



## Company Presentation

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## BRABank – New niche bank with strong distribution power and partner-based strategy

I

### Strong partner with solid distribution network

- BRABank has entered an exclusive strategic partnership agreement with the Swedish airline Braathens Regional Airlines (BRA)
- BRA has approx. 400,000 loyalty scheme members and annual revenue of more than SEK 2.5bn
- BRA is owned by Braganza, a leading player in the Nordic travel and tourism industry with several holdings such as BRA, Ticket, Escape and Dyreparken
- Braganza has been granted permission to hold up to 20% of BRABank. Additionally, Thon Holding AS will subscribe for a post-money ownership of 9.99%

II

### Broad product range

- Credit cards as part of partner-based loyalty programs. The proposed re-launch of BRA's loyalty program is a key short term opportunity
- Targeting substantial e-commerce check-out based financing portfolio through Braganza's network and other partners
- Refinancing and consumer loans through the traditional agent networks and direct channels in Norway and Sweden is set to fuel growth

III

### Attractive market opportunity

- Credit cards and other consumer financing products have enjoyed significant growth and high profitability in recent years
- Check-out financing currently in a maturing phase, yielding attractive returns
- BRABank targets the travel and retail industry, industries in strong growth where products are typically financed by unsecured credit
- BRABank has adapted to meet recently introduced regulatory restrictions on consumer banks

IV

### Strong financial outlook

- Multiple distribution platforms in two countries resulting in high growth and a diversified customer base
- Targeted ROE of close to 24 % in year 5
- Sound capitalization with CET-1 ratio > 18.5 % throughout the projected period of five years

V

### Seasoned management group

- CEO with extensive executive and operational experience from e.g. Ikano Bank and Europay Norge / SEB Kort
- Highly qualified CFO, COO, CRO, CCO and CCrO already recruited, all having extensive relevant work experience
- Experienced BoD with extensive knowledge within banking, finance and digitalization

# A bank based on partnerships with players within travel and retail **BRABANK**

White-label platform offering partners easy on-boarding to modern payment solutions

## IMMEDIATE DISTRIBUTION CAPABILITIES

- Immediate customer acquisition through BRA loyalty members and extensive launch campaigns
- Several other Braganza companies represent additional potential for checkout financing products
- Targeting additional partners for both credit cards and checkout financing solutions
- Loan agents to fuel consumer loan growth



### Distribution capabilities

Second largest domestic airline in Sweden with 2.3 million travelers and approx. 400,000 loyalty members

### Brand recognition

Swedish Quality Index: Sweden's most satisfied customers in the transport industry

+

## MULTIPLE AVENUES FOR GROWTH

- Credit cards, consumer & refinancing loans, checkout financing and deposit accounts to be launched in Norway and Sweden within first 12 months of operations
- Diversification across products and geographies increases likelihood of positive market reception
- Despite anticipation of lower market growth, BRABank expects to achieve substantial loan volumes



Credit cards

Consumer loans

Checkout financing

Deposits

+

## SCALABLE TURN-KEY BANK

- Turn-key bank powered by SDC; fully set up to achieve substantial growth in both markets across all products – and calibrated for true Pan-Nordic expansion
- Scalable platform where significant growth can be achieved with little additional cost
- Optimized customer journey through e.g. best-in-class UX, pre-populated application forms and short time-to-money through highly automated processes

# SDC

Robust and resilient platform powering 120 Nordic banks

idean Capgemini

Customer journey mapping / Service blueprints / UX / Prototyping

=

## NORDIC TRAVEL AND RETAIL BANK

- Superior distribution is the key success factor and the top priority both at launch and in the future
- Customer friendly consumer bank offering digital loyalty and financing solutions to Nordic consumers
- Targeting a NOK 3bn portfolio in five years with a corresponding net interest margin of ~10% and an ROE of ~24 %

## Sveriges nya resekort



Med BRA MasterCard får du bonuspoäng på allt du handlar – överallt. Snabbaste vägen till bonusresan. Läs mer på [flygbra.se](http://flygbra.se)



