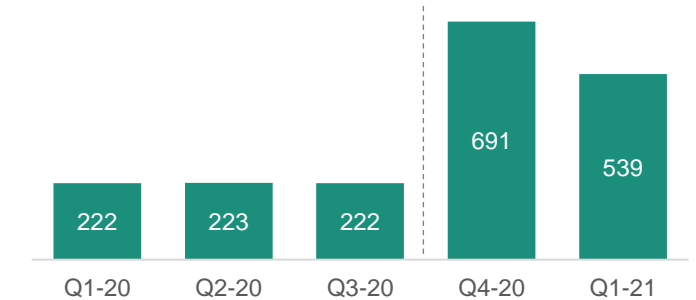
Loan losses, MNOK



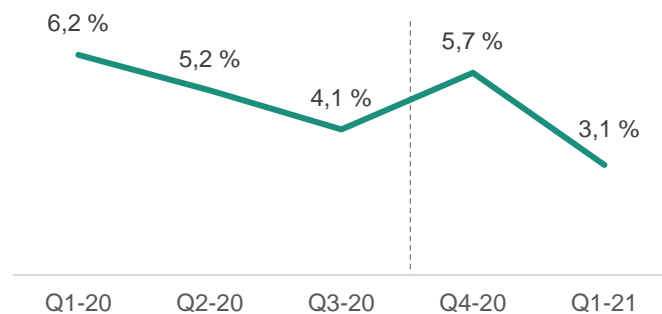
Stage allocation



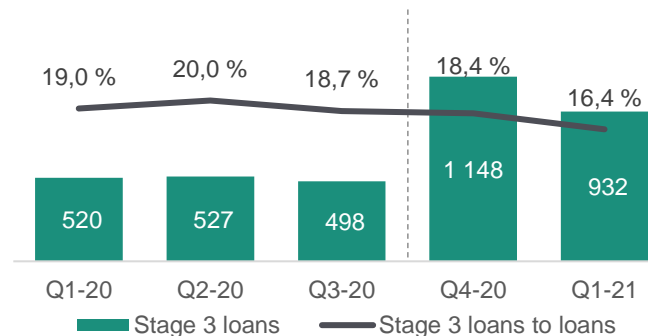
Provisions, MNOK



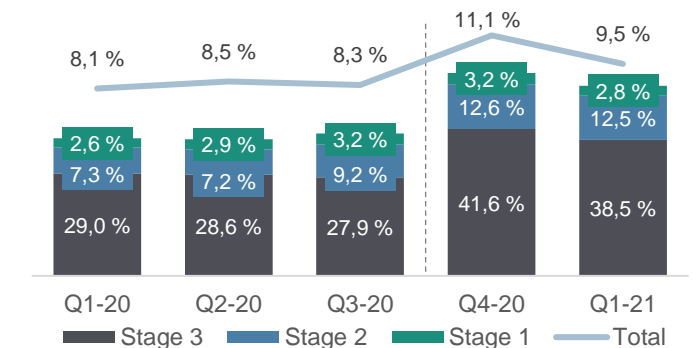
Loan loss ratio¹



Non-performing loans², MNOK



Total provision ratio³



1) Loan loss ratio = monthly loan losses p.a / monthly avg. gross loans

2) Non-performing loan ratio = stage 3 ratio

3) Total = Total provision / Gross loans

Income statement

| | NGAAP | NGAAP | NGAAP |
|--|----------------|----------------|----------------|
| <i>Income Statement (Amounts in thousands)</i> | Q1-21 | Q1-20 | 2020 |
| Interest income | 139 810 | 76 746 | 381 009 |
| Interest expense | -19 445 | -14 347 | -61 512 |
| Net interest income | 120 365 | 62 399 | 319 498 |
| Commission and fee income | 6 606 | 6 501 | 22 392 |
| Commission and fee expenses | -1 147 | - 885 | -5 620 |
| Net change in value on securities and currency | -1 104 | -2 226 | 8 040 |
| Other income | 83 | | 348 |
| Net other income | 4 439 | 3 389 | 25 160 |
| Total income | 124 803 | 65 788 | 344 658 |
| Salary and other personnel expenses | -15 246 | -8 743 | -48 729 |
| Other administrative expenses | -20 552 | -6 863 | -41 275 |
| - of which marketing expenses | - 570 | -1 111 | -2 427 |
| Depreciation | -3 234 | -1 645 | -17 411 |
| Gain from bargain purchase | | | 346 804 |
| Other expenses | -3 343 | -2 782 | -21 915 |
| Total operating expenses | -42 375 | -20 033 | 217 474 |
| Profit before loan losses | 82 428 | 45 755 | 562 132 |
| Loan losses | -45 592 | -40 819 | -190 605 |
| Profit before tax | 36 836 | 4 936 | 371 527 |
| Tax | -8 966 | -1 234 | 7 321 |
| Profit after tax | 27 870 | 3 702 | 378 847 |

