



BRABANK

Interim report 2nd quarter 2020

Turnaround complete and profitability restored

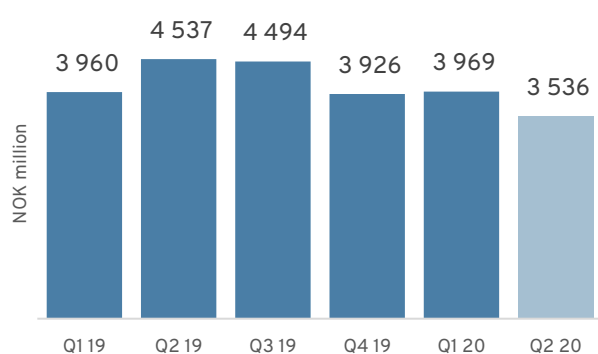
- **Strong improvement in underlying operation**
 - Pre-tax profit NOK 17.5 million in Q2 vs a deficit of NOK 25.2 million in Q2 2019
 - Underlying cost base reduced by 28 per cent compared to Q2 2019
 - Lowest loan loss ratio since 2017
- **Well capitalised – Growth capacity restored**
 - Total capital ratio three percentage points above requirement
- **Merger with Easybank approved by extraordinary general meeting**
 - BRABank shareholders will receive 50 percent of the combined bank
 - Significant cost saving potential and revenue synergies identified

CEO comment

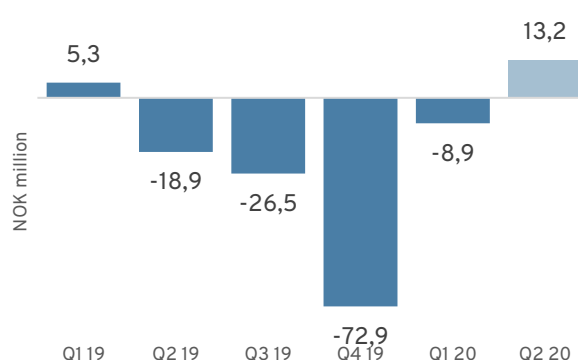
“A year ago, former BRABank and Monobank officially merged. Focus in the new organisation was to grow and expand. However, unfavourable market development, weaker than anticipated results and capital constraints challenged us to shift focus towards risk reduction, improving risk selection and reducing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

Financial development

Net loans and advances to customers



Net profit after tax



About BRABank ASA

BRABank ASA is a digital bank focused on consumer finance in the Nordics. The Bank is cloud based with strong focus on customer experience and fintech solutions.

Headquarter is in Bergen, Norway, the bank started its operation in November 2015. BRABank aim to differentiates on availability and to dominate on customer experience in its market segment. With 24/7 availability, efficient loan processes combined with simple and easy to use products BRABank has experienced strong growth.

The main products are deposits, unsecured lending to private individuals in Norway, Finland and Sweden, and credit cards in Norway and Sweden.

The screening process for loans is based on an automated evaluation system, developed using the latest technology and advanced analytics. The bank offers attractive deposit rates on its savings accounts. Deposits up to NOK 2 million are guaranteed by the Norwegian Banks' Guarantee fund of which BRABank is a member.

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.

Operational and Financial review

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. The reduction includes staff and use of external consultants. The scalability in the business model is however maintained.

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 percent buffer to regulatory requirements. This is a result of measures taken during the last two quarters. This includes a private placement, a Tier 2 bond issue, disposal of a non-performing loan portfolio (before COVID-19) and lower new originations causing overall reduction in the loan portfolio.

The COVID-19 outbreak and various public initiatives to slow its spread has greatly affected the economy as well as businesses and consumer activity. For BRABank, the effect has so far been limited and operation has been executed in accordance with guidelines from the Institute of Public Health and the Directorate of Health.

The Banks digital business model has proven to be effective during the period. BRABank is a digital bank with a cloud-

based platform and employees can operate the bank from home offices and virtual meetings is used extensively.

In Norway, the reduction in the loan book has continued, which is in line with previous communicated strategy. To optimize capital efficiency, loan growth has been prioritised in less capital-intensive markets. Consequently, BRABank has therefore increased the exposure in Finland relative to Norway.

During the first half of 2020, BRABank successfully implemented a new pricing strategy in Norway to better reflect the underlying credit risk. In addition, BRABank also completed a sale of a non-performing loan portfolio, which freed up capital and reduced costs.

In Finland, demand for new consumer credit loans remain at healthy levels and the cost of customer acquisition in Finland is favourable compared to the Norwegian market. The partnership with Raisin provides low funding costs for Euro denominated consumer loans. However, due to market uncertainties related to the Covid-19 pandemic, BRABank has chosen a cautious market approach in the second quarter.

The proposed reduction in the interest rate cap in Finland has been implemented, lowering the cap on nominal interest on new consumer loans to 10 per cent for until 31 December 2020. The new interest rate cap is expected to have limited impact for BRABank.

Profit and loss

The merger between Monobank and former BRABank was formally completed 28 June 2019. Former BRABank is consolidated in the profit and loss statement starting third quarter 2019.

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 last year. 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.

Net interest income for the first half year was NOK 161.5 million, a decrease of 4.1 percent compared to the first six months of 2019 (NOK 168.3 million)

Total income was NOK 82.0 million in the quarter, down from NOK 92.1 million in the second quarter 2019.

Operating costs amounted to NOK 36.8 million in the second quarter (NOK 72.1 million). Excluding restructuring and merger charges of NOK 3.8 million (26.6 million) operating costs amounted to NOK 33.0 million, well below the guided range. The second quarter of 2020 was the first quarter with full effects from previously announced efficiency measures.

BRABank has communicated that quarterly operating expenditures excluding one-offs will be in the range NOK 38-41 million for 2020.

Operating expenses for the first six months of 2020 ended at NOK 79.9 million,

compared to NOK 107.1 million in the same period last year.

Cost/income ratio ended at 44.8 per cent in the second quarter of 2020, down from 48.8 per cent in the first quarter. Adjusted for non-recurring costs (relating to the merger), cost/income ratio was 40.2 per cent in the second quarter of 2020.

Operating profit before impairment provisions was NOK 40.1 million in the second quarter compared to NOK 15.2 million in the same period last year. Operating profit was negatively affected by loss from trading activities and currency of NOK 4.5 million compared to a loss of NOK 4.9 million in the comparable quarter last year.

Loan losses was NOK 23.1 million in the quarter compared to NOK 40.4 million in the second quarter 2019. This corresponds to a loan loss ratio of 2.2 percent p.a. in the quarter compared to 3.6 percent p.a. in the second quarter last year. Adjusted for a positive unrealised currency effect of NOK 8 million, the loan loss ratio was 3.0 percent p.a.