Resplanerar.se

### Value propositions

- Strong distribution power from day one through partnership with BRA
- Credit card in combination with airline loyalty program is a proven model
- Product diversification – credit cards, check-out financing and consumer loans
- Digital and customer focused solutions developed in cooperation with Idean, owned by CapGemini
- Technical infrastructure and communication solutions between the bank and lending agents (direct lending) developed in close cooperation with STK Lånemegleren, a major Norwegian/Swedish agent for optimal operational efficiency
- Leveraging on a highly recognized brand in Sweden, BRA. Voted the best domestic airline in 2017 by “Svenskt Kvalitetsindex”
- Braganza ownership – represents multiple business opportunities
- Geographical diversification, Norway and Sweden, from an early stage

### About the bank

- In cooperation with partners, and directly, BRAbank will offer digital loyalty and financing solutions in the consumer market
- BRAbank will target partners in the travel and retail industries, where the bank’s product portfolio will enhance loyalty programs and the partner brand

### Geographical presence



- *Consumer loans and credit card products launched in both Norway and Sweden within first 3 months of operations*
- *Checkout financing to be launched within 12 months of operations*



### Product offering

I	Consumer & refinancing loans	
II	Credit cards	
III	Checkout financing	
IV	Deposit accounts	

### Key targeted financial metrics in year 5

I	Net lending	NOK 3bn
II	Return on equity	23.6%
III	CET-1 ratio	19.9%
IV	Net interest margin	9.7%
V	Net interest income	NOK 291m
VI	Profit after tax	NOK 119m

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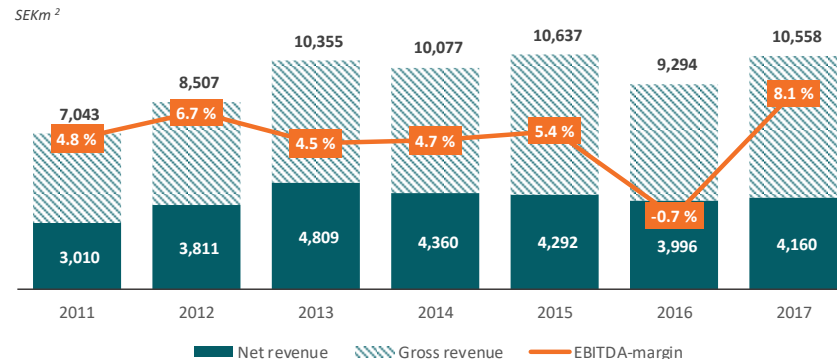
### Braganza in brief

- Braganza AB is a private investment company owned by Per G. Braathen and his children with offices located in Stockholm and Oslo
- The Group consists primarily of direct investments within the aviation industry and travel related industries, managed through active long term ownership
- Braganza has history dating back to 1938 and was an active owner of the Norwegian airline Braathens (SAFE) for more than 50 years, before it was acquired by SAS in 2001
- Having been a Norwegian based company since 1938, Braganza became a Swedish holding company through a cross border merger in 2013
- Braganza has a conservative financial policy, with no debt at the holding level and significant investment capacity
- Since late 2015, Braganza invested around USD 200m in ten factory new ATR 72s for operation by BRA – the most environmentally friendly turboprop aircraft available

