



4rd quarter result presentation

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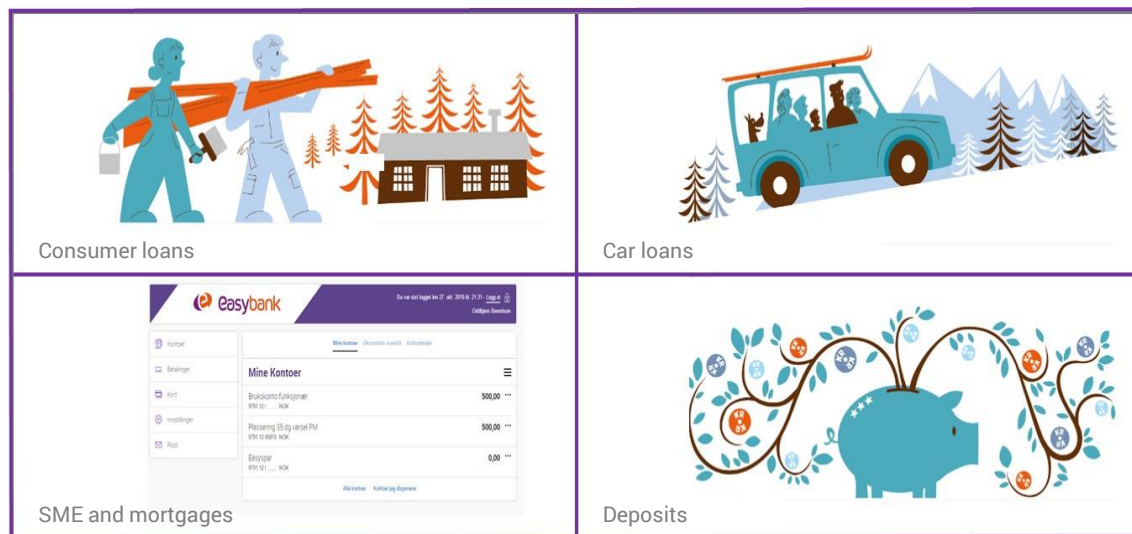
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More than a consumer finance bank

Company history

- Based on a bank founded in 2003 – rebranded to Easybank and raised new equity in March 2016
- New strategy from 2016 involving new management and Board of Directors in addition to significant changes in the shareholder base
- Successful turnaround completed
- Listed on OTC on 15 November 2016

Product portfolio



Key highlights and developments full year 2017 and Q4 2017

- 1 **Solid growth in loan volumes** with gross growth in consumer loans for the full year and 4th quarter of **927 million** and NOK **245 million** respectively
- 2 **Strong growth in net interest income** with net interest income for the full year and 4th quarter of **126 million** and NOK **42 million** respectively
- 3 **Reached profitability** – break even reached 3 quarters after launch of new strategy with profit before tax for the full year and 4th quarter of **15.6 million** and NOK **9.5 million** respectively
- 4 **Increasing yields and margins** – satisfactory development in yields on all products
- 5 **Stable OPEX development** despite strong growth due to a flexible and scalable organization and IT systems
- 6 **Forward flow agreement** with Kreditor in place from Q3-2017
- 7 **Insurance products** successfully launched

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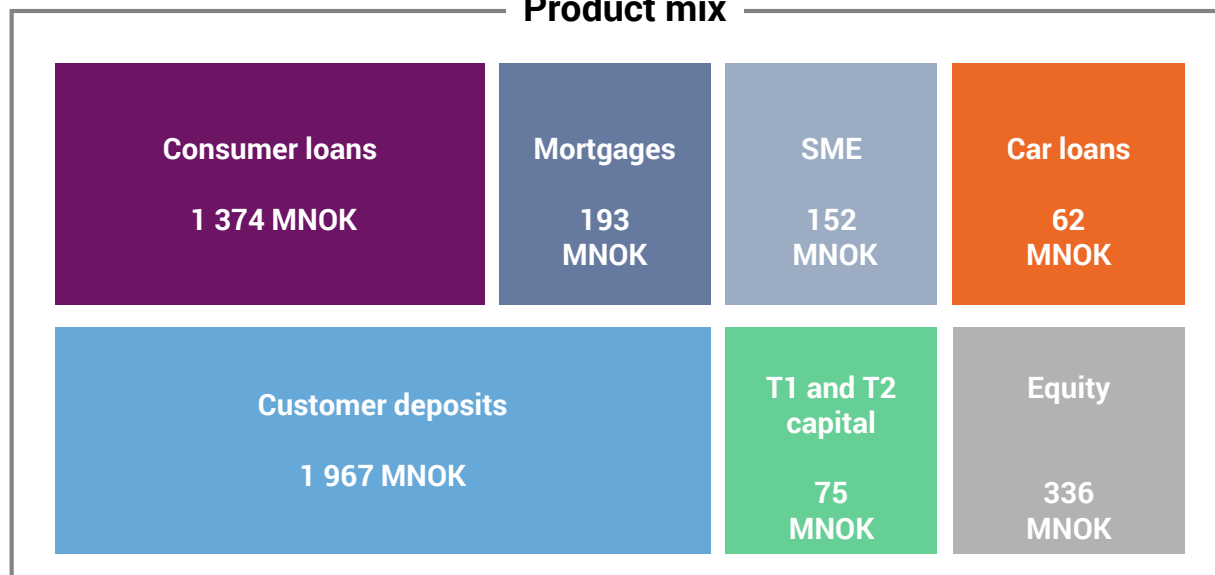
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Outlook