Loan losses for the first six months of 2020 ended at NOK 81.4 million, compared to NOK 82.8 million in the same period last year. Adjusted for currency effects loan losses fell to NOK 67.4 million in the first half 2020 from NOK 85.8 million in the corresponding period last year.

The result in the quarter ended at 13.2 million in the second quarter, compared to a deficit of NOK 18.9 million in the second quarter 2019.

The result for the first half year was NOK 4.3 million, up from a deficit of NOK 13.6 million in the first six months of 2019.

Balance sheet

Total assets amounted to NOK 5 578 million as of 30 June 2020, down from NOK 6 084 million at the end of the second quarter 2019. The bank's net loan balance was NOK 3 536 million (down from NOK 4 537 million a year before) including prepaid agency commissions of NOK 97 million. The composition of the loan book has changed significantly as the Finnish portfolio has increased at the expense of the Norwegian portfolio.

Of gross loans outstanding at 30 June, NOK 1 859 million was to Finnish customers, representing 48 percent of total gross loans. This represents an increase of approximately ten percentage points compared to the second quarter of 2019. The development is in line with the company's strategy.

Deposits from customers were NOK 4 645 million as of 30 June (NOK 5 153 million). BRABank's bank deposits and liquid securities amounted to NOK 1 837 million.

Total equity was NOK 817.5 million and CET1 ratio and total capital ratio was 19.8 percent and 23.2 percent respectively. The CET1 capital requirement is 16.7 percent and total capital requirement is 20.2 percent.

Events after the balance date

The announced merger between BRABank and Easybank was formally approved by the extraordinary general meeting (EGM) of BRABank held on 16 July 2020. For more details of the transaction please refer to the announcement dated 12 June 2020 available on brabank.no

Risk, uncertainties and additional factors impacting BRABank ASA

BRABank is subject to a range of risks and uncertainties which may affect its business operations, financial condition and results of operations. The description of principal risks and uncertainties in the Financial statements and Board of Directors' Report

2019 gives a fair description of principal risks and uncertainties that may affect BRABank in the coming period. The bank is not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties.

Outlook

On 12 June BRABank announced a merger agreement with Easybank to create a leading consumer bank with a Nordic footprint.

The combination is intended to create significant value and benefits for both set of shareholders from consolidating to one cost base and from generating revenue synergies from complementary distribution strengths.

BRABank's shareholders will receive 0.075724 shares in Easybank for each share in BRABank, representing 50 percent of the total outstanding shares following the merger.

Easybank will be the surviving entity and CEO Oddbjørn Berentsen will continue as CEO for the combined bank, which will be named BRABank and listed on Merkur Market. The headquarter will be in Oslo, Norway. Easybank's Chairman Svein Lindbak will be appointed Chairman for the combined bank, and BRABank's Chairman Viggo Leisner will be appointed Vice Chairman.

The merger was formally approved by the extraordinary general meeting (EGM) of BRABank held on 16 July 2020. Following the EGM's approval of the merger plan and the subsequent mandatory announcement in the Norwegian Register of Business Enterprises, a six-week creditor notice period commenced on the date of the approval. The Company will revert in due course with dates for completion of the merger.

The transaction is also subject to approval by the Norwegian Financial Supervisory Authority, Finanstilsynet.

Financial statement (unaudited)

Statement of comprehensive income

| <i>In NOK thousands</i> | Note | Q2 2020 | Q2 2019 | YTD 2020 | YTD 2019 | 2019 |
|--|-------------|----------------|----------------|-----------------|-----------------|-----------------|
| Interest income, effective interest method | | 89 114 | 101 859 | 182 601 | 197 285 | 407 950 |
| Other interest income | | 1 522 | 4 340 | 6 485 | 6 766 | 12 847 |
| Interest expenses | | 12 771 | 18 194 | 27 565 | 35 706 | 72 654 |
| Net interest income | 7 | 77 866 | 88 005 | 161 521 | 168 345 | 348 143 |
| Commission and fee income | 7 | 4 917 | 7 172 | 11 358 | 14 848 | 26 958 |
| Commission and fee expenses | 7 | 812 | 3 043 | 2 495 | 3 534 | 10 533 |
| Total income | | 81 970 | 92 134 | 170 385 | 179 660 | 364 567 |
| Net change in value on securities and currency | | -4 525 | -4 869 | -3 319 | -7 973 | -11 270 |
| Staff costs | | 12 340 | 20 820 | 24 416 | 32 233 | 70 030 |
| Other administrative expenses | 8 | 17 981 | 27 614 | 42 552 | 45 566 | 106 535 |
| Depreciation and amortisation | 6, 9 | 6 439 | 36 078 | 12 961 | 41 672 | 55 437 |
| Gain from purchase on favourable terms | | 0 | 12 414 | 0 | 12 414 | 12 414 |
| Total operating costs | | 36 760 | 72 098 | 79 929 | 107 057 | 219 589 |
| Profit/(loss) before impairment losses | | 40 685 | 15 167 | 87 137 | 64 631 | 133 708 |
| Impairment releases/(losses) | 2 | -23 143 | -40 374 | -81 413 | -82 755 | -297 234 |
| Operating profit/(loss) before tax | | 17 542 | -25 207 | 5 724 | -18 124 | -163 526 |
| Tax charge | | -4 385 | 6 302 | -1 431 | 4 531 | 50 523 |
| Profit/(Loss) after tax | | 13 156 | -18 905 | 4 293 | -13 593 | -113 002 |
| Comprehensive income | | | | | | |
| <i>In NOK thousands</i> | | | | | | |
| Profit after tax | | 13 156 | -18 905 | 4 293 | -13 593 | -113 002 |
| Other comprehensive income | | | | | | |
| Comprehensive income for the period | | 13 156 | -18 905 | 4 293 | -13 593 | -113 002 |

