



**3<sup>RD</sup> QUARTER 2016**

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## Highlights

- Strong growth in net loans and profit
  - Growth in net loans at NOK 571 million in the quarter (+ 24%) and NOK 1 659 million year on year (+132%)
  - Profit before tax for the quarter at NOK 53.5 million compared to NOK 37.9 last quarter (+41%)
- Satisfactory growth in the credit cards business
- Planned launch in Finland 1H 2017
- Project to investigate options to fully integrate Komplett Banks finance products into Komplett Groups check out and payment solutions has started
- Successfully completed equity issue in Q3 2016 (net amount of NOK 200 million)

## Quarterly income statement



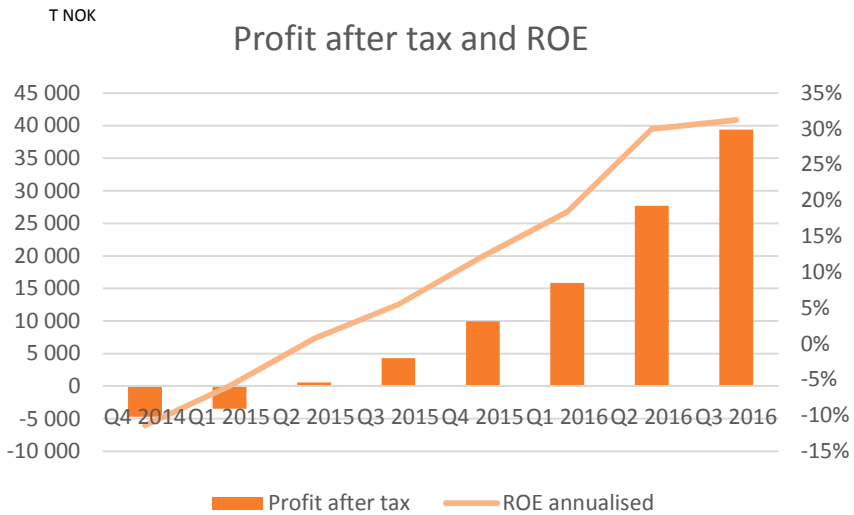
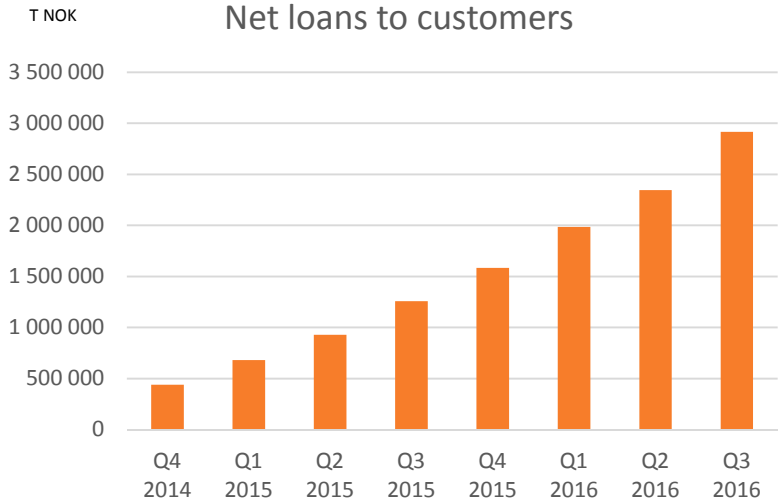
### Income Statement

