



**Interim report  
1<sup>st</sup> quarter 2017**

## Highlights

- Growth in net loans at NOK 595 million in Q1 2017 (+18 %) and NOK 1 901 million year over year (+96 %).
- Profit before tax for the quarter at NOK 68.1 million compared to NOK 59.5 million last quarter (+14 %) and NOK 22.7 million (+ 199 %) for the same period last year.
- Successful launch in Finland mid-February with strong sales volume. Outstanding balance NOK 155 million.
- Deployment of strategy to diversify and expand geographical and product wise footprint continues.  
Priorities for 2017:
  - Building loan volumes Finland
  - Scope and timeframe for further geographical diversification and expansion to be concluded, Sweden in pole position
  - Continued sustainable growth in Norway
  - POS Finance business to be developed and launched in cooperation with Komplett Group.

## Key figures

NOK 1000, unless otherwise specified	Q1 17	Q1 16	2016	2015
<b>Net interest income</b>	<b>135 393</b>	<b>64 148</b>	<b>368 856</b>	<b>133 771</b>
Growth, yoy	111 %	278 %	176 %	623 %
<b>Pre-tax operating profit</b>	<b>68 055</b>	<b>22 730</b>	<b>173 624</b>	<b>18 871</b>
<b>Net profit</b>	<b>50 877</b>	<b>15 859</b>	<b>126 718</b>	<b>11 354</b>
Profit growth, yoy	221 %	59 %	1016 %	na
Cost / Income (ex marketing)	18 %	28 %	20 %	38 %
<b>Gross loans to customers, end date</b>	<b>4 041 597</b>	<b>2 035 748</b>	<b>3 412 725</b>	<b>1 619 558</b>
Loan growth, yoy	99 %	195 %	111 %	265 %
<b>ROE, annualised</b>	<b>29 %</b>	<b>18 %</b>	<b>27 %</b>	<b>5 %</b>

## About Komplett Bank ASA

Komplett Bank ASA started operations in March 2014 when the company received its banking licence from the Norwegian authorities. Komplett Bank offers unsecured consumer and leisure financing to creditworthy individuals in Norway and Finland.

The main products are “*Fleksibelt Lån*”, a loan product with credit line functionality that gives the customer more flexibility in timing repayments and use of the credit line and “*Komplett Bank MasterCard*”, a credit card with product features tailored for online shopping. The bank also offers attractive deposit rates on its savings accounts. As a member of the Norwegian Banks’ Guarantee Fund, deposits of up to NOK 2 million are guaranteed.

Komplett Bank is mainly owned by Norwegian investors. Komplett AS, the leading web retailer in the Nordic countries, is the largest shareholder with 20 % ownership. The bank has a long term strategic cooperation with the Komplett Group.

The bank follows a growth strategy based on offering its products across the Nordic region and has in Q1 2017 launched its loan product in Finland. Decisions on scope and timing for further geographical diversification and expansion is to be concluded with Sweden in pole position as the next market.

Komplett Bank ASA is registered on the NOTC list (a Norwegian information system for unlisted shares) with ticker code KOMP and is planning for a listing on the Oslo Stock Exchange during 2017.

## Financial figures

Total assets amounted to NOK 4 514 million. Net loans to customers amounted to NOK 3 887 million, while deposits from customers amounted to NOK 3 571 million. Total equity amounted to NOK 725 million. Total capital ratio was 22.5 % and CET1 ratio was 19.4 %. Bank deposits and liquid securities amounted to NOK 542.3 million and corresponded to 12.0 % of total assets.

Profit after tax for the 1st quarter amounted to NOK 50.9 million. Net interest income amounted to NOK 135.4 million (NOK 64.1 million for the 1st quarter in 2016), while net commissions and fees amounted to NOK 10.6 million (NOK -0.2 million). Gross defaulted loans at the end of the 1st quarter amounted to NOK 334.6 million (NOK 91.2 million) while losses on loans amounted to NOK 32.5 million (NOK 13.5 million). Accumulated loan impairment amounted to NOK 154.5 million (NOK 49.7 million).

## Outlook

The bank expects continued solid growth in lending volumes and profit.

Several regulatory initiatives to counter over-indebtedness have recently been launched. To the extent the initiatives succeed in countering over-indebtedness, Komplett Bank welcomes and support the initiatives. Komplett Bank believes this will help create a sound and sustainable business environment for the industry. Following the new regulation total growth for consumer lending in Norway is expected to come down somewhat from relatively high levels. However, the bank expects to continue to increase its market share and to attract sustainable growth. The bank will continue focusing on creating customer value through flexible solutions and efficient and customer friendly processes and to diversify its business geographically and product wise.