Statement of financial position

| <i>NOK million</i> | Note | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|-------------|-------------------|-------------------|-------------------|
| Assets | | | | |
| Loans and deposits to credit institutions | 2, 4 | 48 003 | 134 450 | 743 771 |
| Net loans and advances to customers | 4 | 3 535 890 | 4 536 903 | 3 926 016 |
| Certificates and bonds | 4 | 1 788 654 | 1 242 618 | 1 470 919 |
| Deferred tax asset | | 103 021 | 64 558 | 104 452 |
| Other intangible assets | 6 | 69 919 | 73 868 | 76 048 |
| Property, plant and equipment | 6, 9 | 10 590 | 14 858 | 13 062 |
| Financial derivatives | | 11 478 | 0 | 0 |
| Prepayments, accrued income and other assets | 4 | 10 851 | 16 532 | 7 845 |
| Total assets | | 5 578 405 | 6 083 787 | 6 342 114 |
| Equity and liabilities | | | | |
| Liabilities | | | | |
| Deposits by customers | 4 | 4 644 921 | 5 153 296 | 5 472 666 |
| Provisions, accruals and other liabilities | 4 | 51 634 | 82 867 | 63 490 |
| Financial derivatives | | 0 | 6 | 422 |
| Subordinated loan | 4, 5 | 64 340 | 49 370 | 49 540 |
| Tax payable | | 0 | 3 892 | 0 |
| Total liabilities | | 4 760 895 | 5 289 431 | 5 586 118 |
| Equity | | | | |
| Share capital | 10 | 125 184 | 447 393 | 495 919 |
| Share premium | | 755 554 | 304 034 | 324 931 |
| Tier 1 capital | 11 | 49 625 | 49 454 | 49 540 |
| Retained earnings | | -113 075 | -6 525 | -114 616 |
| Not registered capital | | 0 | 0 | 0 |
| Other paid in capital (options) | | 223 | 0 | 223 |
| Total equity | 3 | 817 510 | 794 355 | 755 996 |
| Total equity and liabilities | | 5 578 405 | 6 083 787 | 6 342 114 |

Rolf Viggo Leisner
Chairman of the Board

Mette Henriksen

Øyvind Oanes

Kristin Krohn Devold

Per Georg Braathen

Bent Gjendem
Employee representative

Nina Dyrøy
Employee representative

Hans Kristian Ljøen
CEO

Statement of cash flows

| <i>In NOK thousand</i> | 30.06.2020 | 30.06.2019 | 2019 |
|--|-------------------|-------------------|------------------|
| <i>Cash flows from operating activities</i> | | | |
| Operating profit/(loss) before tax | 17 542 | -25 207 | -163 526 |
| Adjustment for change in provision for impairment losses | 9 017 | 20 551 | 151 172 |
| Adjustment for unrealised changes in fair value of financial instruments | 137 490 | 3 414 | 15 324 |
| Adjustment share option programme | 0 | 0 | 222,594 |
| Depreciation and amortisation | 6 439 | 6 182 | 25 541 |
| Impairment of intangible assets | - | 29 896 | 29 896 |
| Net interest income | -77 866 | -88 005 | -348 143 |
| Gain from a bargain purchase | 0 | -12 414 | -12 414 |
| Changes in loans and advances to customers | 320 888 | -190 226 | 9 224 |
| Changes in deposits by customers | 123 494 | 183 832 | 801 770 |
| Changes in financial derivatives | -16 176 | 1 838 | 7 065 |
| Changes in debt securities | -460 447 | -25 713 | -323 924 |
| Changes in other operating assets and liabilities | 7 188 | 29 280 | -722 |
| Interest recieved | 90 636 | 106 423 | 422 331 |
| Interest paid | -11 580 | -17 598 | -71 171 |
| Net cash flows from operating activities | 146 627 | 22 253 | 542 648 |
| <i>Cash flows from investing activities</i> | | | |
| Purchase of property, plant and equipment | -94 | -406 | -5413 |
| Investment in intangible assets | -1 860 | -4 223 | -20 450 |
| Payment for acquisition/merger, net of cash acquired | - | 11 304 | 11 304 |
| Net cash flows from investing activities | -1 953 | 6 675 | -14 558 |
| <i>Cash flows from financing activities</i> | | | |
| Issue of ordinary shares | -13 | 0 | 124 922 |
| Issued Tier 1 and Tier 2 capital | 58 | 0 | 0 |
| Paid interest tier 1 capital | -1 137 | -1 077 | -4 295 |
| Paid interest subordinated loans | -1 191 | -818 | -3 281 |
| Net cash flows from financing activities | -2 283 | -1 896 | 117 346 |
| Net increase/(decrease) in cash and cash equivalents | 142 390 | 27 032 | 645 436 |
| Cash and cash equivalents at period start | 45 436 | 108 366 | 526 063 |
| Currency effect on cash and cash equivalents | -139 823 | -949 | -10 455 |
| Cash and cash equivalents at period end | 48 003 | 134 449 | 1 161 044 |

Statement of changes in equity

| <i>In NOK thousands</i> | Share capital | Surplus capital | Other paid-in capital (options) | Tier 1 Capital | Retained earnings | Total |
|-----------------------------------|----------------|-----------------|---------------------------------|----------------|-------------------|----------------|
| Equity at 31.12.2019 | 495 919 | 324 931 | 223 | 49 540 | -114 616 | 755 996 |
| Profit/(loss) for the period | | | | | 4 293 | 4 293 |
| Shares issued net of fees and tax | -370 735 | 430 623 | | | | 59 888 |
| Paid interest on Tier 1 capital | | | | | -2 252 | -2 252 |
| Other adjustmets Tier 1 capital | | | | 85 | -501 | -416 |
| Equity at 30.06.2020 | 125 184 | 755 554 | 223 | 49 625 | -113 074 | 817 510 |

| <i>In NOK thousands</i> | Share capital | Surplus capital | Other paid-in capital (options) | Tier 1 Capital | Retained earnings | Total |
|-----------------------------------|----------------|-----------------|---------------------------------|----------------|-------------------|----------------|
| Equity at 31.12.2018 | 274 023 | 222 454 | 0 | 49 412 | 3 073 | 548 961 |
| Profit/(loss) for the period | | | | | -13 593 | -13 593 |
| Shares issued net of fees and tax | 173 370 | 81 580 | | | 5 572 | 260 523 |
| Paid interest on Tier 1 capital | | | | | -2 103 | -2 103 |
| Other adjustmets Tier 1 capital | | | | 42 | 526 | 568 |
| Equity at 30.06.2019 | 447 393 | 304 034 | 0 | 49 454 | -6 525 | 794 355 |

Notes to the financial statements

Note 1 General Accounting principles

BRABank Q2 report 2020 report is prepared in accordance with general accounting principles as described in annual report for 2019. The report has not been audited.