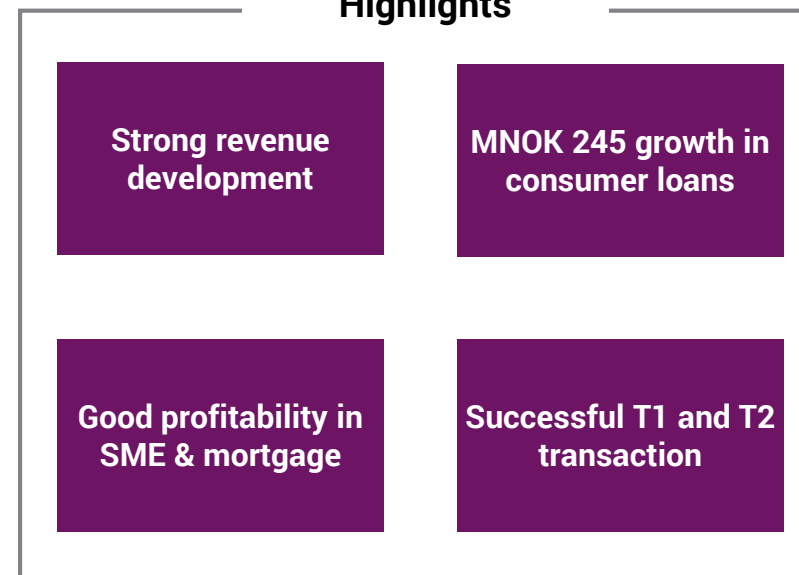


Diversified product portfolio – gross lending of NOK 1.8 billion

Product mix



Highlights

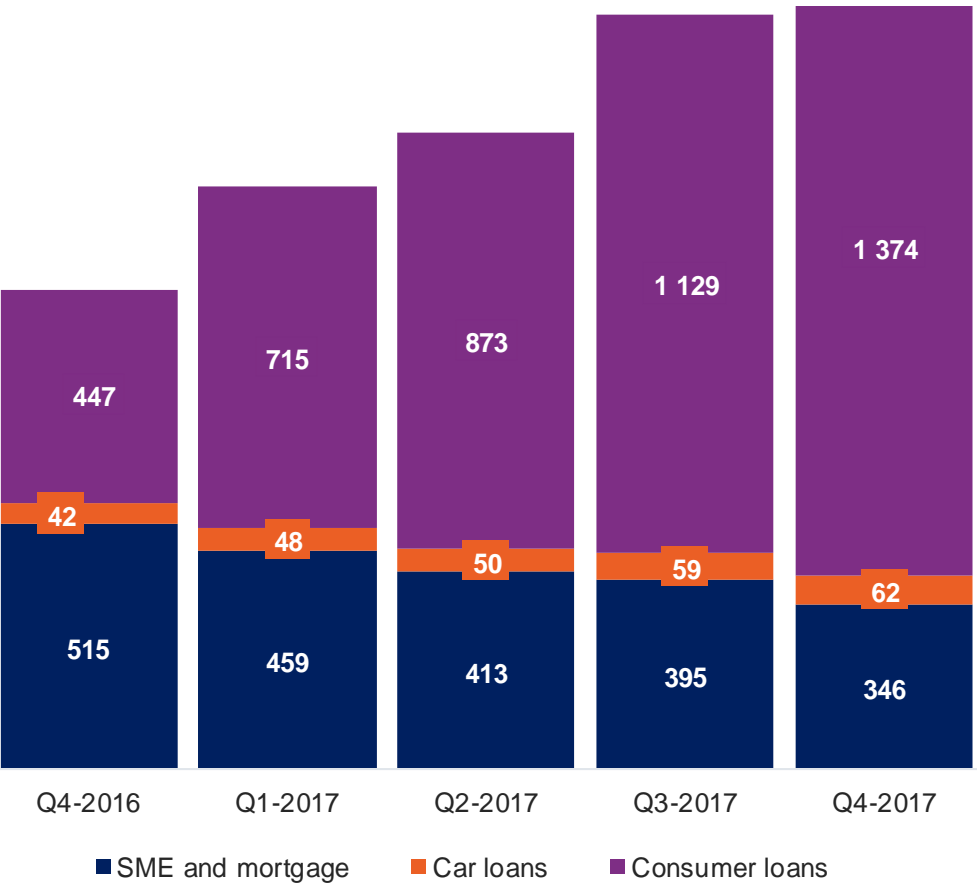


Gross lending & number of customers

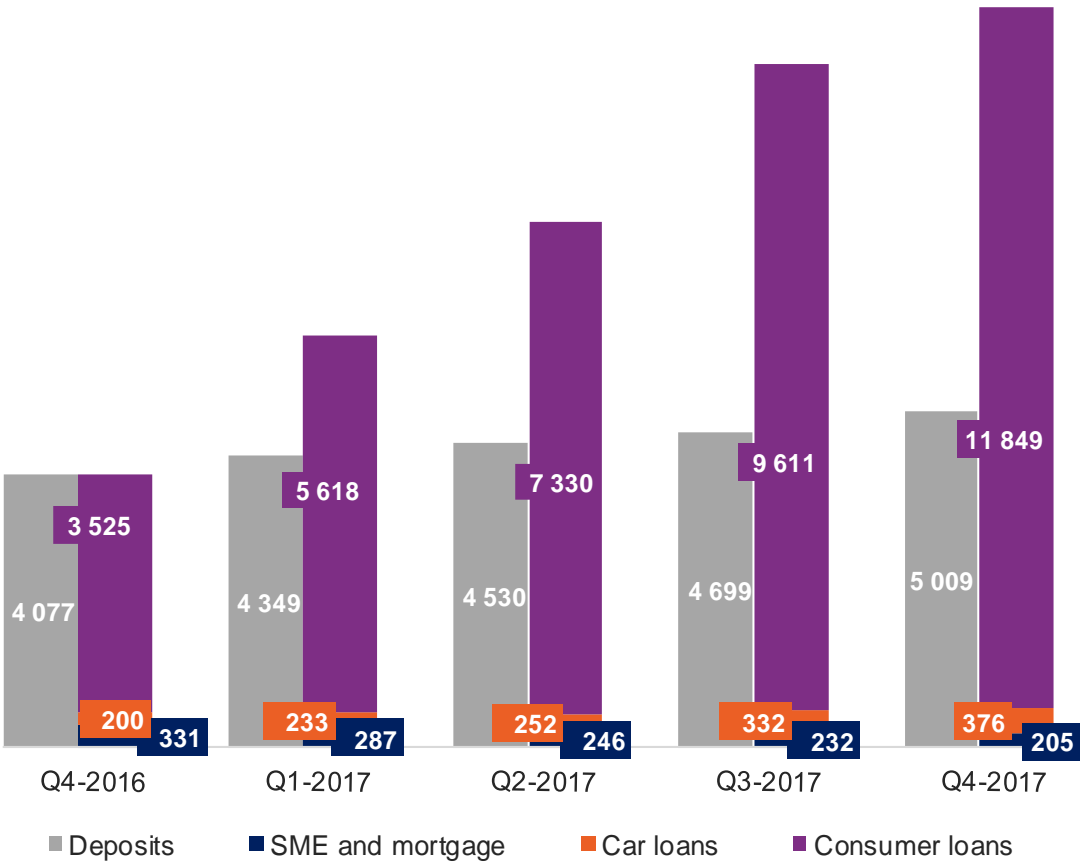
Strong growth in volume and customers

Gross lending per product

