



Q3 2017 PRESENTATION

18 October 2017

Q3 2017 agenda

- Quarterly highlights
- Concept and business model
- Loan growth
- P&L
- Financial position
- Outlook
- Investment highlights

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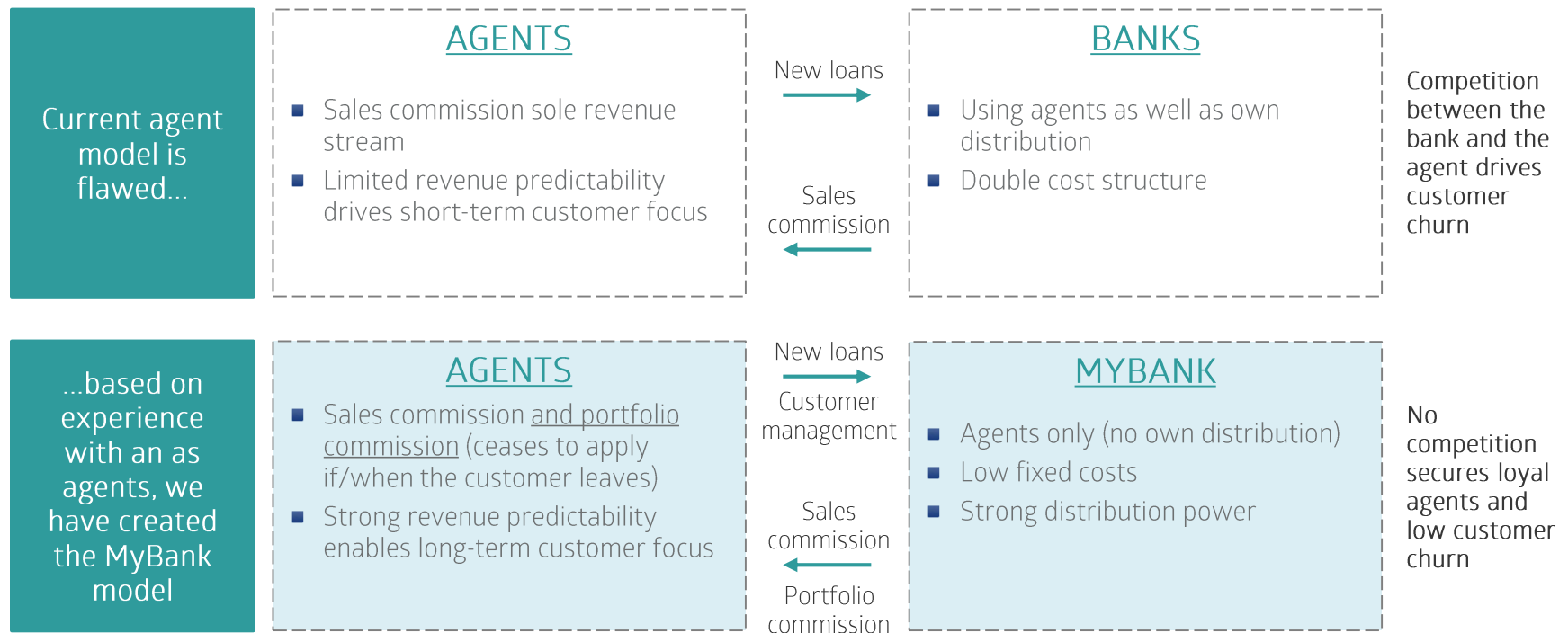
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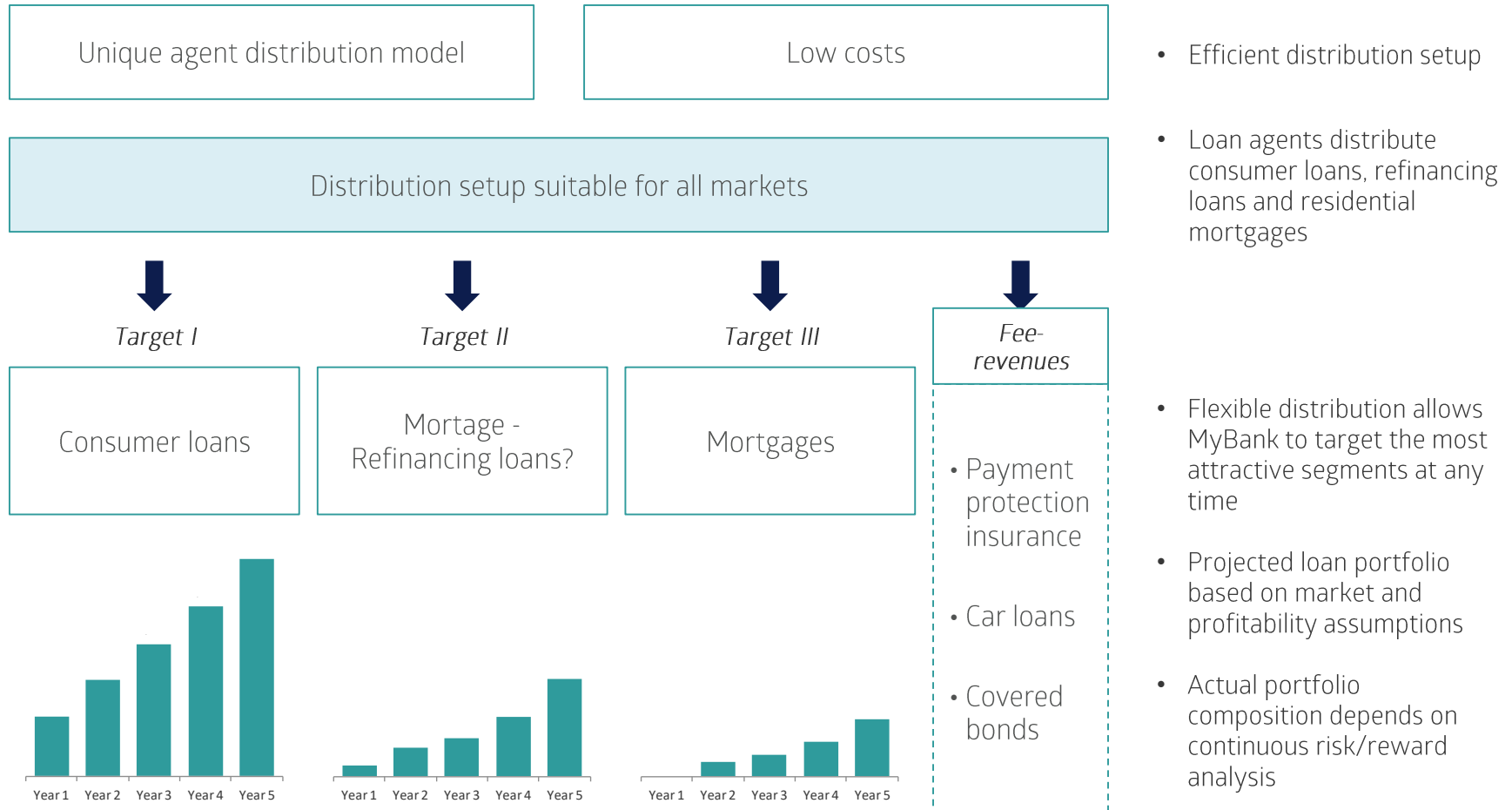
Quarterly highlights