Note 2 IFRS 9

2.1 Gross loans, off-balance and expected credit loss

Gross loans, off-balance and loss allowance by product and country - 30.06.2020

Amounts in NOK 1000

| | Gross Loans | | | | | | | Loss allowance | | | |
|--------------------------|------------------|--------------------------|--------------------------|------------------|----------------|----------------|------------------|----------------|---------------|----------------|----------------|
| | Gross book value | Hereof agent commissions | Off-balance sheet amount | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Consumer loans | | | | | | | | | | | |
| Norway | 1 768 869 | 36 551 | - | 1 380 110 | 156 405 | 232 354 | 1 768 869 | 33 573 | 21 574 | 127 675 | 182 822 |
| Sweden | 213 084 | 6 091 | - | 158 171 | 21 317 | 33 596 | 213 084 | 3 517 | 3 265 | 13 584 | 20 366 |
| Finland | 1 858 759 | 54 125 | - | 1 480 989 | 107 909 | 269 862 | 1 858 759 | 42 004 | 18 296 | 93 233 | 153 534 |
| Credit card loans | | | | | | | | | | | |
| Norway | 41 234 | - | 157 101 | 36 195 | - | 5 039 | 41 234 | 736 | - | 1 275 | 2 011 |
| Sweden | 13 177 | - | 92 364 | 11 567 | - | 1 610 | 13 177 | 183 | - | 317 | 500 |
| Total | 3 895 123 | 96 767 | 249 465 | 3 067 031 | 285 630 | 542 461 | 3 895 123 | 80 013 | 43 135 | 236 085 | 359 233 |

Gross loan and off-balance by risk class - 30.06.2020

Amounts in NOK 1000

| Risk class | Probability of default | Gross book value | Off-balance sheet amount |
|--------------|------------------------|------------------|--------------------------|
| A | 0 - 1,2 % | 189 769 | 119 532 |
| B | 1,2 - 2,5 % | 476 787 | 81 103 |
| C | 2,5 - 3,8 % | 516 890 | 26 495 |
| D | 3,8 - 5,2 % | 465 894 | 10 334 |
| E | 5,2 - 6,9 % | 362 924 | 4 688 |
| F | 6,94 - 9,5 % | 312 756 | 2 352 |
| G | 9,5 - 13,2 % | 272 232 | 1 371 |
| H | 13,2 - 18,4 % | 259 006 | 1 433 |
| I | 18,4 - 28,1 % | 291 122 | 243 |
| J | 28,1 - 90,9 % | 513 796 | 23 |
| K | 90,9 - 100 % | 233 947 | 1 892 |
| Total | | 3 895 123 | 249 465 |

Risk classes is grouped by PD (probability of default) into groups A to K, with A being the group with lowest risk, and K being the group with the highest risk.

2.2 Changes in loan loss allowance and gross loans

Total incl. consumer loans and credit card loans - 01.04.2020 - 30.06.2020

Reconciliation of total expected credit loss

| Amounts in NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Loss allowance as at 01.04.2020 | 89 129 | 54 412 | 206 674 | 350 216 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -5 203 | 5 203 | - | - |
| - transfer from stage 1 to stage 3 | -1 117 | - | 1 117 | - |
| - transfer from stage 2 to stage 3 | - | -13 301 | 13 301 | - |
| - transfer from stage 3 to stage 2 | - | 2 009 | -2 009 | - |
| - transfer from stage 2 to stage 1 | 11 636 | -11 636 | - | - |
| - transfer from stage 3 to stage 1 | 2 834 | - | -2 834 | - |
| New financial assets originated | 532 | - | 489 | 1 020 |
| Derecognised financial assets (repayments and write-offs) | -3 857 | -10 439 | -8 241 | -22 537 |
| Change in measurement* | -11 637 | 17 824 | 32 837 | 39 024 |
| Currency effects | -2 305 | -936 | -5 249 | -8 490 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Loss allowance as at 30.06.2020 | 80 013 | 43 135 | 236 085 | 359 233 |

*change in PD, LGD or EAD and 12 months vs lifetime horizon

Reconciliation of gross loans

| Amounts in NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross loans as at 01.04.2020 | 3 435 948 | 384 662 | 498 322 | 4 318 931 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -126 476 | 126 476 | - | - |
| - transfer from stage 1 to stage 3 | -26 612 | - | 26 612 | - |
| - transfer from stage 2 to stage 3 | - | -78 869 | 78 869 | - |
| - transfer from stage 3 to stage 2 | - | 8 216 | -8 216 | - |
| - transfer from stage 2 to stage 1 | 88 875 | -88 875 | - | - |
| - transfer from stage 3 to stage 1 | 9 780 | - | -9 780 | - |
| New financial assets originated | 15 550 | - | 1 213 | 16 763 |
| Derecognised financial assets (repayments and write-offs) | -157 846 | -57 828 | -25 384 | -241 059 |
| Partial repayments | -93 640 | -2 421 | -5 209 | -101 269 |
| Currency effects | -78 548 | -5 730 | -13 965 | -98 244 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Gross loans as at 30.06.2020 | 3 067 031 | 285 630 | 542 461 | 3 895 123 |

Reconciliation of gross loans for consumer loans in Norway
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross loans as at 01.04.2020 | 1 519 922 | 234 759 | 240 489 | 1 995 170 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -57 431 | 57 431 | - | - |
| - transfer from stage 1 to stage 3 | -11 912 | - | 11 912 | - |
| - transfer from stage 2 to stage 3 | - | -17 682 | 17 682 | - |
| - transfer from stage 3 to stage 2 | - | 3 679 | -3 679 | - |
| - transfer from stage 2 to stage 1 | 66 121 | -66 121 | - | - |
| - transfer from stage 3 to stage 1 | 5 474 | - | -5 474 | - |
| New financial assets originated | 776 | - | - | 776 |
| Derecognised financial assets (repayments and write-offs) | - 93 661 | - 54 060 | 23 784 | -171 504 |
| Partial repayments | - 49 179 | - 1 602 | 4 792 | -55 573 |
| Currency effects | - | - | - | - |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Gross loans as at 30.06.2020 | 1 380 110 | 156 405 | 232 354 | 1 768 869 |

Consumer loans in Norway
Reconciliation of expected credit loss for consumer loans in Norway
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Loss allowance as at 01.04.2020 | 34 862 | 31 655 | 118 924 | 185 440 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -2 477 | 2 477 | - | - |
| - transfer from stage 1 to stage 3 | -513 | - | 513 | - |
| - transfer from stage 2 to stage 3 | - | -2 705 | 2 705 | - |
| - transfer from stage 3 to stage 2 | - | 904 | -904 | - |
| - transfer from stage 2 to stage 1 | 8 587 | -8 587 | - | - |
| - transfer from stage 3 to stage 1 | 1 474 | - | -1 474 | - |
| New financial assets originated | 24 | - | - | 24 |
| Derecognised financial assets (repayments and write-offs) | -1 979 | -9 854 | -7 718 | -19 551 |
| Change in measurement* | -6 404 | 7 684 | 15 630 | 16 910 |
| Currency effects | - | - | - | - |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Loss allowance as at 30.06.2020 | 33 573 | 21 574 | 127 675 | 182 822 |