Amounts in NOK 1000

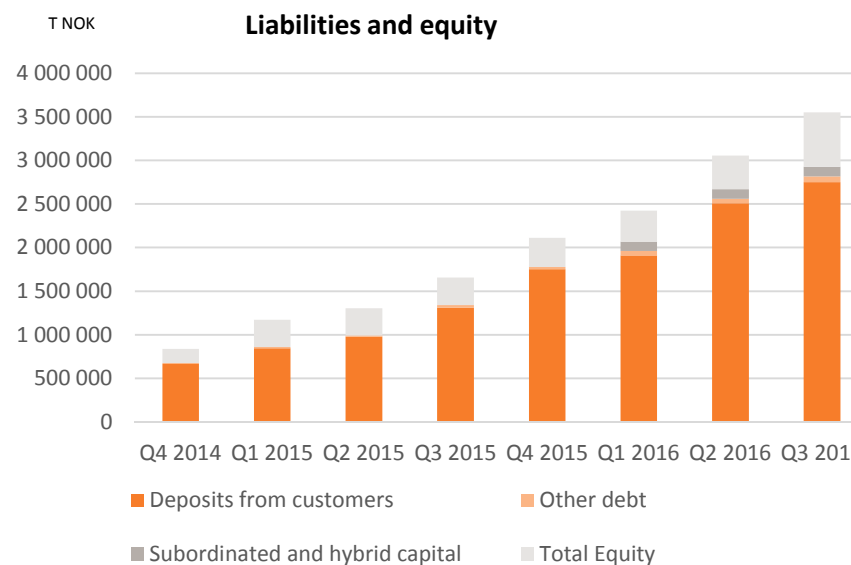
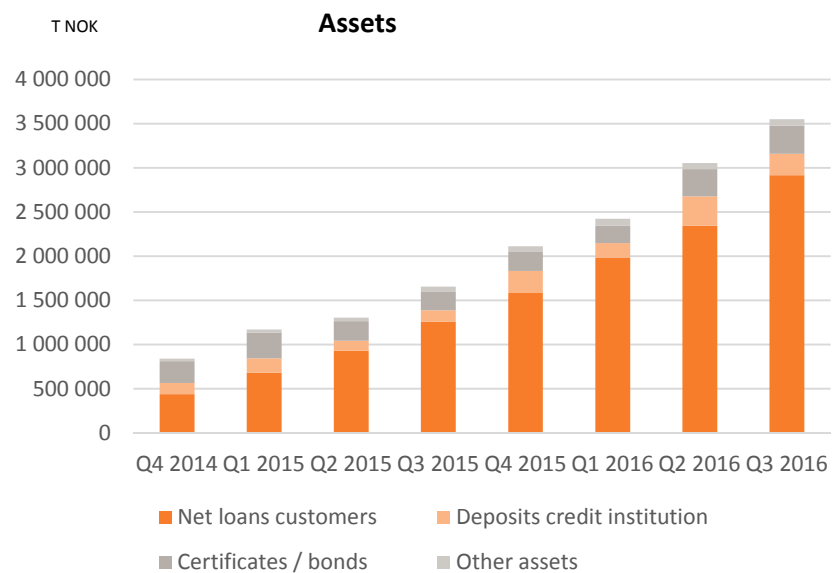
	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Interest income	115 279	93 115	74 258	61 119	43 932
Interest expenses	13 988	13 181	10 110	9 083	6 765
<b>Net interest income</b>	<b>101 291</b>	<b>79 933</b>	<b>64 148</b>	<b>52 036</b>	<b>37 167</b>
Income commissions and fees	13 607	10 695	6 323	4 431	3 363
Expenses commissions and fees	6 990	6 044	6 477	3 974	2 507
<b>Net commissions and fees</b>	<b>6 617</b>	<b>4 651</b>	<b>-154</b>	<b>457</b>	<b>856</b>
<b>Net gains / losses (-) on certificates and bo</b>	<b>405</b>	<b>541</b>	<b>81</b>	<b>-1 512</b>	<b>-622</b>
Salary and other personnel expenses	11 031	10 204	9 547	9 379	8 120
Other administrative expenses, of which:	15 969	15 077	14 223	10 032	10 236
<i>Direct marketing cost</i>	<i>12 525</i>	<i>10 806</i>	<i>9 835</i>	<i>7 204</i>	<i>7 467</i>
<b>Total salary and administrative expenses</b>	<b>27 000</b>	<b>25 281</b>	<b>23 770</b>	<b>19 410</b>	<b>18 356</b>
Ordinary depreciation	1 843	1 709	1 574	1 596	1 311
Other expenses	2 953	3 067	2 501	2 198	1 910
<b>Total operating expenses</b>	<b>31 796</b>	<b>30 057</b>	<b>27 844</b>	<b>23 203</b>	<b>21 577</b>
Losses on loans	22 980	17 201	13 502	11 800	9 000
<b>Pre-tax operating profit</b>	<b>53 537</b>	<b>37 867</b>	<b>22 730</b>	<b>15 977</b>	<b>6 824</b>
Tax expenses	14 123	10 186	6 871	6 031	2 510
<b>Profit after tax</b>	<b>39 414</b>	<b>27 681</b>	<b>15 859</b>	<b>9 946</b>	<b>4 314</b>