- Growth in net loans was NOK 67.9 million (compared to 58.9 million in the second quarter) and pre-tax loss was NOK 5.1 million (NOK 2.8 million)
- The flat development in loan growth from the previous quarter was due to a three-month delay in the technical development of a fully automated system. The issues have largely been solved as of the reporting date
- During the quarter, MyBank included three new brokers on its automated banking solution, bringing the total to four. Approaching run rate loan growth late Q4 or early Q1 2018
- Testing has been initiated on distribution of unsecured car loans by MyBank on third parties' balance sheets, with indications of competitive risk-reward. Possible commercial launch in Q1 2018 upon successful testing, diversifying revenue streams and supporting growth
- Further diversification through new products and geographies to be evaluated in 2018

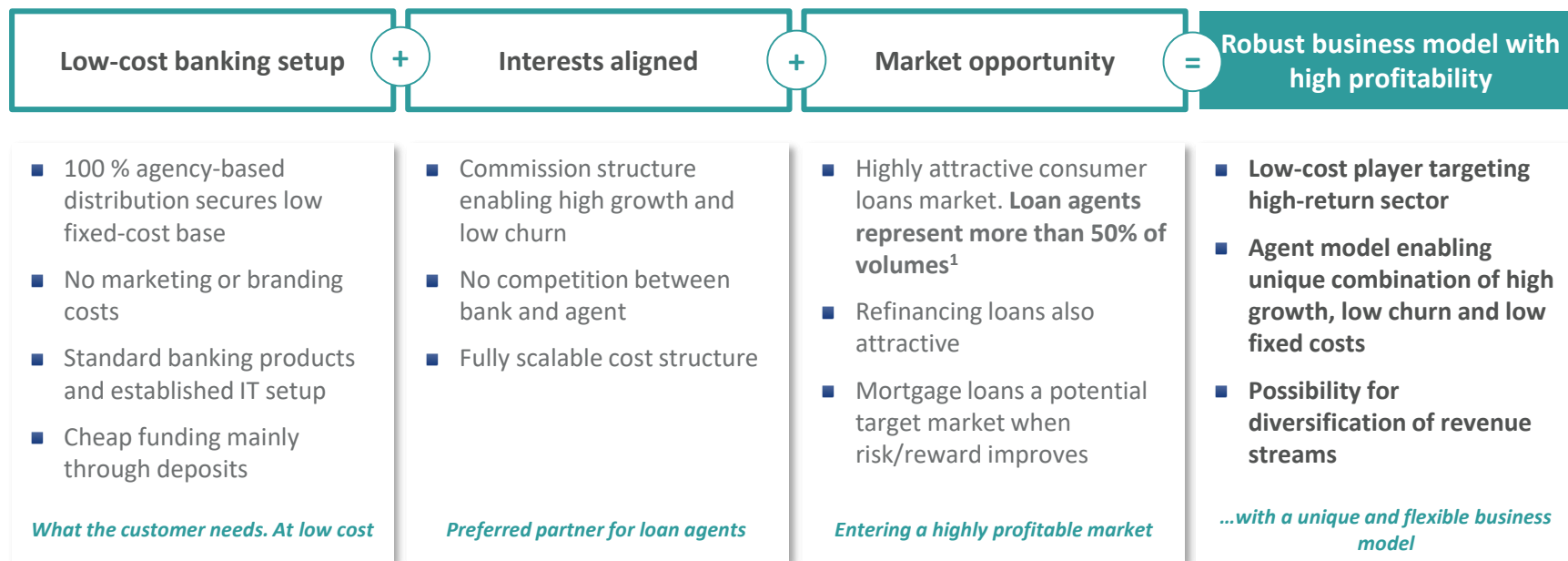
A unique distribution model that ensures low fixed costs and scalability



MyBank has a phased approach towards full-service retail banking

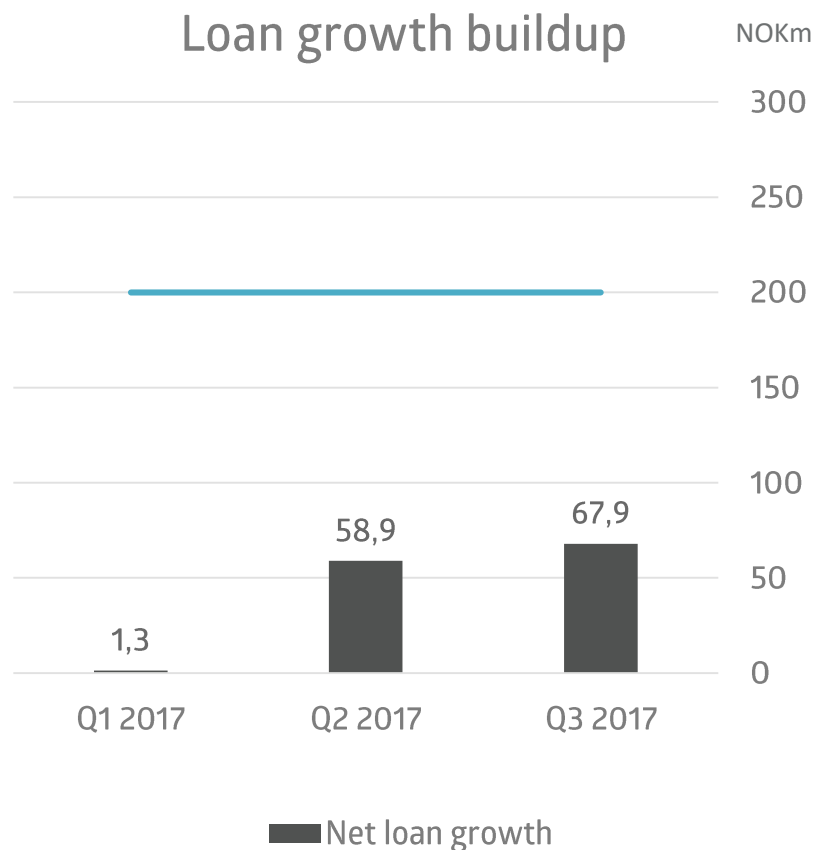


Summary of our business model



MyBank's goal is to provide all banking services that the typical retail customer needs, at a competitive price - over time

Completion of automated solutions is key to reach loan growth target



- Current focus is to establish a solid sustainable banking platform that secures efficiency and scalability
- Limited loan growth in Q3 due to delay in delivery of automated IT-solution. The issues have largely been solved as of the reporting date
- Three more loan brokers was included on the new solution in Q3 – expected to be approaching run rate loan growth late Q4 or early Q1 2018
- MyBank targets run rate quarterly loan growth of approximately NOK 200 million