*change in PD, LGD or EAD and 12 months vs lifetime horizon

Consumer loans in Sweden
Reconciliation of expected credit loss for consumer loans in Sweden
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|--------------|---------------|---------------|
| Loss allowance as at 01.04.2020 | 3 851 | 3 080 | 11 357 | 18 288 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -207 | 207 | - | - |
| - transfer from stage 1 to stage 3 | -67 | - | 67 | - |
| - transfer from stage 2 to stage 3 | - | -821 | 821 | - |
| - transfer from stage 3 to stage 2 | - | 166 | -166 | - |
| - transfer from stage 2 to stage 1 | 405 | -405 | - | - |
| - transfer from stage 3 to stage 1 | 1 094 | - | -1 094 | - |
| New financial assets originated | - | - | - | - |
| Derecognised financial assets (repayments and write-offs) | -118 | 30 | - | -148 |
| Change in measurement* | -1 439 | 1 071 | 2 609 | 2 241 |
| Currency effects | -3 | 2 | -10 | -16 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Loss allowance as at 30.06.2020 | 3 517 | 3 265 | 13 584 | 20 366 |

**change in PD, LGD or EAD and 12 months vs lifetime horizon*
Reconciliation of gross loans for consumer loans in Sweden
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|----------------|---------------|---------------|----------------|
| Gross loans as at 01.04.2020 | 176 408 | 21 036 | 28 100 | 225 544 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -9 549 | 9 549 | - | - |
| - transfer from stage 1 to stage 3 | -1 703 | - | 1 703 | - |
| - transfer from stage 2 to stage 3 | - | -6 438 | 6 438 | - |
| - transfer from stage 3 to stage 2 | - | 376 | -376 | - |
| - transfer from stage 2 to stage 1 | 2 969 | -2 969 | - | - |
| - transfer from stage 3 to stage 1 | 2 294 | - | -2 294 | - |
| New financial assets originated | - | - | - | - |
| Derecognised financial assets (repayments and write-offs) | - | 9 208 | 205 | -9 413 |
| Partial repayments | - | 2 962 | 20 | -2 941 |
| Currency effects | - | 78 | 13 | -106 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Gross loans as at 30.06.2020 | 158 171 | 21 317 | 33 596 | 213 084 |

Consumer loans in Finland
Reconciliation of expected credit loss for consumer loans in Finland
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|---------------|----------------|
| Loss allowance as at 01.04.2020 | 49 425 | 19 678 | 75 030 | 144 133 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -2 519 | 2 519 | - | - |
| - transfer from stage 1 to stage 3 | -531 | - | 531 | - |
| - transfer from stage 2 to stage 3 | - | -9 774 | 9 774 | - |
| - transfer from stage 3 to stage 2 | - | 939 | -939 | - |
| - transfer from stage 2 to stage 1 | 2 644 | -2 644 | - | - |
| - transfer from stage 3 to stage 1 | 153 | - | -153 | - |
| New financial assets originated | 484 | - | 489 | 973 |
| Derecognised financial assets (repayments and write-offs) | -1 649 | -556 | -452 | -2 657 |
| Change in measurement* | -3 702 | 9 069 | 14 193 | 19 560 |
| Currency effects | -2 302 | -934 | -5 239 | -8 474 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Loss allowance as at 30.06.2020 | 42 004 | 18 296 | 93 233 | 153 534 |

**change in PD, LGD or EAD and 12 months vs lifetime horizon*

Reconciliation of gross loans for consumer loans in Finland
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross loans as at 01.04.2020 | 1 693 253 | 128 867 | 223 216 | 2 045 335 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | -59 495 | 59 495 | - | - |
| - transfer from stage 1 to stage 3 | -12 191 | - | 12 191 | - |
| - transfer from stage 2 to stage 3 | - | -54 749 | 54 749 | - |
| - transfer from stage 3 to stage 2 | - | 4 161 | -4 161 | - |
| - transfer from stage 2 to stage 1 | 19 784 | -19 784 | - | - |
| - transfer from stage 3 to stage 1 | 1 645 | - | -1 645 | - |
| New financial assets originated | 13 415 | - | 1 213 | 14 628 |
| Derecognised financial assets (repayments and write-offs) | - 53 683 | - 3 564 | - 1 370 | -58 617 |
| Partial repayments | - 43 268 | - 799 | - 382 | -44 449 |
| Currency effects | - 78 471 | - 5 718 | - 13 949 | -98 138 |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Gross loans as at 30.06.2020 | 1 480 989 | 107 909 | 269 862 | 1 858 759 |

Credit card loans
Reconciliation of expected credit loss for credit card loans
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------|----------|--------------|--------------|
| Loss allowance as at 01.04.2020 | 991 | - | 1 363 | 2 354 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | - | - | - | - |
| - transfer from stage 1 to stage 3 | -7 | - | 7 | - |
| - transfer from stage 2 to stage 3 | - | - | - | - |
| - transfer from stage 3 to stage 2 | - | - | - | - |
| - transfer from stage 2 to stage 1 | - | - | - | - |
| - transfer from stage 3 to stage 1 | 113 | - | -113 | - |
| New financial assets originated | 24 | - | - | 24 |
| Derecognised financial assets (repayments and write-offs) | -110 | - | -70 | -181 |
| Change in measurement* | -92 | - | 405 | 314 |
| Currency effects | - | - | - | - |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Loss allowance as at 30.06.2020 | 919 | - | 1 592 | 2 511 |

*change in PD, LGD or EAD and 12 months vs lifetime horizon

Reconciliation of gross loans for credit card loans
Amounts in NOK 1000

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|----------|--------------|---------------|
| Gross loans as at 01.04.2020 | 46 365 | - | 6 517 | 52 882 |
| Transfers | | | | |
| - transfer from stage 1 to stage 2 | - | - | - | - |
| - transfer from stage 1 to stage 3 | -806 | - | 806 | - |
| - transfer from stage 2 to stage 3 | - | - | - | - |
| - transfer from stage 3 to stage 2 | - | - | - | - |
| - transfer from stage 2 to stage 1 | - | - | - | - |
| - transfer from stage 3 to stage 1 | 368 | - | -368 | - |
| New financial assets originated | 1 359 | - | - | 1 359 |
| Derecognised financial assets (repayments and write-offs) | - 1 293 | - | - 231 | -1 524 |
| Partial repayments | 1 769 | - | - 75 | 1 694 |
| Currency effects | - | - | - | - |
| Change in model or risk parameters | - | - | - | - |
| Other adjustments | - | - | - | - |
| Gross loans as at 30.06.2020 | 47 761 | - | 6 649 | 54 410 |