- Profit after tax for Q1 of 27.9 MNOK
- Cost / income ratio of 34.0 % for Q1
- Income statement includes former Easybank's results from 01.01.2020 to 30.09.2020 and results from the merged bank from 01.10.2020 to 31.12.2020

Balance sheet

| | NGAAP | NGAAP | NGAAP |
|---|-------------------|-------------------|-------------------|
| <i>Balance sheet (Amounts in thousands)</i> | 31.03.2021 | 31.03.2020 | 31.12.2020 |
| Assets | | | |
| Cash and deposits with the central bank | 50 097 | 123 492 | 50 145 |
| Loans and deposits with credit institutions | 337 161 | 204 431 | 197 198 |
| Gross loans to customers | 5 698 991 | 2 735 395 | 6 247 811 |
| Loan loss provisions | - 539 415 | - 222 430 | - 690 530 |
| Certificates, bonds and other securities | 2 058 665 | 476 179 | 1 462 138 |
| Deferred tax asset | 170 602 | 33 454 | 179 568 |
| Other intangible assets | 14 030 | 21 442 | 13 502 |
| Fixed assets | 16 177 | 859 | 1 303 |
| Other assets | 29 456 | 12 980 | 35 888 |
| Total assets | 7 835 764 | 3 385 803 | 7 497 024 |
| Equity and liabilities | | | |
| Loan from central bank | | 95 000 | |
| Deposits from customers | 6 359 583 | 2 708 272 | 6 061 318 |
| Other liabilities | 100 304 | 43 951 | 86 778 |
| Tier 2 capital | 104 513 | 40 000 | 104 456 |
| Total liabilities | 6 564 400 | 2 887 223 | 6 252 553 |
| Share capital | 189 589 | 331 799 | 189 589 |
| Share premium reserve | 659 989 | 127 111 | 659 989 |
| Tier 1 capital | 74 752 | 35 000 | 74 710 |
| Other paid-in equity | 8 048 | 7 177 | 7 669 |
| Other equity | 338 986 | - 2 507 | 312 513 |
| Total equity | 1 271 364 | 498 580 | 1 244 470 |
| Total equity and liabilities | 7 835 764 | 3 385 803 | 7 497 024 |