NOK million



Customer accounts per product

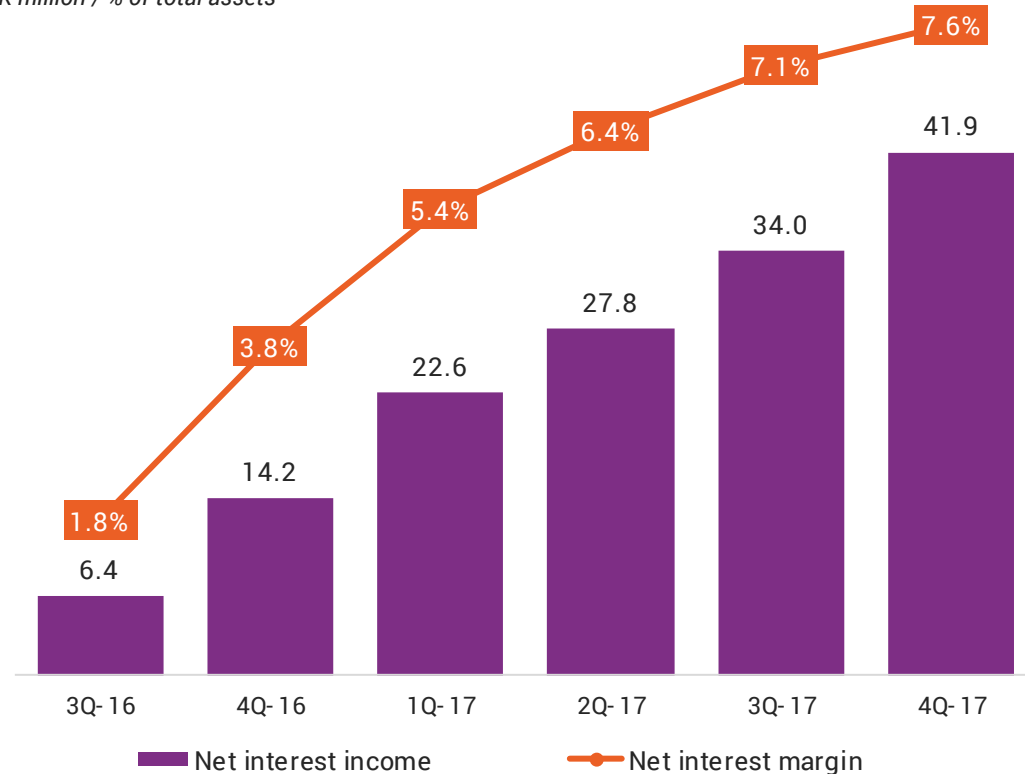


Net interest income & yields

Increasing interest income and improving margins

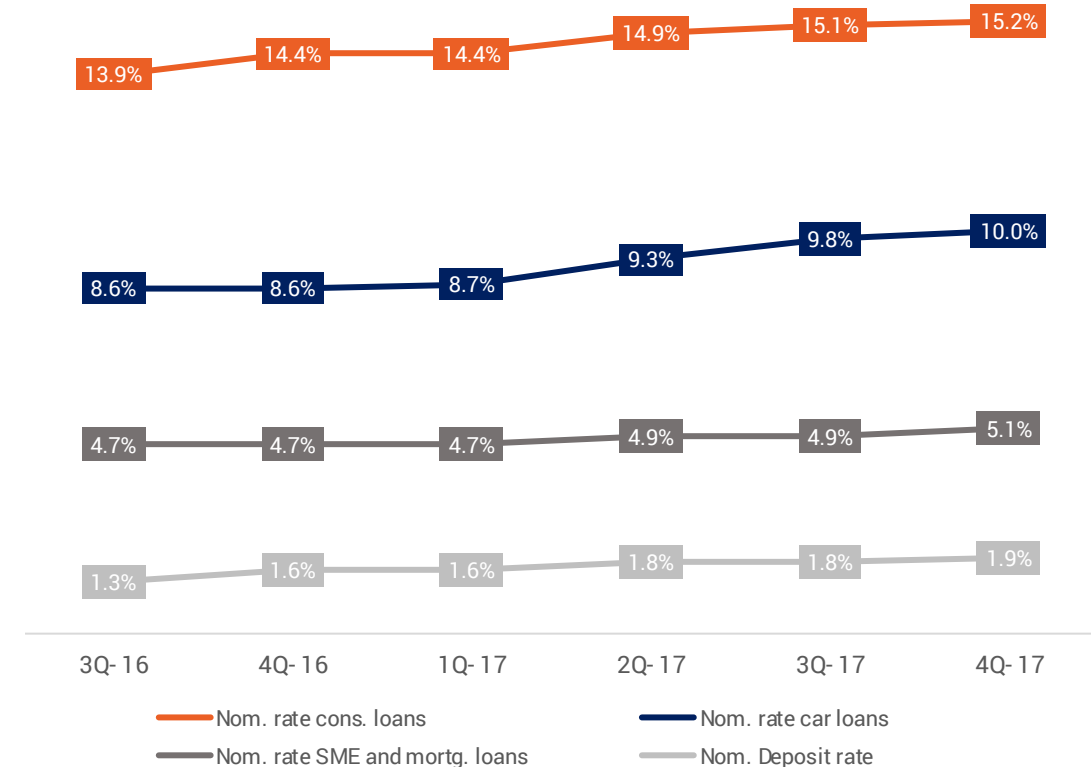
Net interest income and net interest margin

NOK million / % of total assets



Yields

% of relevant balance