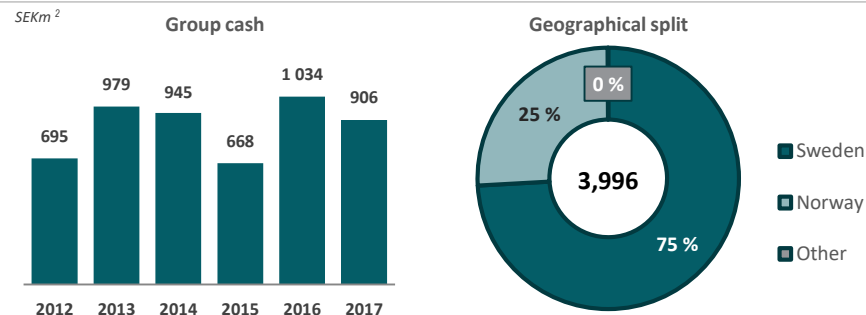
### Investments



### Key figures







### Group cash and net revenue split 2017



# Braganza's key investments

A significant portfolio of companies – all leading within their field

Description				
	Sweden's second largest domestic airline	The largest travel agency chain in Sweden and Norway expanding digitally across Europe	Norway's leading family attraction with one million yearly visitors	Norway's largest independent specialist tour operator group
Key figures	2017 Revenue   SEK 2,678m EBITDA   SEK 153m	2017 Revenue   SEK 6,932m EBITDA   SEK 90m	2017 Revenue   SEK 445m EBITDA   SEK 92m	2017 Revenue   SEK 467m EBITDA   SEK 14m
Date of initial investment	2001	2009	1995	2004



# Braathens Regional Airlines (BRA) in brief

BRA has approximately 2.3 million passengers annually and a market share of 40%

## BRA in brief



2.3 million passengers travel with BRA each year and there are approx. 400,000 members of the loyalty program BRA Vänner



Approx. 40% market share in its network in Sweden, and approximately one third of every domestic passenger



Swedish Quality Index: Sweden's most satisfied customers in the transport industry



13 domestic destinations in Sweden and transfers to Finnair's network

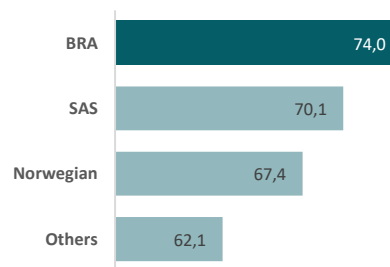


Through a strategic partnership with Finnair, BRA bonus points can be used on Finnair's worldwide routes



Led by CEO Christian Clemens and owned by Braganza, Per G. Braathen's investment company

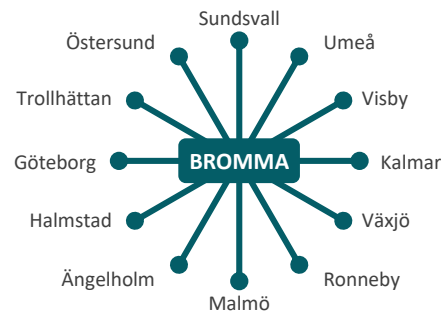
## Sweden's most satisfied customers



### "We are BRA"

With Sweden's most satisfied customers on board, we took a step further and created a new airline - BRA (Braathens Regional Airlines) in February 2016

## Unique flight network from Bromma



### "We love Bromma!"

Bromma's closeness to the city centre offers many advantages for those traveling in and out of Stockholm. Indeed, an increasing number of passengers prefer Bromma for its central location

Every year more than 2.5m travelers fly in or out of Bromma, making it Sweden's second largest airport in terms of domestic traffic

The obvious choice for the Swedish traveller

## Partnerships

Scandic  
Europcar

FINNAIR

Flygbussarna  
AIRPORT COACHES

## Launch of BRA Mastercard

**Free return flight** offered as welcome bonus<sup>1</sup>

**1% bonus** on all transactions outside BRA

**Additional points** earned on all BRA transactions

**Travel insurance** included



Sveriges  
nya resekort

Med BRA MasterCard får du bonuspoäng på allt du handlar – överallt. Snabbaste vägen till bonusresan. Läs mer på [flygbra.se](http://flygbra.se)