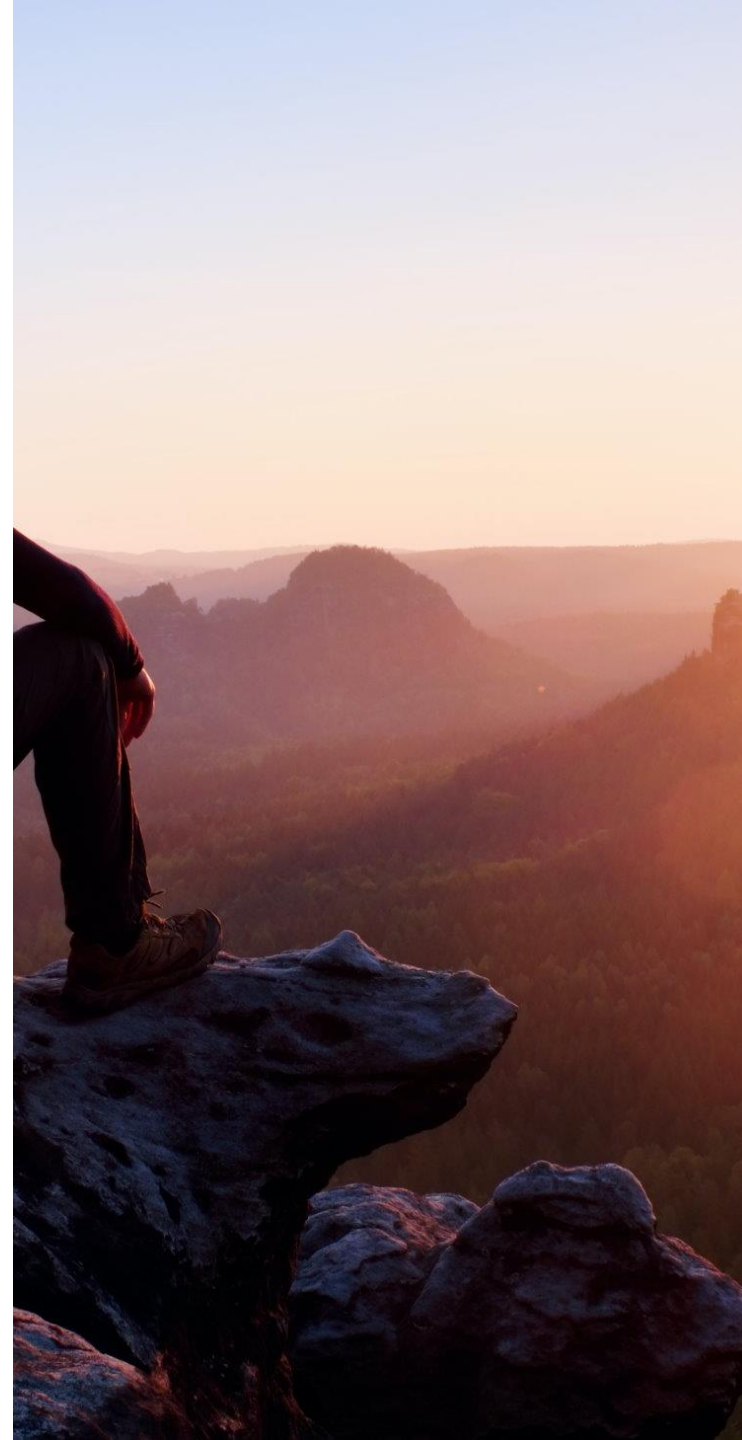
- Gross loans of 5 699 MNOK at 31.03.2021 compared to 6 248 MNOK at 31.12.2020
- Loan losses provisions of 9.5 % at 31.03.2021
- Strong liquidity balance of 2 445 MNOK at 31.03.2021
- Deferred tax assets of 171 MNOK driven by tax losses carried forward prior to the merger
- Solid capital base - CET1 of 21.9 %
- Total equity of 1 271 MNOK

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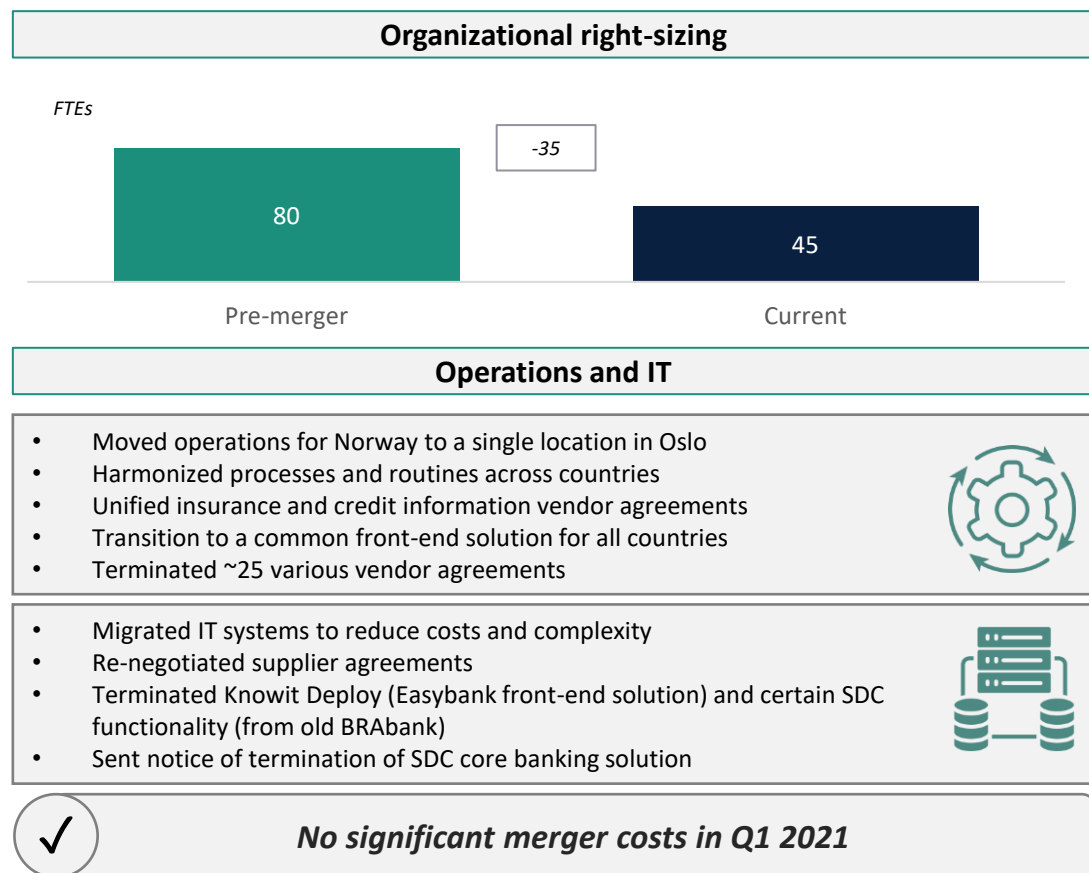