2.3 Macro Scenario Sensitivity on ECL - 30.06.2020

| <i>Amounts in NOK 1000</i> | Base | | | |
|----------------------------|------------------------------|--------------------|-------------------------------|--------------------------------|
| | ECL reported under IFRS 9 | Scenario (65 %) | Optimistic Scenario (20 %) | Pessimistic Scenario (15 %) |
| Total | 359 233 | 358 212 | 346 867 | 380 144 |
| Consumer loans | 356 722 | 355 701 | 344 356 | 377 632 |
| Credit card loans | 2 511 | 2 511 | 2 511 | 2 511 |
| Norway | 184 834 | 184 387 | 179 313 | 194 127 |
| Consumer loans | 182 822 | 182 376 | 177 302 | 192 116 |
| Credit card loans | 2 011 | 2 011 | 2 011 | 2 011 |
| Finland | 153 534 | 152 968 | 146 826 | 164 926 |
| Consumer loans | 153 534 | 152 968 | 146 826 | 164 926 |
| Credit card loans | - | - | - | - |
| Sweden | 20 866 | 20 856 | 20 728 | 21 091 |
| Consumer loans | 20 366 | 20 356 | 20 228 | 20 591 |
| Credit card loans | 500 | 500 | 500 | 500 |

The ECL reported under IFRS 9 is a macro-weighted ECL.

The following weights have been applied for the three scenarios: Base scenario (65 %), Optimistic (20 %) and Pessimistic (15 %).

Note 3 Capital adequacy

| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|-------------------|-------------------|-------------------|
| Share capital | 125 184 | 447 393 | 495 919 |
| Surplus capital | 755 554 | 304 034 | 324 931 |
| Retained earnings | -117 368 | -6 525 | -114 616 |
| Phase-in effects of IFRS 9 | 66 299 | 87 705 | 92 075 |
| '- Deduction of deferred tax assets, other intangible assets and additional valuation adjustments | -162 917 | -94 769 | -168 728 |
| Common equity Tier 1 capital | 666 751 | 737 838 | 629 581 |
| Additional Tier 1 capital instruments | 50 000 | 50 000 | 50 000 |
| Tier 1 capital | 716 751 | 787 838 | 679 581 |
| Subordinated loan capital | 64 340 | 50 000 | 50 000 |
| Tier 2 capital | 781 091 | 837 838 | 729 581 |
| Capital requirements | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Institutions | 12 706 | 50 751 | 149 850 |
| Loans to customers 75% | 2 428 423 | 3 144 815 | 2 747 950 |
| Defaulted loans 100% | 306 376 | 299 397 | 262 155 |
| Phase-in effects of IFRS 9 | 60 617 | 78 582 | 84 799 |
| Covered bonds | - | 26 690 | - |
| Other assets | 33 252 | 76 290 | 34 149 |
| Corporate | 1 232 | 61 323 | 1 111 |
| Regional governments or local authorities | - | 14 041 | - |
| Market risk | | | |
| Operational risk | 516 838 | 320 676 | 516 838 |
| CVA risk | 344 | 6 728 | 171 |
| Total risk-weighted volume and capital requirements | 3 359 787 | 4 079 292 | 3 797 023 |
| Common equity Tier 1 capital ratio | 19,8 % | 18,1 % | 16,6 % |
| Tier 1 capital ratio | 21,3 % | 19,3 % | 17,9 % |
| Capital ratio | 23,2 % | 20,5 % | 19,2 % |
| Minimum CET 1 capital ratio requirement | 16,7 % | 17,5 % | 17,7 % |

Capital and capital ratios without the adjustment according to IFRS 9 transitional rules

BRABank have applied the IFRS 9 transitional rules to calculate the regulatory capital, in accordance with article 473a of the Capital Requirement Regulation. The two tables below show the regulatory capital and capital ratios without the IFRS 9 transitional rules.

| Capital without transitional rules | 30.06.2020 |
|---|-------------------|
| Common equity Tier 1 capital | 600 452 |
| Additional Tier 1 capital instruments | 50 000 |
| Tier 1 capital | 650 452 |
| Subordinated loan capital | 64 340 |
| Tier 2 capital | 714 793 |

| Capital ratios without the transitional rules | 30.06.2020 |
|--|-------------------|
| Common equity Tier 1 capital ratio | 17,9 % |
| Tier 1 capital ratio | 19,4 % |
| Capital ratio | 21,3 % |
| Leverage ratio | 11,9 % |

| | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|---------------------------------|-------------------|-------------------|-------------------|
| LCR (Liquidity Coverage Ratio) | 1023 % | 1015 % | 1947 % |
| NSFR (Net Stable Funding Ratio) | 212 % | 179 % | 216 % |

LCR (Liquidity Coverage Ratio) is defined as the liquid assets relative to net liquidity output 30 days forward in time in any given stress situation.

NSFR (Net Stable Funding Ratio) is defined as the liquid assets relative to net liquidity output over a longer time horizon in any given stress situation.

CET 1 capital ratio is the core equity instruments against the total risk-weighted assets.

Following the implementation of IFRS 9 BRABank publishes capital ratios on a transitional rule basis (allowing for a reversal of 85% of IFRS 9 capital impact in 2019 and 70% in 2020).

Note 4 Financial instruments measured at fair value

| | | | |
|--|-------------------|-------------------|-------------------|
| Financial instruments at fair value | | | |
| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Certificates and bonds - level 1 | 1 787 422 | 1 241 525 | 1 440 155 |
| Financial derivatives - level 2 | - | - | 29 654 |
| Financial assets, shares SDC - level 3 | 1 232 | 1 093 | 1 111 |
| Total financial instruments at fair value | 1 788 654 | 1 242 618 | 1 470 919 |

Level 1: Valuation based on quoted prices in an active market

Level 2: Valuation based on observable market data, other than quoted prices

Level 3: Valuation based on observable market data when valuation can not be determined in level 1 or 2.