BRA  
Flygbussarna närmare dig

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Description	<ul style="list-style-type: none"> <li>• Combined credit and loyalty card in line with the expectations of the modern traveler</li> <li>• Offering bonus on all transactions and travel insurance</li> <li>• A free return flight with BRA (ex. fees and taxes) offered as welcome bonus</li> </ul>	<ul style="list-style-type: none"> <li>• Checkout financing offers the consumer flexible, online payment solutions without the use of a credit card</li> <li>• BRABank will implement the solution at relevant Braganza-owned companies and beyond</li> <li>• Letter of intent in place with BRA to replace existing solution</li> </ul>	<ul style="list-style-type: none"> <li>• NOK/SEK 20,000 – 500,000 in unsecured credit</li> <li>• Consumer credit to refinance existing debt or as fresh loans</li> </ul>	<ul style="list-style-type: none"> <li>• A savings account with...                             <ul style="list-style-type: none"> <li>– Competitive deposit rates</li> <li>– Online application process</li> <li>– Free and unlimited number of withdrawals</li> </ul> </li> <li>• Deposit accounts to be launched both in Norway and Sweden</li> </ul>
Distribution	<p>Direct channels</p> <p>BRA</p> <p>Additional credit/loyalty partners</p>	<p>Braganza companies</p> <p>Checkout financing partners</p>	<p>Direct channels</p> <p>BRA</p> <p>Agents</p>	<p>Direct channels</p> <p>Finansportalen</p>
	 	<p>Check out using</p>    <p>Check out using</p> 	     	

	I BRA	II Agents	III Checkout financing partners	IV Additional credit/loyalty partners
Description	<ul style="list-style-type: none"> <li>Sweden's second largest domestic airline - enables BRABank to jump start operations with a significant customer base upon launch</li> </ul>	<ul style="list-style-type: none"> <li>Agent distribution in the Norwegian and Swedish consumer finance market is well established and constitutes approx. 50 % of new loan volumes</li> <li>Agreements signed with STK Finans / Lånemegleren, Zensum Sambla, Liber Finance and Direkto</li> </ul>	<ul style="list-style-type: none"> <li>BRABank will target companies in the travel and retail industries which have a high proportion of online sales</li> <li>Based on existing product solution in the core banking system (SDC) and digital customer journeys developed by Idean and MasterCard</li> </ul>	<ul style="list-style-type: none"> <li>Based on the digital credit card and loyalty solutions developed for BRA, the bank is well positioned to target other companies in the travel industry and retail businesses where a combined credit/loyalty concept will strengthen the partner position</li> </ul>
Activities planned	<ul style="list-style-type: none"> <li>Extensive launch campaign planned for H2-2018</li> </ul>	<ul style="list-style-type: none"> <li>On-going talks with additional agents for implementation during H2-2018</li> </ul>	<ul style="list-style-type: none"> <li>Launch planned for 2019</li> </ul>	<ul style="list-style-type: none"> <li>Actively pursue large attractive retailers emphasizing the significant synergy potential arising from a cooperation with BRABank</li> </ul>
		    		

## Senior and competent management team



### Morten Grusd – Chief Executive Officer

- Former Country Manager at Ikano Bank, a position he held for eight years. Prior to the position as Country Manager, he was Sales and Marketing Director for one year
- Other previous positions include Head of Market Communication / Head of Sponsorship at Hydro Aluminium, Communication Advisor at McCann Worldgroup and Sales and Marketing Director at Europay Norge / SEB Kort
- Mr. Grusd holds a B.Sc in Management Sciences from University of Manchester and an MBA from Thunderbird School of Global Management



### Sven Arnesen – Chief Financial Officer

- Former Business Control Manager in Ikano Bank, a position he held since 2005
- Previous positions include Finance Manager / Deputy CFO in SEB Kort, CFO, Business Controller and Chief Accountant in Europay Norge and Assistant Bank Manager in Samvirkebanken (later merged with Danske Bank)
- Mr. Arnesen holds a BBA from Norwegian School of Management



### Karl-Richard Floer – Chief Operational Officer

- Mr. Floer previously held the position as EVP Payments at Eika Group. Key competencies include development, implementation and marketing/sales of new concepts in web solution, card concept and customer communication
- Former positions include EVP Card and Payments at Eika Kredittbank, EVP Terra Finans og Kredittbank, Head of Product at Terra Kort, Head of R&D at NORSIK and Product Manager at EnterCard
- Mr. Floer holds a B.Sc in Economics and Management from Østfold Distrikthøgskole