Merger update

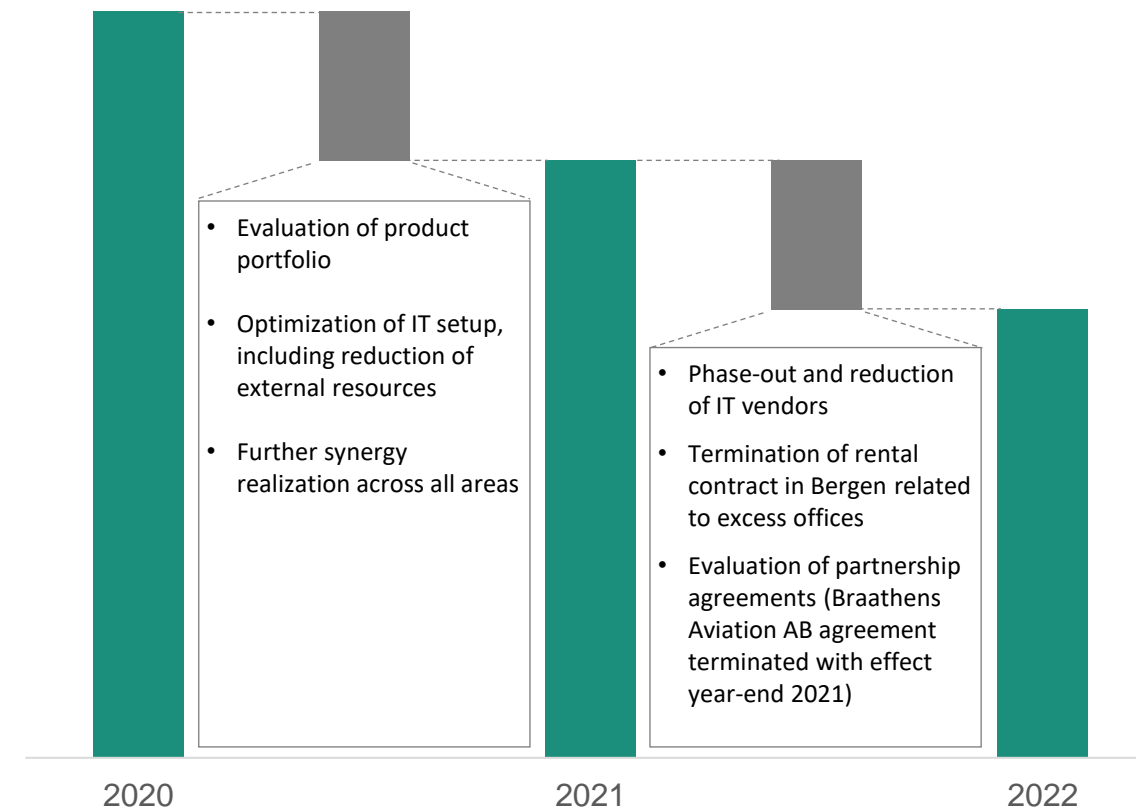
First phase of synergy realization completed