- Increase in net interest income an effect of increasing loan volumes, but also of increasing margins
- Good margins from SME & mortgage loans

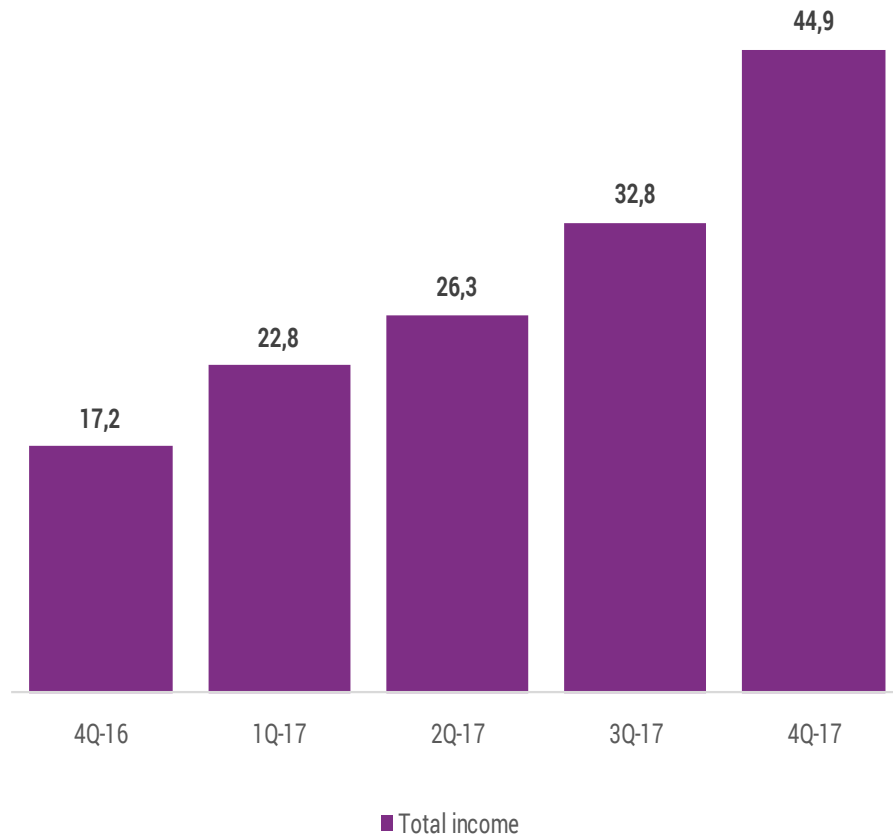
- Increased consumer loan volume without compromising on margin
- Attractive funding rate due to multiple deposit products

