



Interim
report
Q1 2019



About BRABank ASA

BRABank is a Norwegian consumer bank with business activities in Norway and Sweden. The bank operates on a banking license issued by The Norwegian Ministry of Finance on May 7, 2018. Late June 2018, BRABank opened for business in Norway. The bank's activities in Sweden are organised as a cross-border operation with all bank-related activities run from the office in Oslo.

BRABank's ownership structure, IT solutions and competence amongst key employees are the main elements behind the ambition of becoming a "Travel and Retail Bank". A scalable IT-system, supplemented by user centric digital design, facilitates product and geographical expansion as well as high quality customer experiences.

Initially, BRABank has established itself on the Norwegian market with a consumer loan product, distributed through brokers, and a savings product. In Q4 BRABank launched the BRA Mastercard in Sweden, in cooperation with Braathens Regional Airlines. Consumer lending in Sweden was launched in March 2019. The bank has decided to postpone the introduction of a savings account product in Sweden until further notice.

The regulatory framework in our current markets, particularly in Norway, has been tightened over the latest few months. BRABank's credit policy is fully compliant with the existing guidelines from the Norwegian FSA.

BRABank is a member of the Norwegian Banks' Guarantee Fund, which secures all deposits from Norwegian customers up to 2 million NOK and 100 thousand EUR from Swedish customers. The BRABank share

was listed on Merkur Market at Oslo Stock Exchange on the 29th of August 2018.

At the end of Q1 2019, the bank employed 12 FTE at the office at Skøyen, Oslo. The limited number of employees is made possible by extensive use of outsourcing partners in the areas of accounting, IT, marketing, credit vetting and customer service.

Braganza AB is the major shareholder in BRABank ASA, holding 19,38% of the outstanding shares.

Friday 8th of February 2019 it was announced that the Board of Directors of Monobank ASA and the Board of Directors of BRABank ASA had signed an agreement to merge the two banks into one, with Monobank ASA as the acquiring entity. Six days later a merger plan was approved and signed by the two Boards of Directors. The merger plan was approved by the shareholders of both banks in general meetings on the 20th of March 2019. An application to merge the two banks has been filed with the Norwegian FSA. Until the application has been approved it is "business as usual" for both banks, with no form of cooperation between the two. This quarterly statement is based on a going concern assumption for BRABank ASA as a standalone enterprise.

Highlights in the quarter

Q1 was the third quarter of operation for BRABank. The major event of the quarter was the announcement of merger plans with Norwegian consumer bank Monobank ASA.

- On February 8, the plans to merge BRABank ASA and Monobank ASA was published. The plans were approved by the annual general assembly of both banks on March 20.
- Launch of consumer loans in Sweden deploying a network of six well reputed brokers of various sizes
- Successful trial period completed with Lendo, the largest broker on the Norwegian market for consumer loans

Key figures	
(NOK million)	Q1 2019
Net loans	191.9
Net interest income	2.4
Operating costs	(23.4)
Profit (loss) b. tax	(26.7)

Operational statement

The shift towards larger brokers in Norway allowed the bank to increase its loan sales volume in the quarter by 46% compared to Q4 2018. Processes and routines at our outsourcing partners, Lindorff and Affinion, are increasingly getting better resulting in higher efficiency and scale advantages. With a larger portfolio available for analysis, changes were made to the composition of cooperating agents. Over time, we believe this will increase the credit quality of the loan portfolio. Another result of the analytical work in the quarter, was the increase of the minimum age for a Norwegian loan customer from 20 to 25 years.

In Sweden, the consumer loan was fully launched in March, just over a month after schedule due to a longer than expected soft-launch period. First indications are

positive in terms of the market's reaction to the product and the onboarding procedure.

From an operational perspective, BRA Mastercard is performing well, and the continued onboarding process improvements are showing positive results as we now see a higher number of customers completing their application than at the early stages of the launch. Overall recruitment to the card is well below our expectations and we continue to test new marketing channels as well as fine tuning the marketing communication to the various target groups. Preparations are ongoing to test "face-to-face" sales at Bromma airport and indications are that we launch this initiative in Q2.