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Completed merger-related initiatives as of Q1 2021



Key initiatives to establish target cost base



Outlook

Summary of quarter

- ✓ Interest income of 140 MNOK, PBT of 37 MNOK
- ✓ No significant merger-related one-offs and synergy realization on track
- ✓ Sale of defaulted loans
- ✓ Solid underlying credit quality
- ✓ Well capitalized creating operational flexibility

1

Utilize cross-border distribution model

- Utilize the efficient distribution model across Norway, Finland and Sweden
- Optimize capital allocation

2

Streamline New BRABank

- Affect cost savings and utilize scale to create leading cost/income ratio
- Improve profitability

3

Continue to improve credit quality

- Continue with improvements in debt collection process, and risk and pricing models (optimizing risk/reward cross Nordics)
- Handle Covid-19 uncertainty

4

Develop new sources of income

- Focus on SME segment
- Strategic partnerships

A close-up photograph of a silver pen resting on a document. The document features a line graph with a jagged line and a grid. A calculator is visible in the bottom left corner. The pen is positioned diagonally across the frame.

A

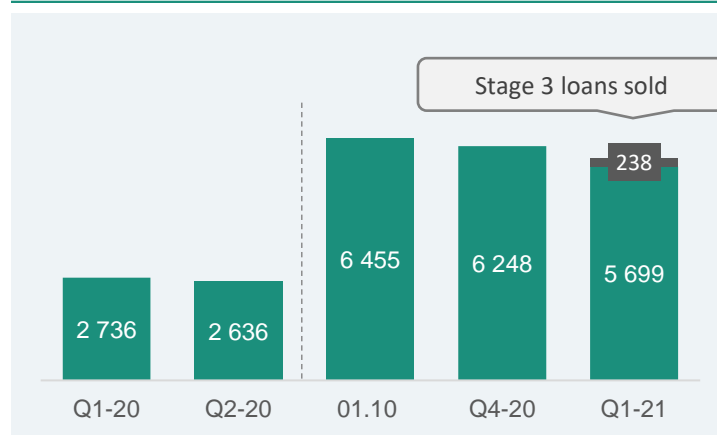
Appendix

Financial overview

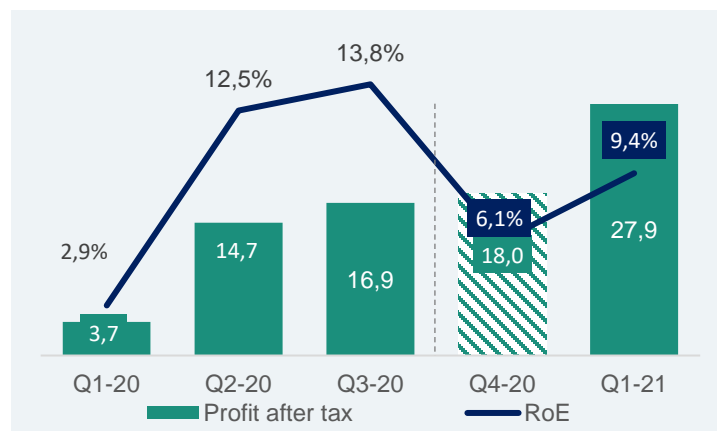
Figures in MNOK

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Gross lending

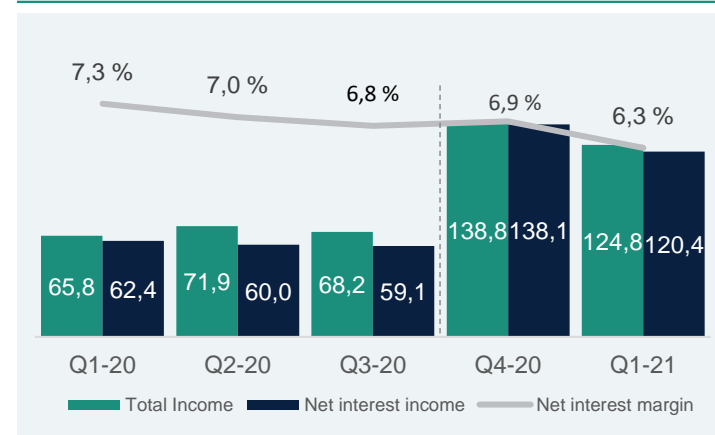


Profit after tax² and ROE

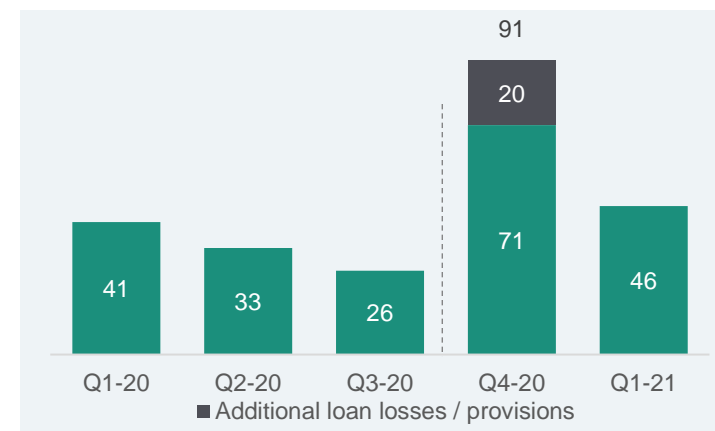


1) Q4-20 opex adjusted for merger related one-offs
2) Q4 profit after tax is adjusted for one-offs