P&L

Amounts in NOK 1000s

Amounts in NOK millions	Q3 2017	Q2 2017	Q1 2017	YTD 2017
Interest income	4.17	1.37	0.01	5.55
Interest expense	1.37	0.48	0.00	1.85
Net interest income	2.80	0.89	0.00	3.70
Commissions and fee income	0.01	0.00	0.00	0.01
Commissions and fee expense	-0.27	-0.02	0.00	-0.29
Net commissions and fee income	-0.25	-0.02	0.00	-0.28
Total operating income	2.55	0.87	0.00	3.42
Staff costs	3.75	2.70	2.60	9.05
Other administrative expenses	2.24	1.14	1.21	4.59
Other operating costs	1.48	1.10		2.58
Total operating costs	7.47	4.94	3.81	16.22
Operating profit (Loss) before loan impairments and financial income	-4.93	-4.06	-3.81	-12.80
Reserved for loan impairments	0.67	0.25	0.00	0.92
Income/loss from trading activities	0.48	1.48	0.10	2.06
Profit (Loss) before tax	-5.11	-2.84	-3.71	-11.66
Tax	0	0	0	0
Profit (loss) for the period	-5.11	-2.84	-3.71	-11.66

- The main cost driver was hire of key personnel as operations commenced
- Depreciation of IT-system and other immaterial assets started in Q3
- Other operating expenses mainly related to consulting fees in the start-up phase
- Total cost base expected to increase in the coming quarters along with higher lending activity with cost/income to decline
- On track for profitability during 2018 following initial ramp-up and investments

Financial position

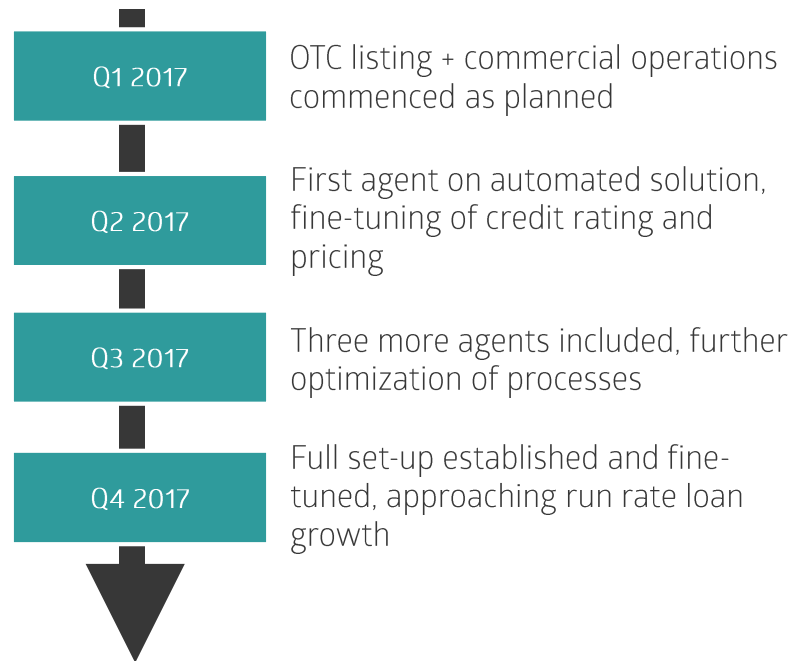
Amounts in NOK 1000s

Amounts in NOK millions

	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Assets				
Loans to, and deposits at, credit institutions	70.7	81.4	56.4	0.0
Loans to customers	128.5	60.6	1.3	0.0
Provision for impairment losses	0.9	0.4	0.1	0.0
Net loans to customers	127.6	60.2	1.3	0.0
Short term financial investments	280.1	226.9	175.2	0.0
Other intangible assets	21.5	16.2	9.9	0.6
Property, plant and equipment	0.0	2.8	0.0	0.0
Receivables, prepayments, accrued income and other assets	0.7	1.3	0.8	2.9
Total assets	500.6	388.8	243.5	3.5
Liabilities				
Deposits from customers	252.3	136.0	20.8	0.0
Accounts payable	3.3	2.2	1.6	0.1
Total liabilities	255.6	139.0	22.1	0.1
Equity				
Share capital	256.7	258.4	227.3	5.6
Retained earnings	-11.7	-7.8	-5.9	-2.2
Total equity	245.1	250.6	221.4	3.4
Total liabilities and equity	500.6	388.8	243.5	3.5

- Total assets amounted to NOK 500.6 million by end of the first quarter
- Loans to customers amounted to NOK 127.6 million after provisions of NOK 0.9 million
- Deposits accounted for NOK 252.3 million, equity for NOK 245.1 million
- Liquidity position of NOK 348.1 million included NOK 70.7 million in bank deposits and NOK 277.4 million in bond and money market funds

Outlook



- The no. 1 priority currently is to establish efficient and solid banking systems to secure credit quality and long term profitability
- MyBank will allocate capital to the markets that yield the best risk-adjusted returns at any given time – currently consumer loans
- Diversification through new products and geographies to be evaluated in 2018, refinancing mortgages set to be first in line