- Net interest income driven by both high yield and growth in loan balance
- Good cost control with cost/income ratio moving steadily down.
- Still moderate losses on loans, in line with both expectations and loan growth

# Rising lending volume and profit after tax



## Balance sheet structure

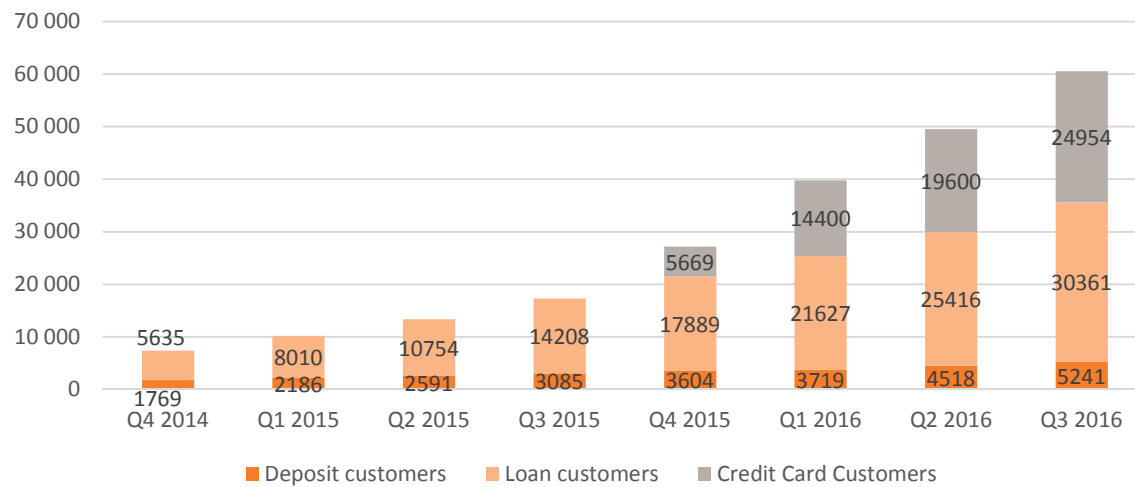


- Deposits constitute 91.5% of loans to customers.
- Liquid assets at end of quarter amounted to 15.9% of total assets.
- Quantitative liquidity measures per 30.09.2016:
  - LCR 166%
  - NSFR 163%

## Satisfactory customer growth



Number of customers



- Still high demand both for loan and deposit products
- Credit Card launched end of November 2015