Total income & profit before tax

Increasing total income and solid profit in Q4

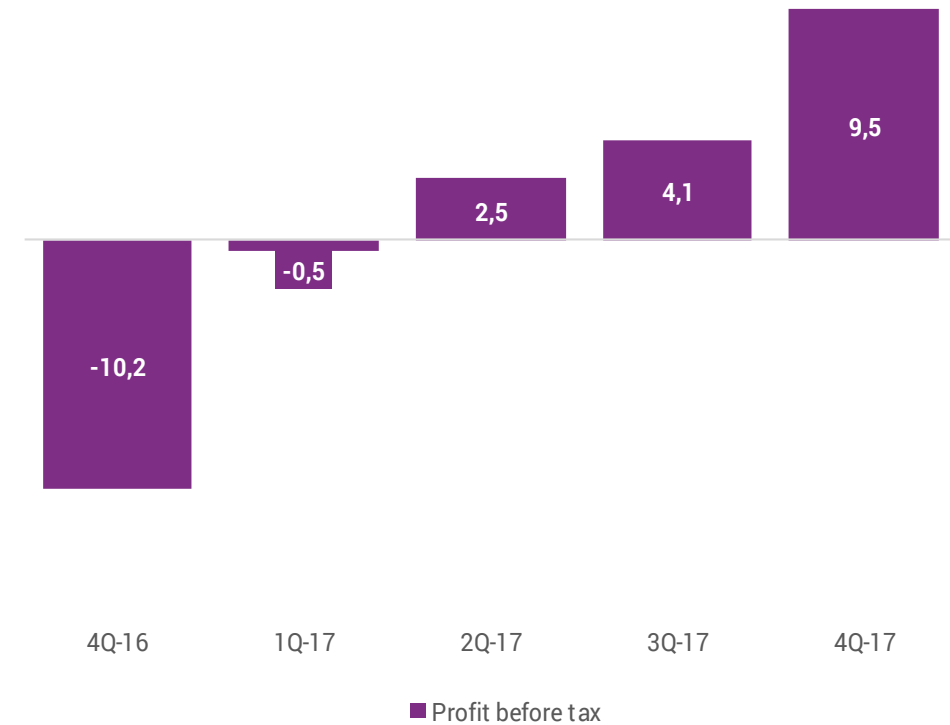
Total income

NOK million



Profit before tax

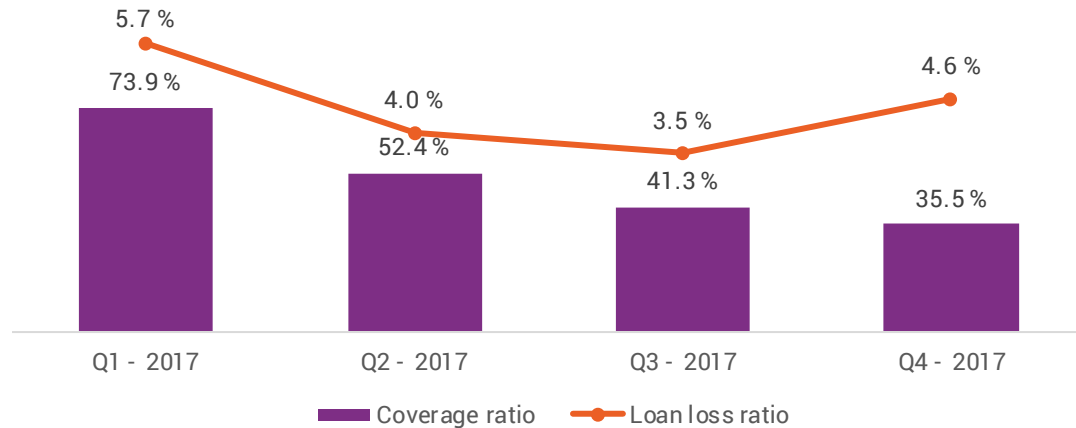
NOK million



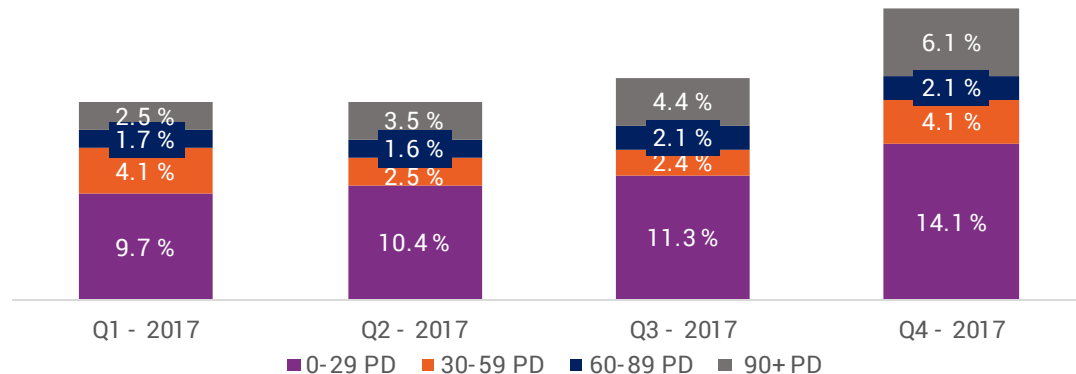
Credit quality - Consumer loans

Satisfactory risk reward and forward flow agreement reduces downside risk

Coverage¹ and loan loss ratio²



Loans past due



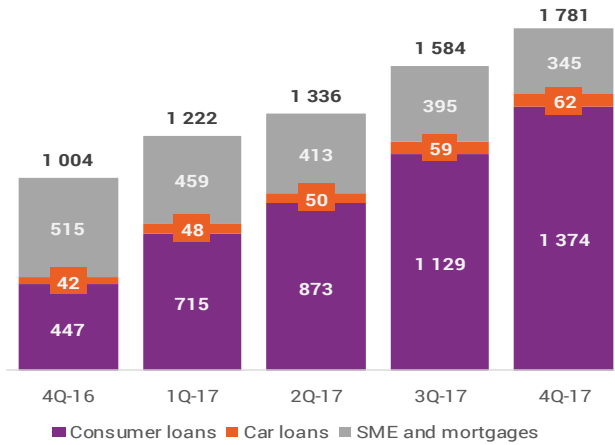
Comments

- The forward-flow agreement, entered into with Kreditor in Q3 2017, reduces downside risk for Easybank as it transfers risk to Kreditor. The agreement is not one-time transaction, but ongoing sales of loans and receivables
- The forward flow agreement was fully operational in Q4 2017
- The bank use a rigorous model for calculating expected loss with calculated values for PD & LGD based on internal history and time value of money. As the portfolio matures the PD values will be more precise, and in combination with the forward flow agreement with Kreditor will be important factors for loan loss provisions going forward
- Satisfactory risk reward taken into account margin level on consumer loans