Financial Review

BRABank commenced banking operations late June 2018 and has since the start applied the Simplified IFRS reporting standards. For reference and interpretation of these standards, the IFRS principles and standards were fully accounted for in the Q3 2018 report and the annual report of 2018.

Quarterly credit sales amounted to NOK 120 million (69 million), leaving a net loan balance of NOK 192 million (97 million) at end of quarter. The bank launched consumer loans in Sweden mid-March 2019. Credit card balances at end of quarter amount to SEK 7 million (3 million). To secure sufficient funding of lending activity the bank raised its deposit rate to 2.15 % in February 2019. Customer deposits volumes increased to NOK 590 million (51 million) at end of quarter.

Liquid assets at end of quarter amount to NOK 35 million of unrestricted deposits with credit institutions and NOK 562 million in securities. Total liquid assets corresponded

to 70 % of total assets at end of quarter. The liquidity coverage ratio (LCR) is 202 % (464 %) at the end of the quarter, well above the minimum requirement, which is 100 %.

Net interest income amounted to NOK 2.4 million (1.9 million), while net commissions and fees amounted to NOK -0.7 million (-0.5 million). Net yield for securities amounted to NOK 1.2 million (0.3 million). Operating expenses amounted to NOK 23.4 million (17.8 million). These expenses include NOK 5.2 million of due diligence - and other merger preparation activities.

Gross defaulted loans (stage 2 + stage 3) at the end of Q1 amounted to NOK 23 million (10 million). No loans have yet been written off as final loss by end of the quarter. Loan impairments amounted to NOK 11.8 million (6 million). According to IFRS9 the bank must make loss provisions on new loans and other non-defaulted loans (stage 1) based on probability of default (PD). Stage 1 provisions at NOK 4.9 million constitute 2.8 % of all non-defaulted loans at end of quarter. With almost no historical data to support expected credit losses (ECL) in the portfolio, the bank has applied original credit scoring values, benchmark data and early-stage customer behaviour data to calculate relevant PD and loss given default (LGD) ratios.

Result after tax is a deficit of NOK 26.7 million (20.7 million). Total assets amounted to NOK 845 million (326 million). Total equity amounted to NOK 234.6 million (261.2 million). Total capital ratio, as well as CET1 ratio, was 45.3 % (131.4 %). The bank targets a CET1 ratio above 18.0 % and a total capital ratio of 21.5 %.

Outlook

The planned merger with Monobank ASA means less focus on business and product development than what would normally have been the case. However, until the merger has been finally approved by the Norwegian FSA, BRABank continues to focus on the day-to-day operation of the bank and to serve our customers and partners the best way possible.

In Norway, we plan to stay at the current level of new loan volumes and focus on continuously improving the quality of the loan portfolio. The positive early signs from sales of consumer loans in Sweden indicate there is a potential of significantly increasing the bank's total assets. However, as there are inherent risks involved when launching a new credit product in a new market, the bank will take necessary steps to control growth and maintain a high level of credit quality in the portfolio.

A merger process represents numerous challenges to an organization. In addition to carrying on with "business as usual", the staff at BRABank is also deeply engaged with preparations for the merger. Workstreams have been established and it is expected that as we get closer to the expected merger date, the focus will increasingly shift towards merger related tasks.

Financial Statements (unaudited)

Statement of profit and loss

(Amount in NOK '000)	Note	Q1 2019	Q1 2018	YTD 31.12.2018
Interest income, effective interest method		4 050	-	2 997
Other interest income		-	-	-
Interest expenses, effective interest method		-1 604	-	-198
Other interest expense		-	-	-229
Net interest income	7	2 445	0	2 570
Commissions and fee income		100	-	34
Commissions and fees expense		-776	-22	-752
Net commissions and fees	7	-676	-22	-718
Net gains/losses (-) on financial instruments at fair value		1 196	-	905
Salary and other personnel expenses		-4 701	-2 245	-13 318
General administrative expenses	8	-6 439	-595	-12 338
Total salary and administrative expenses		-11 140	-2 840	-25 656
Depreciation of assets		-4 165	-	-6 450
Other expenses	8	-8 045	-1 314	-12 316
Total operating expenses excl. impairment losses		-23 350	-4 154	-44 422
Impairment losses	2	-6 348	-	-6 048
Profit before tax		-26 733	-4 176	-47 713
Tax expenses		-	-	-
Profit for the period		-26 733	-4 176	-47 713
Earnings per share (NOK)		-1,73	-1,58	-3,09
Diluted earnings per share (NOK)		-1,56	-1,58	-2,79