## Quarterly balance sheet



### Balance Sheet

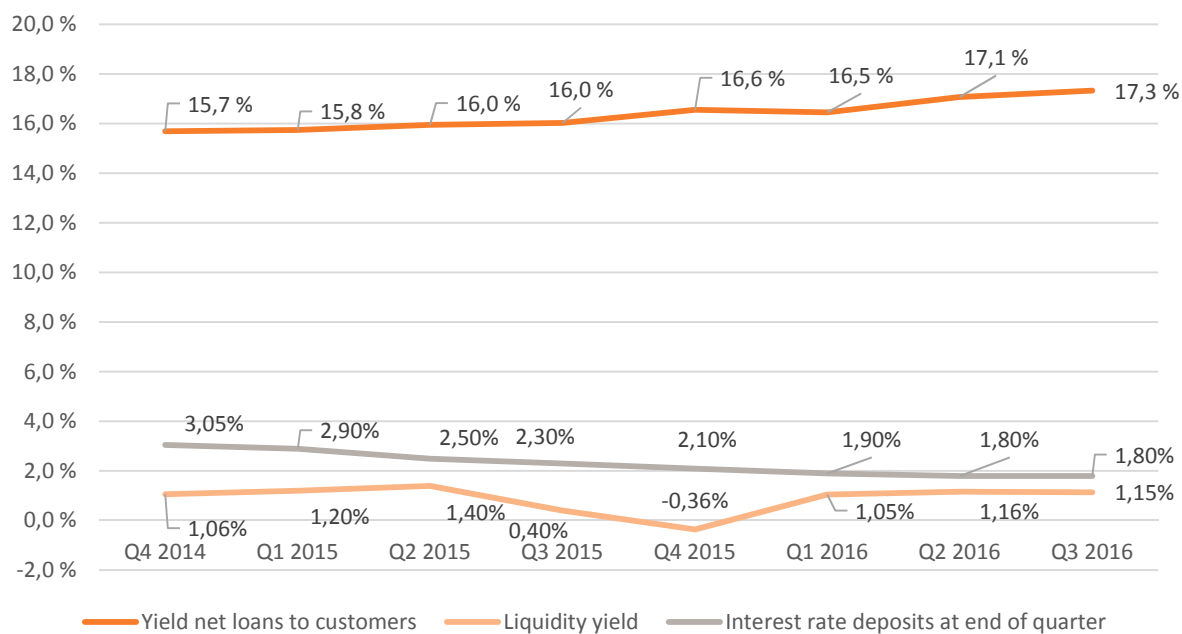
Amounts in NOK 1000	30.09.2016	30.06.2016	31.03.2016	31.12.2015	30.09.2015
<b>Assets</b>					
Loans and deposits with credit institution:	244 759	331 839	164 940	251 692	128 817
Loans to customers	3 006 098	2 412 979	2 035 748	1 619 558	1 282 983
-Loan impairment	-89 877	-66 691	-49 691	-36 243	-25 142
Certificates and bonds	319 413	309 181	194 929	220 050	216 594
Other intangible assets	24 712	24 340	22 603	22 315	20 902
Deferred tax asset	-	-	-	5 875	8 591
Fixed assets	506	512	495	374	412
Other receivables, of which:	45 308	42 117	32 028	29 066	24 396
<i>Prepaid agent commission*</i>	42 915	36 820	30 743	28 912	24 031
<b>Total assets</b>	<b>3 550 920</b>	<b>3 054 277</b>	<b>2 401 053</b>	<b>2 112 686</b>	<b>1 657 554</b>
<b>Liability and equity</b>					
Deposits from and debt to customers	2 751 975	2 507 732	1 909 384	1 751 139	1 312 179
Other debt, of which:	41 402	42 146	28 070	27 196	27 887
<i>Deferred revenue (establishment fees)</i>	16 843	14 226	12 704	11 120	9 185
Subordinated loan and hybrid securities	109 047	108 992	108 937	-	-
Tax payable	22 922	11 183	996	-	-
<b>Total liabilities</b>	<b>2 925 345</b>	<b>2 670 052</b>	<b>2 047 387</b>	<b>1 778 335</b>	<b>1 340 067</b>
Share capital	148 369	135 530	135 530	135 465	135 400
Share premium	391 972	205 830	205 830	205 830	202 515
Other paid-in equity	21 994	19 039	16 160	12 769	9 232
Retained earnings	63 241	23 827	-3 854	-19 713	-29 659
<b>Total equity</b>	<b>625 576</b>	<b>384 225</b>	<b>353 666</b>	<b>334 351</b>	<b>317 488</b>
<b>Total liabilities and equity</b>	<b>3 550 920</b>	<b>3 054 277</b>	<b>2 401 053</b>	<b>2 112 686</b>	<b>1 657 554</b>

- Net equity issue NOK 200 million in Q3 2016

\*Amount per 30.06.2016 wrongly presented in Q2 2016 report and corrected now.