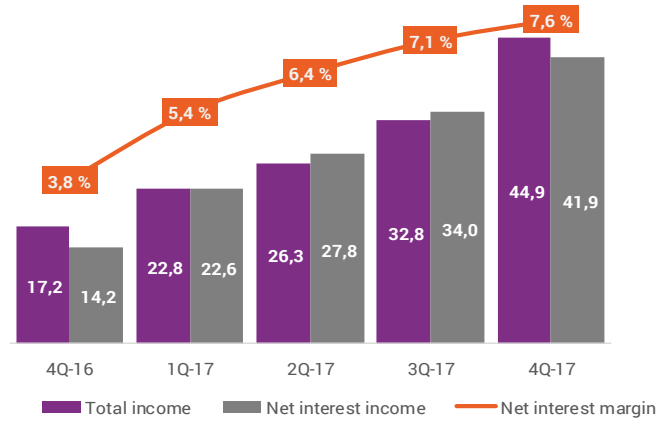
Overview

Strong growth and improving profitability

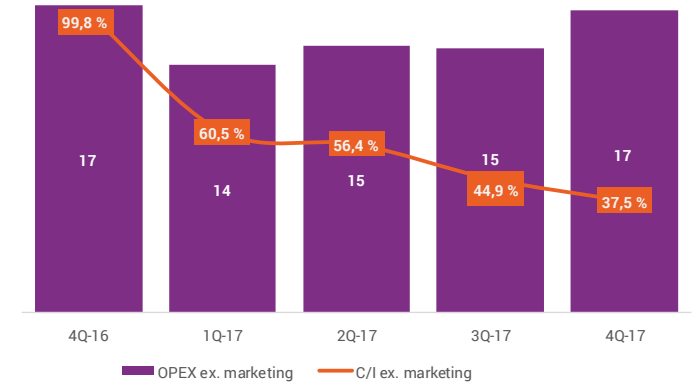
Gross lending



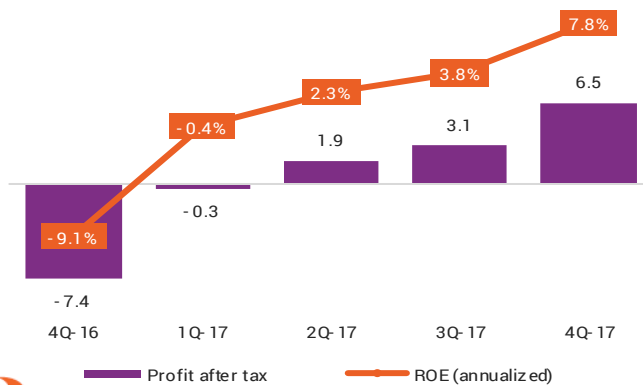
Income and interest margin



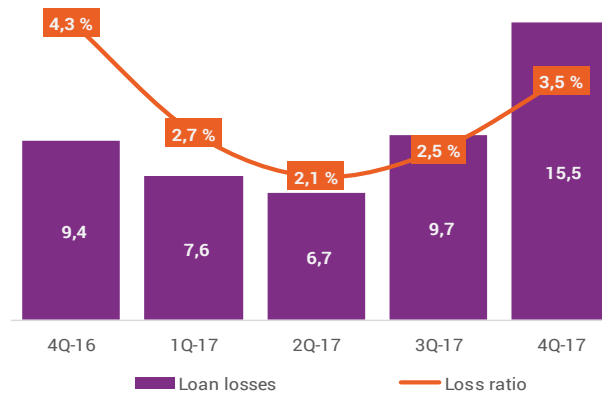
OPEX and C/I ratio



Profit after tax and ROE



Losses and loss ratio



Equity and CET-1 ratio

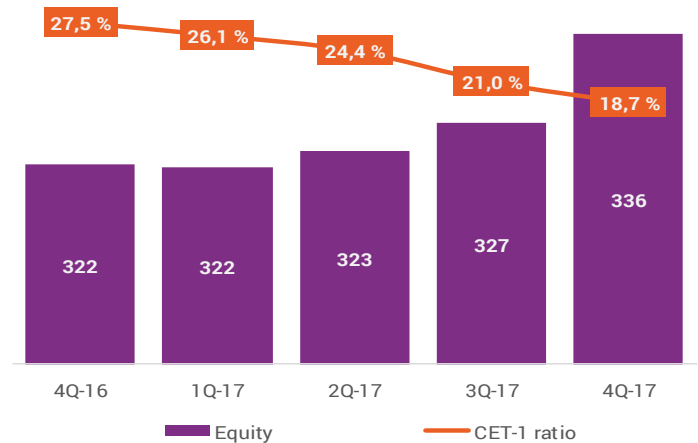


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Outlook



Income statement

<i>Amounts in thousands</i>	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016
Interest income	51 414	41 592	34 023	28 398	18 578
Interest expense	-9 485	-7 583	-6 243	-5 773	-4 364
Net interest income	41 929	34 009	27 780	22 625	14 214
Comission and fee income	10 321	4 733	3 254	3 384	3 726
Comission and fee expenses	-7 660	-6 158	-5 036	-3 544	-1 996
Net change in value on securities and currency	253	218	320	340	1 168
Other income	34	30	24	-	68
Net other income	2 949	-1 178	-1 439	180	2 967
Total income	44 878	32 831	26 341	22 805	17 181
Salary and other personell expenses	-8 720	-7 720	-7 173	-7 029	-7 223
Other administrative expenses	-7 654	-7 893	-6 066	-5 670	-6 753
- of which marketing expences	-3 023	-4 267	-2 281	-1 894	-867
Depreciation	-1 164	-1 032	-978	-878	-830
Other expenses	-2 332	-2 367	-2 914	-2 115	-3 211
Total operating expenses	-19 869	-19 012	-17 131	-15 692	-18 017
Profit before loan losses	25 009	13 819	9 210	7 113	-836
Loan losses	-15 543	-9 710	-6 689	-7 571	-9 384
Profit before tax	9 466	4 109	2 522	-458	-10 221
Tax	-2 990	-1 027	-630	115	2 844
Profit after tax	6 476	3 082	1 891	-344	-7 377