Statement of comprehensive income

Profit for the period		-26 733	-4 176	-47 713
Other comprehensive income, net of tax		-	-	-
Comprehensive income for the period		-26 733	-4 176	-47 713

Balance sheet

(NOK 1.000)	Note	31.03.2019	31.03.2018	31.12.2018
Assets				
Deposits with credit institutions	3	45 977	10 845	34 877
Net loans to customers	1,2	191 926	0	97 413
Securities	1	563 242	1 141	152 047
Intangible assets		39 889	0	38 312
Other receivables	6	3 768	13 669	3 994
Total assets		844 802	25 656	326 642
Equity and liabilities				
Deposits from customers	4	590 461	0	51 220
Other liabilities	6	19 740	9 393	14 212
Total liabilities		610 201	9 393	65 432
Share capital		100 434	264	100 434
Share premium reserve		217 782	29 836	217 782
Other paid-in equity		492	-	369
Retained earnings		-84 108	-13 838	-57 375
Total equity		234 601	16 262	261 210
Total equity and liabilities		844 802	25 656	326 642

Oslo, 29 April 2019

Board of Directors, BRABank ASA

Statement of cash flows

<i>(Amounts in NOK '000)</i>	Q1 2019	Q1 2018	31.12.2018
Cash flow from operating activities			
Pre-tax operating profit	-26 733	-4 176	-47 713
Taxes	-	-	-
Ordinary depreciation	4 165	-	6 450
Change in loans	-94 513	-	-99 928
Change in deposits from customers	539 241	-	51 220
Change in securities	-411 196	-1 141	-152 952
Change in accruals	4 418	-2 183	16 123
Net cash flow from operating activities	15 382	-7 500	-226 799
Cash flow from investing activities			
Payment for acquisition of intangible assets	-4 193	-	-44 762
Net cash flow used in investing activities	-4 193	-	-44 762
Cash flows from financing activities			
Paid-in share capital and share premium	-	12 500	300 616
Net cash flow from financing activities	-	12 500	300 616
Net cash flow for the period	11 189	5 000	29 055
Cash and cash equivalents at the start of the period	34 900	5 845	5 845
Cash and cash equivalents at the end of the period	46 089	10 845	34 900

Statement of changes in equity

<i>(Amounts in NOK '000)</i>	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity as at 31.12.2017	199	17 401	-	-9 662	7 938
Share capital increase	66	12 434	-	-	12 500
Profit after tax	-	-	-	-17 091	-17 091
Equity as at 31.03.2018	264	29 836	-	-26 753	3 347
Share capital increase	100 170	187 946	-	-	288 116
Profit after tax	-	-	-	3 234	3 234
Equity as at 30.06.2018	100 434	217 782	-	-23 519	294 697
Changes in equity due to share options programme	-	-	246	-	246
Profit after tax	-	-	-	-13 132	-13 132
Equity as at 30.09.2018	100 434	217 782	246	-36 651	281 811
Changes in equity due to share options programme	-	-	123	-	123
Profit after tax	-	-	-	-20 724	-20 724
Equity as at 31.12.2018	100 434	217 782	369	-57 375	261 210
Changes in equity due to share options programme	-	-	123	-	123
Profit after tax	-	-	-	-26 733	-26 733
Equity as at 31.03.2019	100 434	217 782	492	-84 108	234 601

Notes

Note 1 – Financial instruments

Financial instruments at fair value

According to IFRS7 financial instruments at fair value should be measured at different levels.

Level 1: Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

Level 2: Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

Level 3: When valuation cannot be determined in level 1 or 2, valuation methods based on non-observable market data are used.

Securities	31.03.2019	31.03.2018	31.12.2018
Securities - Level 1	562 083	-	150 853
Total securities at fair value through profit and loss	562 083	-	150 853

The bond portfolio consists solely of shares in Bond Funds, managed by Norwegian asset managers. The portfolio is held for liquidity management purposes, and to satisfy CRD IV requirements regarding liquid assets and minimum Liquidity Coverage Ratio requirement.

