

Turnaround complete and profitability restored

- **Strong improvement in underlying operation**
 - Pre-tax profit NOK 17.5 million vs NOK -25.2 million in Q2'19
 - Underlying cost base down 28 per cent compared to Q2'19
- **Credit quality continue to improve**
 - Lowest loan loss ratio since 2017
 - No signs of deteriorating credit quality, despite COVID-19 and oil price shock
- **Well capitalised – solidity restored**
 - Capital ratio 3 percentage points above regulatory requirements
- **Merger with Easybank approved by extraordinary general meeting**

“A year ago, former BRABank and Monobank officially merged. Focus in the new organisation was to grow and expand. However, unfavourable market development, weaker than anticipated results and capital constraints challenged us to shift focus towards risk reduction, improving risk selection and reducing the cost base. As a result, several efficiency measures were implemented. A year later, the turnaround is complete, and profitability is restored. BRABank now has a healthy loan book, is more cost efficient and solidity has been restored.”, says Hans Ljøen, CEO of BRABank ASA.

Operational performance continued to improve during the second quarter driven by efficiency measures successfully implemented during the end of 2019 and the first quarter of 2020. The underlying cost base has been reduced by 28 percent compared to second quarter 2019.

Credit quality has been improved and BRABank reported a loan loss ratio of 2.2 percent in the second quarter, the lowest since 2017. During the last 12 months, BRABank has improved its credit process and reduced risk taking in all its markets.

BRABank has restored a healthy capital position with a three percentage points buffer to regulatory requirements. This is a result of measures taken during the previous two quarters. Measures includes a private placement, a Tier 2 bond issue, disposal of a non-performing loan portfolio and lower new originations causing overall reduction in the loan portfolio.

Net interest income for the second quarter of 2020 was NOK 77.9 million, a decrease of 11.5 percent compared to the second quarter of 2019. The decline was primarily driven by a

reduction in net loans due to a reduced loan book in Norway and a cautious approach in Finland.

Operating costs amounted to NOK 36.8 million in the second quarter (NOK 72.1 million). Excluding restructuring charges of NOK 3.8 million (26.6 million) operating costs amounted to NOK 33.0 million, well below the guided range of NOK 38-41 million excluding one-offs. The second quarter of 2020 was the first quarter with full effects from the efficiency measures.

Loan losses was NOK 23.1 million in the quarter compared to NOK 40.4 million in the second quarter last year. This corresponds to a loan loss ratio of 2.2 percent p.a. (3.6 percent p.a.).

Profit after tax ended at 13.2 million in the second quarter, compared to a deficit of NOK 18.9 million in the same period last year.

Material and webcast

The second quarter and first half 2020 report, presentation and earnings webcast is released on www.brabank.no/. The report, presentation and webcast is also available on www.newsweb.no/.

The direct link for the earnings webcast is:

https://channel.royalcast.com/webcast/brabank/20200819_1/

For further information contact:

Hans Ljøen, Chief Executive Officer at BRABank, phone: +47 481 87 750

Torbjørn Botnevik, Chief Financial Officer at BRABank, phone: +47 982 80 233

About BRABank

BRABank ASA is a digital bank focused on consumer finance in the Nordics. BRABank is a cloud-based bank with strong focus on customer experience and fintech solutions. BRABank is based in Bergen, Norway and started operation as Monobank in November 2015 and merged with BRABank in June 2019.

The bank offers unsecured lending to qualified private individuals in Norway, Finland and Sweden. The screening process is based on an automated evaluation system, developed using the latest technology and advanced analytics. The bank also offers attractive deposit rates on its savings accounts.

BRABank is an independent bank with approximately 1,400 shareholders and is listed on the Oslo Stock Exchange's Merkur Market with ticker symbol BRA-ME.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.