### Kjersti Præsttun Ruben – Chief Risk Officer

- Former CRO / Risk Manager at Jernbanepersonalets Bank og Forsikring, a position she held since 2014. Key competencies include regulatory framework (Basel II, Solvency II), risk management and project management
- Former positions include Consultant at Transcendent Group Norway, Manager (Risk Consulting) at KPMG and Associate Director at HBOS UK
- Ms. Ruben holds a Business Studies and Economics degree from Norwegian Business School and University of Edinburgh



### Marius Hansen Brislöv – Chief Commercial Officer

- Mr. Hansen Brislöv previously held the position as Regional Manager at EnterCard and brings 9 years of experience from various position in both Sweden and Norway
- At EnterCard, he launched consumer loans as a new business area in Scandinavia. As Group Head, Commercial Cards, he developed EnterCard's commercial card strategy and managed the bank's business relations with Swedbank.
- Former positions include various positions at Acta Kapitalforvaltning, SEB Kort and Nordic Choice Hotels
- Mr. Hansen Brislöv holds a Bachelor in Business from Norwegian School of Management



### Jamal Hussain – Chief Credit officer

- Mr. Hussain brings a total of 8 years of experience from credit management and analysis from various positions at EnterCard. His experience covers both credit cards and consumer loans in both the Norwegian and Swedish market
- Areas of expertise include development of score cards, pricing and segmentation strategies as well as analysis of performance and risk
- Mr. Hussain holds a Bachelor of Computer Science from Oslo University and a Master of Science in Global Banking & Finance from European Business School, London



NORSIK AS



eika. Kredittbank

eika.



Danske Bank

BoD with extensive knowledge within banking, finance and digitalization



**Geir Stormorken**

*Chairman*

- Mr. Stormorken is currently Executive Director at Braganza AB where he has held senior positions since 1996. Responsible for i.a. investment portfolio and M&A
- Previous executive roles at Braathens (SAFE), Elcon Securities and Volvo Norway
- Extensive experience as chairman and non-executive director, from listed and private companies – both inside and outside of the Braganza group
- Mr. Stormorken is *siviløkonom* from NHH, Norwegian School of Economics and Business Administration (1986)



**Kristin Krohn Devold**

*Board member*

- Ms. Krohn Devold is currently CEO at NHO Reiseliv / Norwegian Hospitality Association
- Previous executive experience as Secretary General at Den Norske Turistforening / The Norwegian Trekking Association
- Extensive political experience as member of the Norwegian Government (Minister of Defence 2001 – 2005) and Member of the Norwegian Parliament
- Previously board member at Eika Group, currently board member at Evry ASA, Aker ASA and Aker Kværner Holding AS
- Ms. Krohn Devold is *siviløkonom* from NHH, Norwegian School of Economics and Business Administration (1985)



**Tom Høiberg**

*Board member*

- Mr. Høiberg is self-employed and acts as board member and senior consultant in the financial services sector and related industries
- Previous positions include numerous executive positions at Eika Gruppen AS, CFO at DNH AS and bank manager at Sparebanken NOR
- Extensive experience as chairman of the board at BankID Norge AS, Eika Boligkreditt AS and in numerous sections at Finance Norway
- Board member experience from BankAsept AS, Nets Holding AS, Datasentralen SDC A/S
- Mr. Høiberg holds an MSc from BI, Norwegian Business School



**Trond Johannessen**

*Board member*

- Mr. Johannessen is the CFO of Braganza, a position he has held since 2009
- Previous positions include Head of Group Accounting at Sparebank1 Gruppen AS and Manager in PriceWaterhouseCoopers
- Mr. Johannessen holds a Master in Public Accounting from BI Norwegian Business School and a M.Sc. in Business and Economics for HHB (Bodø Graduate School of Business)