Securities measured at fair value	# shares	Cost price	Market value	CRD IV Risk weight
DNB Global Treasury	44 223	40 043	40 037	0 %
DNB European Covered Bonds	58 210	40 000	40 006	10 %
DNB OMF	39 862	39 863	40 066	10 %
DNB FRN 20	39 277	39 822	40 092	20 %
DNB Likviditet 20 (I)	39 939	39 921	40 030	20 %
DNB Likviditet 20 (II)	4 169	39 921	40 031	20 %
DNB Likviditet 20 (IV)	39 572	40 648	40 781	20 %
DNB Likviditet (IV)	4 066	39 871	40 028	100 %
Alfred Berg Kort Stat C	33 001	39 979	39 976	0 %
Alfred Berg OMF Kort Inst.	39 691	40 176	40 363	10 %
Alfred Berg Likviditet	474 598	39 896	40 030	20 %
Alfred Berg Nordic Investment Grade Inst	389 794	39 902	40 085	100 %
Alfred Berg Likviditet Pluss - Classic	387 873	39 897	40 043	100 %
Alfred Berg Nordisk Likviditet Pluss	401 147	40 266	40 516	100 %
Total securities at fair value through profit and loss		560 206	562 083	

Long-term equity shares	31.03.2019	31.03.2018	31.12.2018
Shares in SDC A/S, Denmark - Level 3	1 160	1 141	1 194
Total shares at fair value through profit and loss	1 160	1 141	1 194

Financial instruments at amortised cost

Financial instruments at amortised cost are valued at originally determined cash flows, adjusted for any impairment losses.

Financial assets at amortised cost	31.03.2019	31.03.2018	31.12.2018
Loans and deposits with credit institutions	45 977	10 845	34 877
Net loans to customers	191 926	-	97 413
Total financial assets at amortised cost	237 903	10 845	132 290
Deposits from customers	590 461	-	51 220
Total financial liabilities at amortised cost	590 461	-	51 220

Note 2 – Loans to customers

Loans to customers at EOP consists of unsecured consumer lending to household customers in Norway and Sweden, as well as credit card lending to consumers in Sweden.

Consumer loans: Loan amount kr 20.000 - kr 500.000. Maximum tenure is five years. Pricing is risk based, with a minimum interest of 7.95 % and a maximum of 19.95 %.

Credit card lending carries a maximum credit limit of SEK 100.000. Interest rate is fixed at 18,90 %.

Loans to customers (NOK '000)	31.03.2019	31.03.2018	31.12.2018
Loan balance, unsecured consumer lending Norway	177 213	-	96 917
Loan balance, unsecured consumer lending Sweden	13 696	-	-
Credit cards balance, Sweden	6 341	-	3 011
Total lending balance	197 250	-	99 928
Amortised loan broker commission	6 545	-	3 494
Impairment of loans	(11 869)	-	(6 009)
Net loans to customers	191 926	-	97 413

Loan ageing at 31.12.2018	31.03.2019	31.03.2018	31.12.2018
Not Due	159 551	-	80 806
Past due 30 days	22 998	-	9 257
Past due 60 days	5 125	-	4 259
Past due 90 days +	9 575	-	5 606
Total lending balance	197 250	-	99 928

Stage 1: A new credit exposure is initially recognised in Stage 1. If there is no significant increase in credit risk at next recognition, the exposure stays in Stage 1. The applied initial PD ratio for a Stage 1 credit shall reflect the probability of default within the next 12 months. The initial (12 months') PD is produced by the scorecard provided by Bisnode, reflecting large quantities of observed relevant default data over many years, at the time of on-boarding.

Stage 2: If there is a significant increase in credit risk since previous reporting period the exposure will be re-classed to Stage 2. Back-stop for Stage 2 assessment is the second reminder, which is presented 42 days past due. The applied PD ratio for Stage 2 exposures shall reflect the probability of default over the full lifetime of the exposure. The full exposures move back from stage 2 to stage 1 once they no longer meet the criteria for a significant increase in credit risk.