## Yields and margins

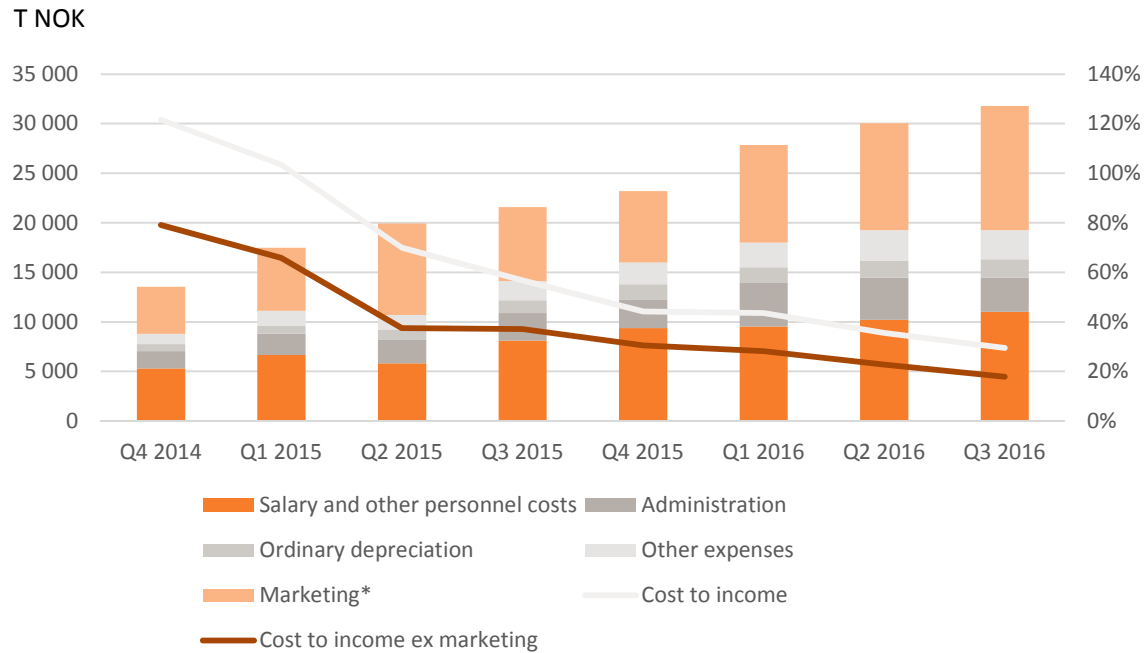


- Good yield development on loans to customers.

- Interest rate on deposits will vary with market situation and liquidity needs.

- Funds placed with low risk, dominated by bank deposits and covered bonds (Norwegian: OMF).

# Operating expenses



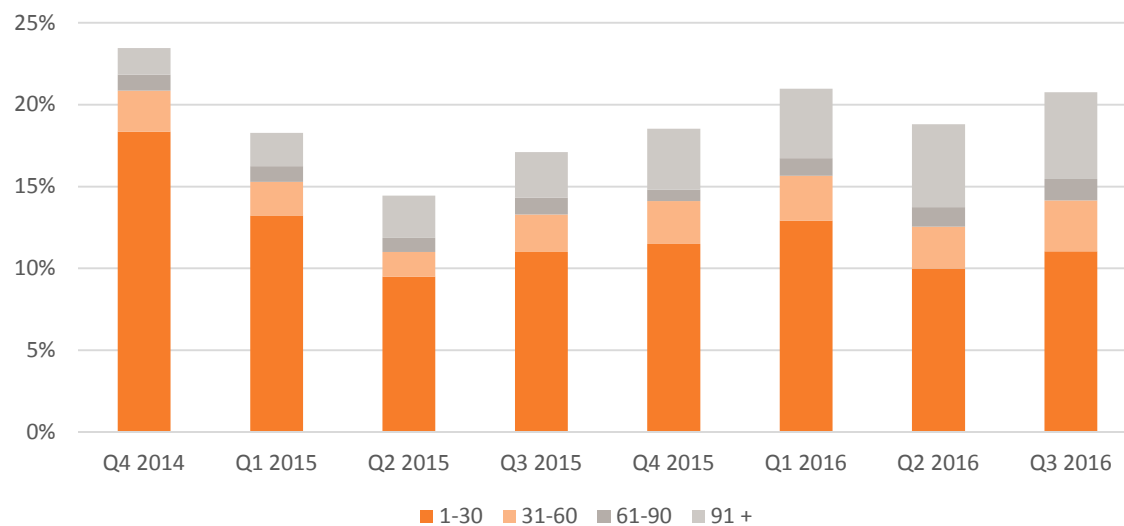
- Operating expenses are still dominated by salary and marketing costs.
- C/I ratio Q3: 29%
- C/I ex marketing ratio Q3: 18%

\* applies to marketing costs booked as operating expenses according to Norwegian generally accepted accounting principles