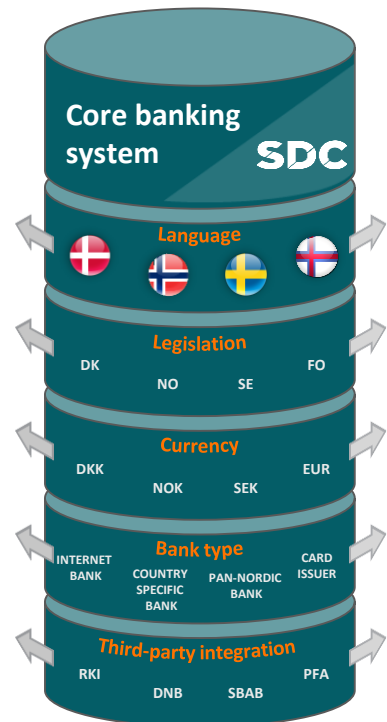


**Cecilie Amdahl**

*Board member*

- Ms. Amdahl is a partner at Schjødt, and serves as Head of Taxation and Head of Corporate Advisory and Transactions
- Before joining Schjødt in 2000, Ms. Amdahl was a partner at the law firm Det Midtnorske Advokatkontor and an associate at the law firm Vaagland
- Current board positions in i.a. Moeco Oil and Gas Norge AS and Pellerin AS
- Ms. Amdahl is educated at the Faculty of Law of the University of Oslo

Proven, off-the-shelf and scalable IT system provided by SDC



## Comments

- **SDC:** A robust and thoroughly tested core banking system used by 120 banks in the Nordic region ensures economies of scale, stability and flexibility
  - An intuitive and future oriented platform for all devices
  - The only system facilitating all national and international mobile payment solutions in the Nordics
  - Contactless payment
  - App based mobile banking
  - Processes based on digital signature throughout
- Valuable support in the fields of compliance and risk management
  - Provides required data for reporting according to the latest regulations (e.g. IFRS, CRD IV)
  - Delivers key figures for monitoring credit, market and liquidity risk
  - GDPR and PSD2 compliant system



# User experience

User centric design for streamlined customer experience, developed by Capgemini owned IDEAN

## PARTNER BENEFITS



### White label solution

All solutions easily applicable to other brands



### No hard wiring

Extensive use of existing solutions through APIs

## END USER BENEFITS



### Instant gratification

Customers see their earned loyalty points as they are spending



### Easy sign up

User friendly sign up and documentation upload process



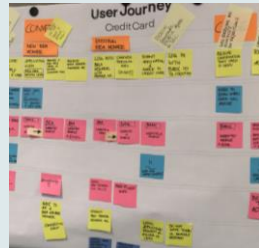
### Self service

Efficient self service solution demanding little manpower

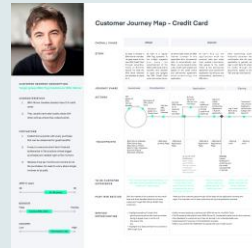
Development process supported by **global user experience design agency**, securing quality of digital user experience.

**User centric design methodology** is applied, ensuring user needs are fulfilled and service is capable of delivering wanted experience.

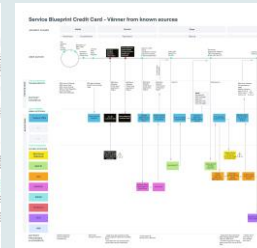
**Early prototyping and testing** heavily reduces risk of process flaws and informs the process with real user feedback.



Co-operative workshops



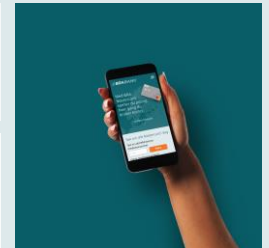
Customer journey mapping



Service blueprints



Storyboarding and prototyping



The logo for Brabank features a stylized icon on the left consisting of five horizontal, parallel lines of varying lengths that create a sense of motion or a staircase. To the right of this icon, the word "BRABANK" is written in a bold, italicized, sans-serif typeface. The letters "BRA" are in a dark teal color, while "BANK" is in a lighter, muted teal color.

**BRABANK**