Stage 3: If credit risk deteriorates further and the financial instrument is assessed to be credit-impaired, the financial instrument is moved to Stage 3. Back-stop for Stage 3 exposures is unpaid 90 days past due. The applied PD ratio for Stage 3 exposures shall reflect the probability of default over the full lifetime of the exposure. If there is no evidence supporting that the PD should be lower, the applied lifetime PD for Stage 3 exposures is 1 (100 %).

Gross loans and ECL per stage at end of quarter	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at 31.12.2018	88 832	3 563	7 532	99 928
Originated	85 313	9 967	2 042	97 322
Gross carrying amount at 31.03.2019	174 145	13 530	9 575	197 250
ECL as at 31.12.2018	(2 109)	(812)	(3 088)	(6 009)
Originated	(2 752)	(2 270)	(837)	(5 860)
ECL as at 31.03.2019	(4 861)	(3 082)	(3 926)	(11 869)
Net carrying amount	169 283	10 448	5 649	185 381
Provision coverage ratio	2,8 %	22,8 %	41,0 %	6,0 %

Geographical distribution of loans	Gross lending	ECL	Net lending
Akershus	19 497	-584	18 914
Aust-Agder	3 090	-77	3 013
Buskerud	7 543	-227	7 316
Finnmark	3 120	-109	3 011
Hedmark	6 160	-182	5 978
Hordaland	11 136	-367	10 769
Møre og Romsdal	6 486	-123	6 363
Nordland	6 054	-192	5 861
Oppland	4 034	-144	3 890
Oslo	19 532	-658	18 874
Rogaland	10 484	-321	10 163
Sogn og Fjordane	1 733	-79	1 654
Telemark	5 275	-168	5 107
Trøms	2 888	-92	2 796
Trøndelag	10 495	-262	10 233
Vest-Agder	3 295	-78	3 218
Vestfold	7 834	-222	7 612
Østfold	9 334	-441	8 893
Sweden	20 037	-751	19 286
Undistributed	39 223	-6 792	32 432
Total loans	197 250	-11 869	185 381

Note 3 – Deposits with credit institutions

<i>(Amounts in NOK '000)</i>	31.03.2019	31.03.2018	31.12.2018
Non-restricted deposits	34 986	9 987	23 790
Restricted tax withholding funds	371	239	441
Other restricted funds	10 620	620	10 647
Deposits with credit institutions	45 977	10 845	34 877

Note 4 – Deposits from customers

Deposits from household customers are regular savings accounts, with variable interest and unrestricted access to withdrawal. Deposits up to NOK 2 million are guaranteed by "Norwegian Banks' Guarantee Fund". Besides equity, deposits from household customers is currently the most important funding source of the bank.

	31.03.2019	31.03.2018	31.12.2018
Deposit interest rate at end of quarter	2,15 %	-	1,98 %
Number of deposit accounts EOQ	688	0	95
Total deposit amount in kNOK	590 461	0	51 220
Average deposit amount in kNOK	858	0	539

Note 5 – Capital adequacy

<i>(Amounts in NOK '000)</i>	31.03.2019	31.03.2018	31.12.2018
Share capital	100 434		100 434
Share premium	217 782		217 782
Other paid-in equity	492		369
Retained earnings	-84 108		-57 375
Deductions of intangible assets	-37 426		-38 312
Common equity Tier 1 capital	197 175		222 899
Additional Tier 1 capital	0		0
Tier 1 capital	197 175		222 899
Subordinated loans	0		0
Tier 2 capital	197 175		222 899

Capital requirements

<i>(Amounts in NOK '000)</i>	31.03.2019	31.03.2018	31.12.2018
Institutions	9 195		6 976
Equity instruments	1 129		1 163
Collective investments undertakings (CIU)	212 909		49 392
Other items	206 236		106 865
Operational risk	5 642		5 170
Total risk-weighted assets	435 112		169 565

Core equity tier 1 capital ratio	45,3 %	N.A.	131,5 %
Tier 1 capital ratio	45,3 %	N.A.	131,5 %
Capital ratio	45,3 %	N.A.	131,5 %

LCR (Liquidity Coverage Ratio) is 202 % as at 31.03.2019.