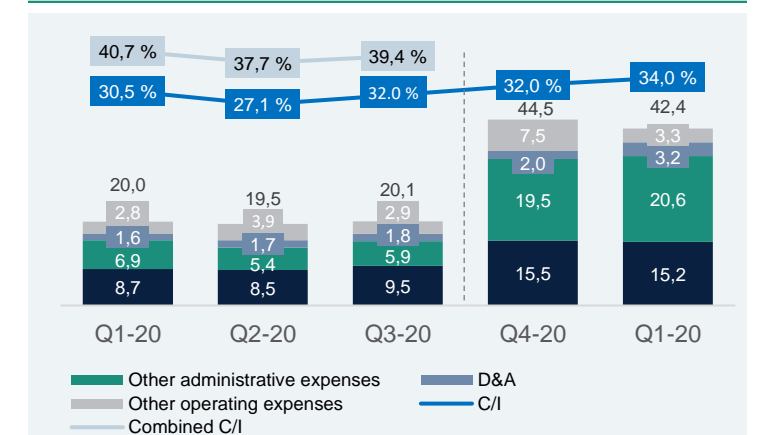
Net income and margin of total margin



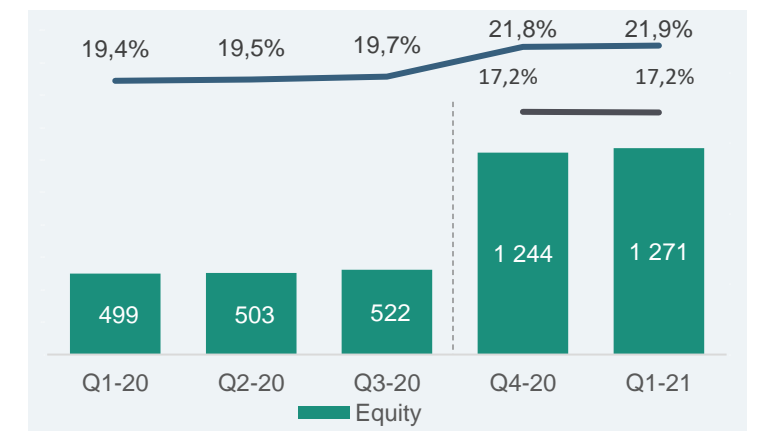
Loan losses



Opex and Cost / Income¹



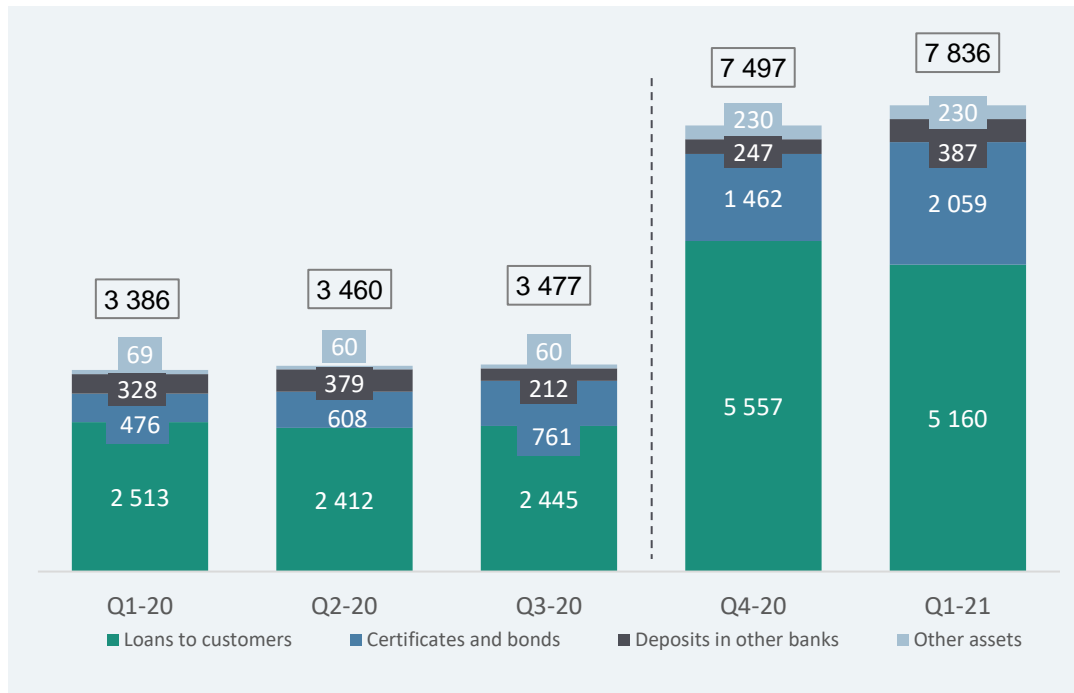
Equity and CET1 ratio



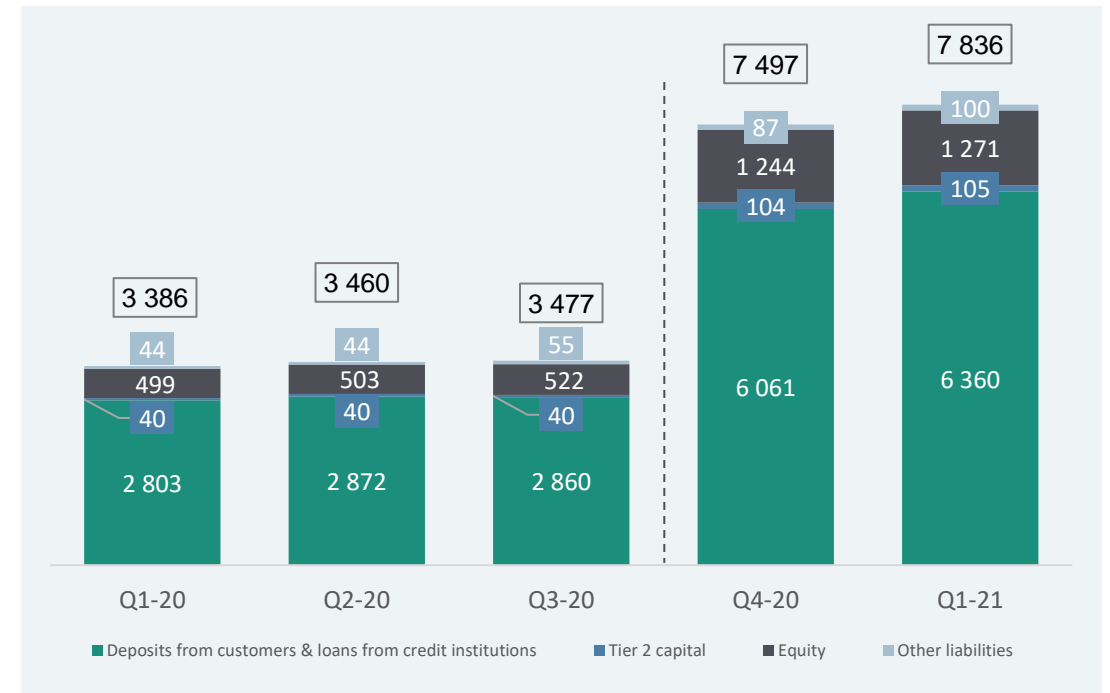
Balance sheet structure

Strong funding and liquidity position

Total assets, MNOK



Equity and liabilities, MNOK



- Deposit ratio: 123%
- Liquidity coverage ratio: 1 379% total (197% EUR)
- Net stable funding rate: 197% total (180% EUR)