- Increasing interest income due to good growth in consumer loans
- Interest income from SME and mortgage MNOK 4,5
- ROE annualized 7,8%

Balance sheet

Amounts in thousands

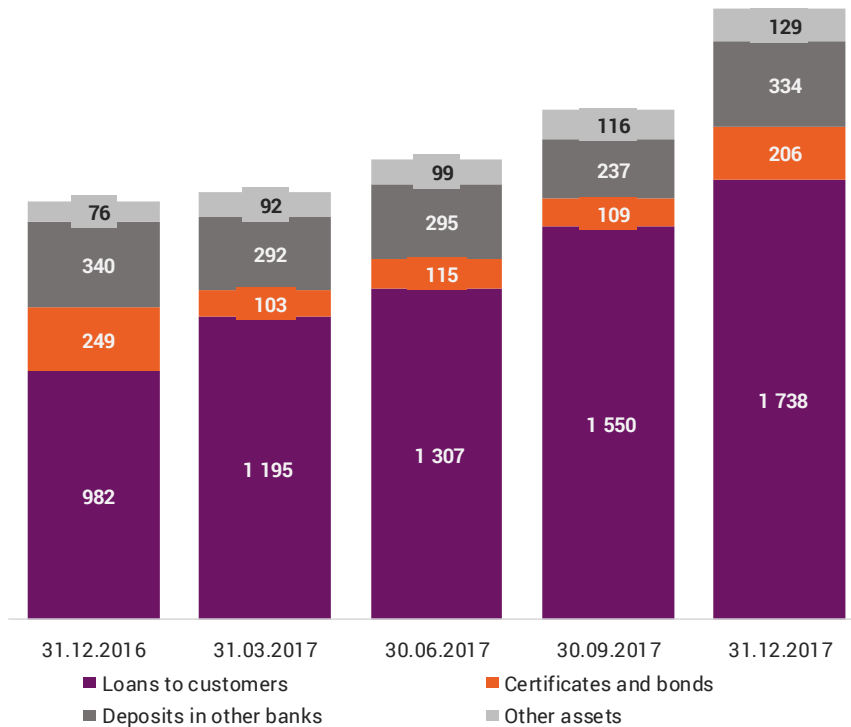
	31.12.2017	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Assets					
Cash and deposits with the central bank	53 680	53 643	53 607	53 570	53 532
Loans and deposits with credit institutions	280 309	183 039	241 178	238 873	286 673
Loans to customers	1 780 862	1 583 576	1 335 848	1 222 093	1 004 239
- Loan impairment	-42 851	-33 737	-28 589	-27 041	-22 167
Certificates and bonds	152 017	55 021	60 017	48 630	144 973
Shares and other securities	53 869	53 637	54 655	54 427	104 101
Shareholding in group companies	192	192	192	192	284
Deferred tax asset	19 996	22 986	24 014	24 644	24 529
Other intangible assets	20 398	20 176	20 610	20 170	19 880
Fixed assets	1 191	1 344	1 412	815	1 035
Other assets	1 576	1 049	950	1 286	1 034
Prepaid expenses	86 022	70 234	52 268	45 365	29 700
- of which agent commissions	50 475	43 954	35 744	30 682	20 999
Total assets	2 407 262	2 011 162	1 816 160	1 683 023	1 647 812
Equity and liabilities					
Deposits from customers	1 967 508	1 629 868	1 455 236	1 330 641	1 300 413
Other liabilities	18 508	19 391	11 615	10 107	11 887
Accrued expenses and deferred revenue	10 015	25 386	15 874	10 732	3 624
Tier 1 and Tier 2 capital bonds	75 000	10 000	10 000	10 000	10 000
Total liabilities	2 071 031	1 684 645	1 492 726	1 361 480	1 325 924
Share capital	260 690	259 990	259 990	259 990	259 990
Share premium reserve	91 681	91 481	91 481	91 481	91 481
Other paid-in equity	5 238	2 900	2 900	2 900	2 900
Other equity	-21 378	-27 854	-30 936	-32 827	-32 483
Total equity	336 231	326 516	323 435	321 543	321 888
Total equity and liabilities	2 407 262	2 011 162	1 816 160	1 683 023	1 647 812

- Customer deposits increase of MNOK 245 during the quarter
- Loan impairment of MNOK 43
- Tier 1 capital bonds of MNOK 25 and Tier 2 capital bonds of MNOK 40
- The bank has a strong liquidity position
- CET 1 ratio 18,7%. Tier 1 capital ratio 20,2%. Total capital ratio 22,2%