| | | | |
|--|-------------------|-------------------|-------------------|
| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Loans and advances to credit institutions | 48 003 | 134 450 | 743 771 |
| Loans and advances to customers | 3 535 890 | 4 536 903 | 3 926 016 |
| Prepayments, accrued income and other assets | 10 851 | 16 532 | 7 845 |
| Total financial assets at amortized cost | 3 594 743 | 4 687 885 | 4 677 632 |
| Deposits by customers | 4 644 921 | 5 153 296 | 5 472 666 |
| Provisions, accruals and other liabilities | 51 634 | 82 867 | 63 490 |
| Subordinated loan | 64 340 | 49 370 | 49 540 |
| Total financial liabilities at amortized cost | 4 760 895 | 5 285 533 | 5 585 696 |

Note 5 Subordinated loans

| <i>In NOK thousands</i> | | | | | | | |
|--------------------------|--------------|------------------|-----------------|--------------|-------------------|-------------------|-------------------|
| Subordinated loan | ISIN | Rate | Maturity | Costs | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Tier 2 bond | NO0010804792 | 3 mnd Nibor + 5% | 13.09.2027 | 851 | 50 000 | 50 000 | 50 000 |
| Tier 2 bond | NO0010877863 | 3 mnd Nibor + 7% | 27.03.2030 | 300 | 15 000 | - | - |

Note 6 Intangible assets and fixed assets

| <i>In NOK thousands</i> | IT software | Office, furniture etc. | Total |
|---|----------------|---------------------------|----------------|
| Acquisition cost at 01.01.2020 | 144 372 | 5 774 | 150 146 |
| Additions | 4 191 | 169 | 4 361 |
| Acquisition cost at 30.06.2020 | 148 563 | 5 943 | 154 506 |
| Accumulated depreciation and amortisation | -68 323 | -3 301 | -71 624 |
| Depreciation and amortisation in the period | -10 320 | -686 | -11 006 |
| Impairment in the period | - | - | - |
| *Carrying amount 30.06.2020 | 69 919 | 1 956 | 71 876 |
| Useful life | 5 years | 3 years | |
| Depreciation plan | Linear | Linear | |

| <i>In NOK thousands</i> | IT software | Office, furniture etc. | Total |
|---|----------------|---------------------------|----------------|
| Acquisition cost at 01.01.2019 | 85 186 | 17 669 | 89 601 |
| Additions | 45 716 | 986 | 46 702 |
| Disposals | -29 896 | - | -29 896 |
| Acquisition cost at 30.06.2019 | 101 006 | 18 655 | 119 661 |
| Accumulated depreciation and amortisation | -17 425 | -1 734 | -19 855 |
| Depreciation and amortisation in the period | -9 713 | -2 063 | -11 239 |
| Accumulated depreciation and amortisation | -27 138 | -3 797 | -30 935 |
| *Carrying amount 30.06.2019 | 73 867 | 14 859 | 88 726 |
| Useful life | 5 years | 3 years | |
| Depreciation plan | Linear | Linear | |

| <i>In NOK thousands</i> | IT software | Office, furniture etc. | Total |
|---|----------------|---------------------------|----------------|
| Acquisition cost at 01.01.2019 | 85 186 | 4 415 | 89 601 |
| Additions | 59 186 | 1 359 | 60 545 |
| Acquisition cost at 31.12.2019 | 144 372 | 5 774 | 150 146 |
| Accumulated depreciation and amortisation | -18 121 | -1 734 | -19 855 |
| Depreciation and amortisation in the period | -20 306 | -1 567 | -21 873 |
| Impairment in the period | -29 896 | - | -29 896 |
| Accumulated depreciation and amortisation | -68 323 | -3 301 | -71 624 |
| *Carrying amount 31.12.2019 | 76 048 | 2 473 | 78 522 |
| Useful life | 5 years | 3 years | |
| Depreciation plan | Linear | Linear | |

* Balance is excluding non-cancellable operating contracts, see note 9 for further information

The IT software is related to the development of the IT system and platform used in the Bank's operations, including loan process and integration with loan agents in Norway, Finland and Sweden. A credit card platform and the associated app is developed therein.

BRABank and Monobank merged 28 June 2019. In relation to the merger, the bank has written down all IT software related to loan process and integration from the former BRABank.

Note 7 Net interest income and fee income

| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|----------------|----------------|----------------|
| Interest income from loans and advances to customers | 182 486 | 197 166 | 407 647 |
| Interest income from loans and advances to credit institutions | 115 | 119 | 303 |
| Interest income, effective interest method | 182 601 | 197 285 | 407 950 |
| Interest and other income from certificates and bonds | 6 476 | 6 766 | 12 813 |
| Other interest | 9 | 15 | 34 |
| Other interest income | 6 485 | 6 781 | 12 847 |
| Interest expense deposits by customers | -25 509 | -33 866 | -68 723 |
| Interest expense subordinated debt | -1 788 | -1 635 | -3 463 |
| Other interest expenses | -269 | -204 | -469 |
| Interest expenses | -27 565 | -35 705 | -72 654 |
| Net interest income | 161 521 | 168 361 | 348 143 |
| Insurance commission | 924 | 1 226 | 2 371 |
| Arrangement fees | 1 462 | 6 378 | 8 533 |
| Other fees | 8 971 | 7 244 | 16 053 |
| Commission and fee income | 11 358 | 14 849 | 26 958 |
| Commission fees distribution | 2 495 | 3 534 | 10 533 |
| Commission and fee expenses | 2 495 | 3 534 | 10 533 |

Note 8 General administrative expenses

| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|---------------|---------------|----------------|
| Sales and marketing | 1 854 | 13 318 | 19 174 |
| IT operations | 15 794 | 5 750 | 20 065 |
| External service fees | 8 059 | 6 707 | 18 971 |
| Other administrative expenses | 16 845 | 19 792 | 48 327 |
| Total general administrative expenses | 42 552 | 45 567 | 106 535 |

Note 9 leasing agreement

| | | | |
|---------------------------------------|---------------|---------------|---------------|
| Right - of-use asset | | | |
| <i>In NOK thousands</i> | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Right - of-use asset at 01.01. | 10 588 | 13 254 | 13 254 |
| Change due to change in CPI | - | 501 | 1 011 |
| Depreciation | -1 955 | -1 820 | -3 677 |
| Right - of-use asset at 30.06. | 8 633 | 11 935 | 10 588 |

The company only has premises for rent in Bergen.

| | | | |
|---|--------------|---------------|---------------|
| Lease commitments | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| One to five years | 5 428 | 8 425 | 7 302 |
| Within one year | 3 673 | 3 697 | 3 603 |
| Total commitments | 9 100 | 12 122 | 10 905 |
| Interest on lease liabilities | -180 | -195 | -376 |
| Repayments of contract | 1 985 | 1 828 | 3 736 |
| Total cash outflow for leases | 1 804 | 1 633 | 3 360 |
| Change of commitment due to change in CPI | - | -501 | -1 011 |
| Total change in commitment | 1 804 | 1 133 | 2 349 |