Note 6 – Other assets and other liabilities

<i>(Amounts in NOK '000)</i>	31.03.2019	31.03.2018	31.12.2018
Prepaid expenses	3 768	13 661	3 984
Other short-term assets	0	8	10
Total other assets	3 768	13 669	3 994

<i>(Amounts in NOK '000)</i>	31.03.2019	31.03.2018	31.12.2018
Payables to suppliers	8 289	5 216	5 969
Holiday allowance	1 278	511	929
Public taxes	1 269	492	1 774
Other accrued expenses	8 904	3 174	5 540
Total other liabilities	19 740	9 393	14 212

Note 7 – Net interest and fees

<i>(Amounts in NOK '000)</i>	Q1 2019	Q1 2018	YTD 31.12.2018
Interest income from loans to and deposits with credit institutions	126	-	50
Interest income from loans to customers	3 924	-	2 947
Interest income, effective interest method	4 050	-	2 997
Interest expense from deposits from customers	1 591	-	156
Interest expense on short-term liquidity loan	14	-	42
Interest expense, effective interest method	1 604	-	198
Fee to Norwegian Banks' Guarantee Fund	-	-	229
Other interest expenses	-	-	229
Interest expenses	1 604	-	427
Net interest income	2 445	0	2 570
Fees	100	-	34
Total commission and fee income	100	-	34
Commission paid to Braathens Regional Airlines	567	-	586
Other expenses commissions and fees	210	22	166
Total expenses commissions and fees	776	22	752
Net commissions and fees	-676	-22	-718

Note 8 – Expenses

<i>(Amounts in NOK '000)</i>	Q1 2019	Q1 2018	YTD 31.12.2018
Sales and marketing	1 724	16	4 004
IT operations	2 798	251	3 111
Rental of premises	48	163	875
Insurance	9	6	60
Office expenses	77	39	222
Other administrative expenses	1 783	120	4 065
Total general administrative expenses	6 439	595	12 338
<hr/>			
External services fees *)	7 557	1 199	10 939
Currency gain/loss (-) on currency transactions	16	8	88
Other operating expenses	112	83	625
Auditor	360	24	665
Total other expenses	8 045	1 314	12 316

*) Q1 2019 costs include 5.2 mNOK of merger preparation costs

Note 9 – Related parties

The only one related party of the bank is Braathens Regional Airlines AB ("BRA"). This company is fully owned by Braganza AB, which hold 19.38 % of the shares of BRABank ASA. The nature of the relation with BRA is a cooperation agreement to issue co-branded loyalty/credit cards to the customers of the airline. The bank pays a royalty fee of 0.7% of interest bearing balances to the airline, as well as a SEK 250 reward per BRA customer that signs up for a credit card with the bank. Transactions between the parties are part of daily operations and at arms length prices.

Transactions (NOK '000):

Counterpart	Period	Sales to related party	Purchase from related party	Amount
Braathens Regional Airlines AB	Jan-Mar 2019	-	Royalty and reward	567

Transactions with related parties included in the balance sheet (NOK '000)

	31.03.2019	31.03.2018	31.12.2018
Debt to related parties	96	-	445

Note 10 – Intangible assets

<i>(Amounts in NOK '000)</i>	Q1 2019	Q1 2018	Full year 2018
Intangible assets cost price at start of period	44 762	-	-
Additions			
Setting up BRABank core banking system for Norway and Sweden at the Scandinavian Data Centre in Denmark		-	26 316
Development of the digital customer front-end system	2 943	-	12 680
Connecting BRABank to the Norwegian national clearing and settlement infrastructure (NICS)		-	6 304
Setting up BRABank for international credit card issuing, BankID and electronic archives at Nets		-	1 488
Other start-up investments		-	278
Public tax relief for R&D activities ("SkatteFUNN")		-	(2 304)
Amortised value of leased premises according to IFRS 16	2 798	-	-
Disposals	-	-	-
Intangible assets cost price at end of period	50 503	-	44 762
Cumulative depreciations at start of period	(6 450)	-	-
Write downs	-	-	-
Cumulative depreciation during the period	(4 165)	-	(6 450)
Cumulative depreciation at end of period	(10 615)	-	(6 450)
Book value of intangible assets at end of period	39 889	-	38 312

Value assessment

There are no identifiable parts of the revenue stream of the bank that can be tied to any of these investments, as they are all basic infrastructure investments to be able to provide financial services, such as lending and payments. A revenue-based assessment of the asset values is therefore not applicable.