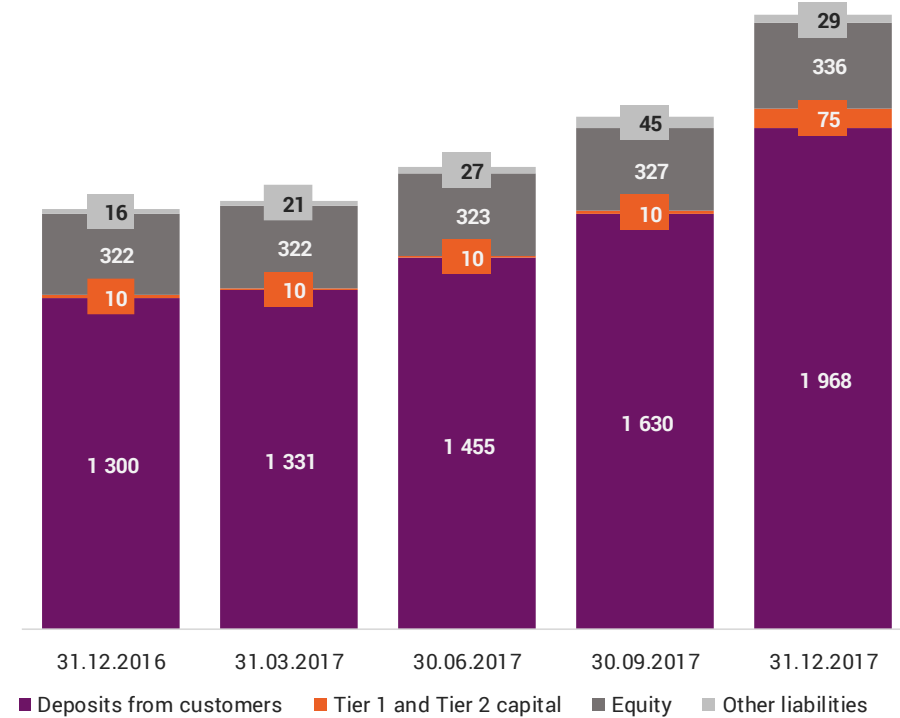
Balance sheet structure

Strong funding and liquidity position

Total assets



Equity and liabilities



- Deposit ratio: 110 %
- Liquidity Coverage Ratio: 1080 %
- Net Stable Funding Ratio: 173 %

- Diversified customers deposits. 65 % of deposits with 35 days+ notice period
- New MNOK 25 in T1 capital and MNOK 40 in T2 capital in Q4
- MNOK 486 in surplus liquidity placed in Norges Bank, other banks and positions with short duration and low risk

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Outlook



Strategic opportunities

Significant scaling opportunities with all building blocks and a profitable platform already in place

The current business

- Proven profitable business model in place



Loan portfolio of MNOK 1 781
- Consumer loan of MNOK 1 374



Strong organisation
- Significant experience with all competences in place



Modern and flexible IT solutions
- Full retail banking setup combined with a flexible «fintech» solution



Controlled risk exposure
- Forward flow agreement reduces downside risk

Near term focus



Capitalise on strong loan growth momentum
- Strong competence in both agent and direct channels



Strong profitability development
- Competitive cost structure with possibility to double volume with nearly existing OPEX level

Opportunities ahead



Building blocks in place for next phase

- Short term to market for sales financing and credit card solution
- Low cost geographical expansion
- Refinancing pilot
- Ability to test and develop new products and geographies efficiently and at low cost



Room for strategic distribution partner

- No dominating owner today

Key priority to maintain focus and efficiency, and to allocate capital to areas with highest ROE potential

Strong shareholder base supportive of new strategy

Top 30 shareholders as of 15 February 2018

# Investor	Shares	Shares %
1 SKAGERRAK SPAREBANK	3 221 071	8,6%
2 FONDSAVANSE AS	2 809 330	7,5%
3 VERDIPAPIRFONDET ALFRED BERG NORGE	2 374 760	6,4%
4 LADEGAARD AS	2 002 305	5,4%
5 NORDIC PRIVATE EQUITY AS	1 393 347	3,7%
6 LINDBANK AS	1 383 258	3,7%
7 MP PENSJON PK	1 242 011	3,3%
8 UMICO - GRUPPEN AS	1 156 767	3,1%
9 SHELTER AS	1 120 000	3,0%
10 KROGSRUD INVEST AS	1 000 000	2,7%
11 INDEPENDENT OIL & RE	900 000	2,4%
12 JOLLY ROGER AS	886 579	2,4%
13 JENSSEN & CO A/S	833 334	2,2%
14 BYHOLT AS	787 159	2,1%
15 REMCO AS	786 115	2,1%
16 MENTOR MEDIER AS	656 422	1,8%
17 WHITETAIL WEBSERVICE	614 100	1,6%
18 ULLTVEIT-MOE HILDEGUNN HODNE	400 222	1,1%
19 TRIPPEL-L AS	387 225	1,0%
20 JARAS INVEST AS	350 000	0,9%
21 ARILD HESTÅS INVEST	301 250	0,8%
22 HHG INVEST AS	296 000	0,8%
23 AUTOBAHN AS	287 584	0,8%
24 JUUL-VADEM HOLDING AS	280 000	0,8%
25 MOTOR-TRADE EIENDOM OG FINANS AS	278 000	0,7%
26 WIST HOLDING AS	278 000	0,7%
27 TRULS AS	250 000	0,7%
28 ROTVOLLEN HOLDING AS	250 000	0,7%
29 CREDOKIRKEN	246 296	0,7%
30 BARCA FINANS AS	225 000	0,6%
Total top 30	26 996 135	72,4%
Other	10 303 795	27,6%
Grand total	37 299 930	100,0%

- 431 shareholders as of 15 February 2018
- The EASY share was registered on NOTC on 15 November 2016, following a private placement and repair offering totaling NOK 200 million
- Management holds a total of 2,020,868 shares, corresponding to 5.4% of shares outstanding
- Members of the board holds a total of 2,189,380 shares, corresponding to 5.9% of shares outstanding
- Current market capitalization of approx. NOK 473 million as of 15 February