Initiatives in first phase of merger plan

| Year 1 | Action | Costs (MNOK) | Status |
|---|---|----------------------------|---------------------|
| Merger | <ul style="list-style-type: none"> Formally merged the entities | 3.1 in Q3 0.5 in Q4 | ✓ |
| Listing | <ul style="list-style-type: none"> Listing cost Euronext Growth (former Merkur Market) | 1.0 in Q3 | ✓ |
| Establish the new organization | <ul style="list-style-type: none"> New management team and organization in place | 15.9 in Q3 1.6 in Q4 | ✓ |
| Manage IT migrations and phase-outs | <ul style="list-style-type: none"> IT migration and contract termination to reduce costs and simplify operations Unified SDC platforms and sent notice of termination on the related contract | 4.4 in Q4 | ✓ |
| Harmonize and utilize collection agreements | <ul style="list-style-type: none"> Reuse of Easybank's approach to collection and collection processes across the Nordics Harmonized collection agreements and processes | - | ✓ |
| Create common value chain for consumer loans in the Nordics | <ul style="list-style-type: none"> Established scalable platform for cross-Nordic distribution | - | ✓ |
| Simplify product portfolio to reduce complexity and cost | <ul style="list-style-type: none"> Notice of termination of cooperation agreement with Braathens Aviation AB, ending 31 December 2021 Started probing of potential disposal of credit card portfolio including IT-system Simplify product offering going forward | 2022 impact Ongoing/TBD | ✓ <i>Ongoing</i> |

BRAbank ASA shareholders

Top 20 shareholder list as of 28 April 2021

| | Investor | Shares | Ownership |
|------------------------------------|------------------------------------|-------------------|----------------|
| 1 | Braganza AB | 10 383 899 | 11.0 % |
| 2 | Hjellegjerde Invest AS | 5 815 834 | 6.1 % |
| 3 | Skagerrak Sparebank | 4 409 380 | 4.7 % |
| 4 | Banque Internationale a Luxembourg | 3 483 313 | 3.7 % |
| 5 | Fondsavanse AS | 3 072 986 | 3.2 % |
| 6 | Ladegaard AS | 2 581 654 | 2.7 % |
| 7 | Farvatn Private Equity AS | 2 540 163 | 2.7 % |
| 8 | Umico - Gruppen AS | 2 468 779 | 2.6 % |
| 9 | Verdipapirfondet Alfred Berg Norge | 2 374 760 | 2.5 % |
| 10 | Skandinaviska Enskilda Banken AB | 2 197 650 | 2.3 % |
| 11 | Shelter AS | 1 945 486 | 2.1 % |
| 12 | Raiffeisen Bank International AG | 1 879 972 | 2.0 % |
| 13 | Lindbank AS | 1 838 007 | 1.9 % |
| 14 | Songa Capital AS | 1 720 456 | 1.8 % |
| 15 | MP Pensjon PK | 1 637 767 | 1.7 % |
| 16 | Verdipapirfondet Alfred Berg Aktiv | 1 469 589 | 1.6 % |
| 17 | HSBC Bank Plc | 1 367 606 | 1.4 % |
| 18 | Jenssen & Co AS | 1 287 879 | 1.4 % |
| 19 | Krogsrud Invest AS | 1 250 000 | 1.3 % |
| 20 | Jolly Roger AS | 1 149 074 | 1.2 % |
| Sum 20 largest shareholders | | 55 001 603 | 58.0 % |
| Other shareholders | | 39 792 777 | 42.0 % |
| Total number of shares | | 94 794 380 | 100.0 % |

Comments

- 1 610 shareholders as of 28 April 2021
- The BRAbank share (ticker BRA) was registered on Euronext Growth (former Merkur Market) on 2 October 2020
- Management holds a total of 2 730 046 shares, corresponding to 2.9% of shares outstanding
- Members of the board represents a total of 3 153 381 shares, corresponding to 3.3%
- Current market capitalization of 976 MNOK

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