The major share of this investment package (Core system + Digital Front-end) are tied to three-year contracts - hence a 36 month depreciation profile has been decided. On an on-going basis there will be future needs for new functionality, upgrades, maintenance and re-design. An economic lifetime of these assets could be projected to be 3-5 years.

No impairments have been recognised for the intangible assets in the period. Although the announced merger plan of Monobank and BRABank indicates that the combined bank shall run its operations on the Monobank platform and solutions, it is still to soon to translate the announcement into financial transactions in the BRABank accounts.

Note 11 – Share owners

Face value of the company shares is NOK 6,50. All shares have the same share class and voting rights. If the merger with Monobank is completed the shareholders of BRABank will receive 9.25 Monobank shares for every BRABank share.

On 23-Feb-2018, 1,500,000 independent subscription rights [warrants] were issued to the existing shareholders of the company. The rights are freely tradable. Subscription can be exercised 1-Mar-2021, 1-Mar-2022 and 23-Feb-2023. The BoD can decide to accept exercise of subscription rights at other dates, but no later than 23-Feb-2023. Subscription price is set at NOK 23,50 + 5 % step-up per year proceeding 23-Feb-2018. If the merger with Monobank is completed the warrants will be converted to independent subscription rights in Monobank, under the same terms and conditions.

May 2018 the company established a three-year stock option programme for the management team. Strike price of the options was based on the planned share issue price (NOK 23,50) as stated in the IPO and the Black and Scholes's option pricing model. Strike price is stepped up by 5 % yearly. First possible exercise date was 23-March-2019. No options were exercised at that date. If the merger with Monobank is completed the options will be converted to Monobank share options under the same terms and conditions.

Top 20 shareholders

Investor	Country	Number of shares	Ownership	Warrants
Braganza AB	Sweden	2 994 533	19,38 %	901 714
Thon Holding AS	Norway	1 543 598	9,99 %	
Westindia AB	Sweden	1 543 598	9,99 %	
Netrom AS	Norway	1 219 403	7,89 %	
Goosacker Invest AB	Sweden	550 000	3,56 %	
Allba Holding	Sweden	500 000	3,24 %	
MP Pensjon AS	Norway	476 983	3,09 %	
PB Banking AS	Norway	475 096	3,07 %	257 390
Must Invest AS	Norway	425 531	2,75 %	
Wenaas Capital	Norway	425 531	2,75 %	
Varnar Invest AS	Norway	425 531	2,75 %	
JCE Group	Sweden	425 531	2,75 %	
Hjellegjerde Invest AS	Norway	314 662	2,04 %	
Avanza Bank AB (Nominee account)	Sweden	223 627	1,45 %	
OG Invest AS	Norway	215 000	1,39 %	
Provobis Invest AB	Sweden	215 000	1,39 %	
EMT Invest	Norway	193 670	1,25 %	
Halfdan Holme AS	Norway	189 125	1,22 %	
Mellem Nes Invest AS	Norway	170 212	1,10 %	
Steian Invest AS	Norway	163 656	1,06 %	67 912
Total TOP 20		12 690 287	82,13 %	1 227 016
Other shareholders		2 761 145	17,87 %	272 984
Total		15 451 432	100,00 %	1 500 000

Of which:

Held by management team and BoD of BRABank:	322 134	2,08 %	4,51 %
--	----------------	---------------	---------------

Shares & options held by management or members of the BoD at 31.03.2019

Name	Title/role	# shares	# options
Morten Grusd	CEO	144 210	32 604
Kjersti Præsttun Ruben	CRO	10 000	21 170
Jamal Hussain	CCrO	5 320	18 085
Karl-Richard Floer	COO	20 000	27 170
Marius Hansen Brislöv	CCO	2 484	23 404
Sven Arnesen	CFO	55 000	27 567
Geir Stormorken	BoD chair	53 200	
Kristin Krohn-Devold	BoD mbr	5 320	
Tom Høiberg	BoD mbr	26 600	
Total		322 134	150 000



BRABank ASA

Org. no. 917 651 817
Drammensveien 151 | 0277 Oslo
P.O. Box 4126 | Sjølyst | 0217 Oslo

www.brabank.no