Agreements exempt from recognition and measurement

The company rents an apartment in Marbella that is considered exempt from recognition and measurement in accordance with IFRS 16. The amount is specified below.

| | | | |
|-----------------------------|------------|------------|------------|
| | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| Costs of exempted contracts | 75 | 75 | 150 |

The incremental borrowing rate is 3% as of 30.06.2020

Note 10 Share capital

| The Bank's 20 largest shareholders as of 31 march 2020 | Roles | Number of shares | Ownership share |
|--|--------------|--------------------|-----------------|
| 1 Braganza AB | Board member | 126 987 017 | 20,29 % |
| 2 Banque Internationale À Luxembourg | Board member | 46 000 000 | 7,35 % |
| 3 Hjellegjerde Invest AS | | 41 102 619 | 6,57 % |
| 4 Farvatn Private Equity AS | | 33 544 935 | 5,36 % |
| 5 Skandinaviska Enskilda Banken AB II | | 34 326 386 | 5,48 % |
| 6 Raiffeisen Bank International Ag | | 24 826 567 | 3,97 % |
| 7 Netrom AS | | 21 279 477 | 3,40 % |
| 8 Songa AS | | 20 000 000 | 3,20 % |
| 9 Sova Capital Limited | | 18 060 354 | 2,89 % |
| 10 Thon Holding AS | | 14 278 281 | 2,28 % |
| 11 Bara Eiendom AS | | 11 663 104 | 1,86 % |
| 12 7 Fjell Ventures AS | | 10 915 678 | 1,74 % |
| 13 Sportsmagasinet AS | | 9 941 489 | 1,59 % |
| 14 Sandsolo Holding AS | | 7 400 000 | 1,18 % |
| 15 Roger Jørgensen | | 7 353 489 | 1,17 % |
| 16 Mj Capital AS | | 5 558 492 | 0,89 % |
| 17 Skandinaviska Enskilda Banken AB II | | 34 326 386 | 5,48 % |
| 18 Wenaas Kapital AS Aksjebeholdning | | 5 036 161 | 0,80 % |
| 19 Songa Trading INC | | 5 014 940 | 0,80 % |
| 20 Ekrem AS | | 4 646 854 | 0,74 % |
| Other shareholders | | 143 656 329 | 23 % |
| Total | | 625 918 558 | |

Shares held by management, Board members and other related parties at 30 June 2020

| | | |
|------------------------------------|--------------|-------------|
| Braganza AB | Board member | 126 987 017 |
| Banque Internationale À Luxembourg | Board member | 46 000 000 |
| Bent Hilding Gjendem | Board member | 2 367 898 |
| Tom Henning Rimestad | | 1 872 778 |
| Martin Valland | | 1 684 730 |
| Hans Kristian Bognø Ljøen | | 378 710 |
| Henriette Vartdal | | 368 252 |
| Kristin Margrethe Krohn Devold | Board member | 49 210 |
| Bård Manuel Fladvad | | 37 823 |
| Torbjørn Botnevik | | 11 842 |
| Rolf Viggo Leisner | CoB | 3 903 |

Issued warrants:

There is a total of 22 750 000 issued warrants with the following subscription price:

Warrants 1:

A total of warrants 13 875 000, held by management, board members and share holders from former BRABank. Due date is 23 May 2023:

1 March 2021: 2.94 pr share
 1 March 2022: 3.09 per share
 23 Februar 2023: 3.24 per share

Warrants 2:

A total of 8 875 000 warrants, held by management, board and employees, 1.5 per share with an increase of 5% per year. Due date is 23 May 2023.

1st increase: 1 September 2019

Warrants held by Management, Board of Directors and related parties:

| | | | |
|-------------------|--------------|-------------------|------------|
| Braganza AB | Board member | 8 340 854 | Warrants 1 |
| Hilding Invest AS | Board member | 2 875 000 | Warrants 2 |
| Martin Valland | CTO | 1 800 000 | Warrants 2 |
| Tom Rimestad | COO | 1 800 000 | Warrants 2 |
| Hans Ljøen | CEO | 500 000 | Warrants 2 |
| Henriette Vartdal | CPO | 100 000 | Warrants 2 |
| Total | | 15 415 854 | |

Stock options

There is a total of 1 387 500 stock options held by the former BRABank managment team with subscription price 2.94, 3 days after general assembly 2021.

Note 11 Tier 1 capital

In NOK thousands

| Subordinated loan | ISIN | Rate | Maturity | Costs | 30.06.2020 | 30.06.2019 |
|-------------------|--------------|------------------|-----------|-------|------------|------------|
| Tier 1 bond | NO0010804784 | 3 mnd Nibor + 7% | Perpetual | 851 | 50 000 | 50 000 |

Note 12 Related parties

BRABank and BRA have an agreement regarding use of the brand name of BRA, logo and the loyalty program BRA Vänner. The agreement was signed in January 2019 and was part of the mergerplan between Monobank and former BRABank. License fee for the agreement is MNOK 2.5 in 2019, MNOK 6.5 in 2020 and MNOK 9.5 in 2021. The parties also has an agreement related to BRA-Card, which are credit card issued by BRABank and distributed in the channles of BRA.

BRABank and Widerøe have a cooperation agreement regarding consumer finance, where BRABank is the issuer of credit card and Widerøe has its brand name for distribution. The agreement was signed October 2016. Launch of the credit card in Widerøe's name was October 2018.

Note 13 Events after the balance sheet date

The extraordinary general meeting (the "EGM") of BRABank ASA (the "Company") was held on 16 July 2020 at Starvhusgaten 4, Bergen.

All proposals on the agenda were adopted. The EGM consequently approved the merger plan dated 12 June 2020 regarding the merger between Easybank ASA and the BRABank ASA with Easybank ASA as the surviving entity.

The merger will be carried out subject to and in accordance with the conditions set out in the merger plan, available at brabank.no

Declaration from the Board of Directors of BRABank ASA and the CEO

Bergen, 20 August 2020

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2020 has been prepared in accordance with the current accounting standard, and gives a true and fair view of the (Company's and) group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Rolf Viggo Leisner

Mette Henriksen

Øyvind Oanes

Chairman of the Board

Kristin Krohn Devold

Per Georg Braathen

Bent Gjendem

Employee Representative

Nina Dyrøy

Hans Kristian Ljøen

Employee Representative

CEO

BRABANK

BRABank ASA, Starvhusgaten 4, 5014 Bergen

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