# Credit quality



Past due (days) at end of quarter

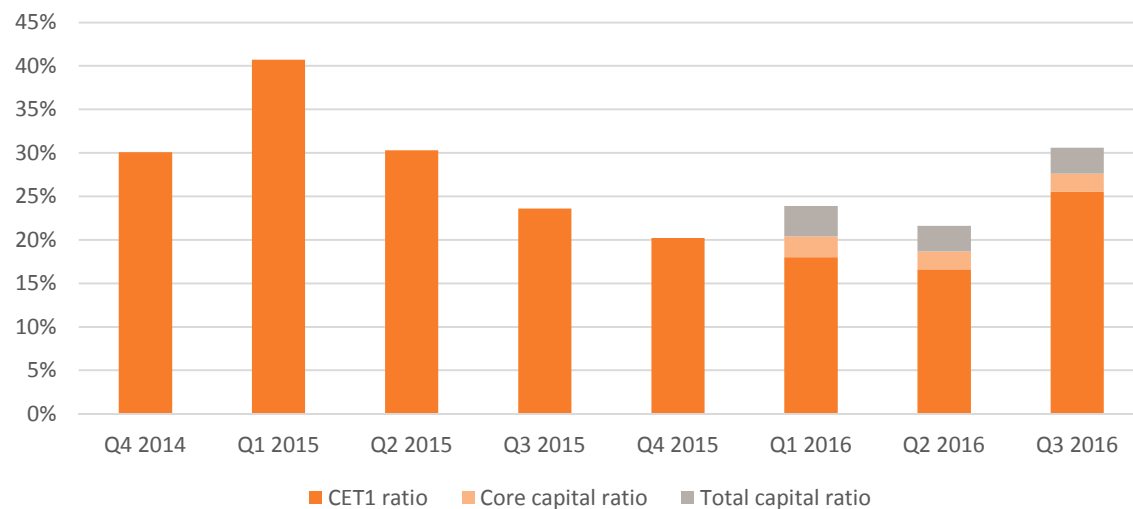


- 5.3% PD 91+ at 30.09.2016
- Observations in line with expectation

## Regulatory capital



Capital ratios



- Net equity issue of NOK 200 million in Q3 2016
- Subordinated and hybrid capital successfully issued in February 2016 (NOK 110 million)

## Summary



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- Satisfactory growth in the credit cards business
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## Outlook



### ❑ Continued strong growth expected. Prognosis 2016 at:

- PBT: NOK 170-180 million (Previous guiding: 145-160)
- Net loans year end: ~NOK 3 400 million (~NOK 3 200-3 400 )

### ❑ Well positioned for further growth

- Project to investigate options to fully integrate Komplett Banks finance products into Komplett Groups check out and payment solutions has started
- Good development for Credit card operations
- Equity issued in Q3 of NOK 200 million positions Komplett Bank with capital to
  - maintain its highly profitable growth story
  - meet expected capital level requirements
  - initiate cross-border expansion (Planned launch in Finland 1H 2017)

## 20 largest shareholders



	<b>Beholdning</b>	<b>Andel</b>	<b>Navn</b>	<b>Konto type</b>
	29 577 591	19,94	KOMPLETT AS	
	12 939 883	8,72	MACAMA AS	
	12 252 383	8,26	PERM INVEST AS	
	9 885 122	6,66	STATE STREET BANK & S/A SSB CLIENT OMNI	NOM
	7 973 283	5,37	ALFAB HOLDING AS	
	7 477 154	5,04	SANDEN A/S	
	5 561 005	3,75	FONDSAVANSE AS	
	4 633 764	3,12	AWECO INVEST AS	
	4 369 961	2,95	DINGJA INVEST AS	
	3 500 000	2,36	IVAR S LØGE AS	
	3 275 043	2,21	DIRECTMARKETING INVE	
	3 042 345	2,05	SVEJK INVEST AS	
	1 911 403	1,29	KHAYA AS	
	1 871 340	1,26	TANNREG AS	
	1 562 500	1,05	AARS AS	
	1 545 000	1,04	URSULF AS	
	1 501 688	1,01	MP PENSJON PK	
	1 469 049	0,99	HAVA FINANCIALS AS	
	1 366 423	0,92	SNIPTIND INVEST AS	
	1 345 651	0,91	TJK INVEST AS	
Sum	117 060 588	78,90		
	31 308 538	21,10	Øvrige	
<b>Totalt</b>	<b>148 369 126</b>	<b>100,00</b>		

as of 7th October 2016