Komplett Bank follows a multi-channel marketing and distribution strategy, has a strong financial

position with a resilient balance sheet and a flexible and low cost operational model. Combined with a well-known brand and strong distribution capabilities the bank is in a good position to meet the competition within the consumer finance industry as well as the proposed new regulation related to the industry in Norway.

Operations in Finland was started in mid-February. The launch has strengthened the bank's platform for growth and diversification. Experiences from the launch in Finland will be factored into the evaluation of scope and timing of further deployment of the strategic roadmap for geographical diversification and expansion. Planning for the next market has commenced with Sweden as the prime candidate. Conclusions will be drawn later in 2017.

The project to fully integrate the bank's finance products into Komplett Group's check out and payment solutions shows good progress.

To realise continued profitability and long term growth the strategy to diversify and expand geographical and product wise footprint continues. The main areas of strategic focus going forward are:

- Building loan volumes in Finland
- Scoping and detailing out plans for next market entry
- Continued sustainable growth in Norway
- Developing point of sales financing solutions in cooperation with Komplett Group

## Other information

The accounting profit for the 1st quarter has in its entirety been booked against retained earnings. This interim report has been audited in accordance with ISRE 2410 (International Standard On Review Engagement). The audit report is enclosed to this report.

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Bærum, 19 April 2017

Board of Directors, Komplett Bank ASA

## Condensed consolidated interim statement of profit and loss

Amounts in NOK 1000	Note	Q1 2017	Q1 2016	2016	2015
Interest income	2	153 629	74 258	421 897	160 972
Interest expenses		18 237	10 110	53 041	27 201
<b>Net interest income</b>		<b>135 393</b>	<b>64 148</b>	<b>368 856</b>	<b>133 771</b>
Income commissions and fees		18 301	6 323	46 507	12 324
Expenses commissions and fees		7 695	6 477	28 881	10 132
<b>Net commissions and fees</b>		<b>10 606</b>	<b>-154</b>	<b>17 625</b>	<b>2 193</b>
<b>Net gains / losses (-) on certificates, bonds and currency</b>		<b>280</b>	<b>81</b>	<b>1 442</b>	<b>-2 134</b>
Salary and other personnel expenses		12 989	9 547	44 080	29 997
Other administrative expenses, of which:		25 813	14 223	65 083	40 392
<i>Direct marketing cost</i>		20 077	9 835	49 498	30 289
<b>Total salary and administrative expenses</b>		<b>38 802</b>	<b>23 770</b>	<b>109 164</b>	<b>70 389</b>
Ordinary depreciation		2 211	1 574	6 336	4 726
Other expenses		4 665	2 501	13 057	7 094
<b>Total operating expenses</b>		<b>45 677</b>	<b>27 844</b>	<b>128 557</b>	<b>82 209</b>
Losses on loans	2	32 545	13 502	85 742	32 750
<b>Pre-tax operating profit</b>		<b>68 055</b>	<b>22 730</b>	<b>173 624</b>	<b>18 871</b>
Tax expenses		17 178	6 871	46 906	7 517
<b>Profit after tax</b>		<b>50 877</b>	<b>15 859</b>	<b>126 718</b>	<b>11 354</b>

## Condensed statement of financial position

Amounts in NOK 1000	Note	31.03.2017	31.12.2016	31.03.2016
<b>Assets</b>				
Loans and deposits with credit institutions		225 505	498 787	164 940
Loans to customers	2	4 041 597	3 412 725	2 035 748
-Loan impairment	2	-154 477	-120 577	-49 691
<b>Net loans to customers</b>	<b>2</b>	<b>3 887 120</b>	<b>3 292 148</b>	<b>1 986 057</b>
Certificates and bonds		316 792	309 535	194 929
Other intangible assets		30 269	26 023	22 603
Deferred tax asset		0	17	0
Fixed assets		608	550	495
Other receivables, of which:		54 069	48 795	32 028
<i>Prepaid agent commission</i>		51 425	48 032	30 743
<b>Total assets</b>		<b>4 514 364</b>	<b>4 175 856</b>	<b>2 401 053</b>
<b>Liability and equity</b>				
Deposits from and debt to customers		3 571 299	3 312 991	1 909 384
Other debt, of which:		52 317	41 708	28 070
<i>Deferred revenue (establishment fees)</i>		19 551	18 177	12 704
Subordinated loan and hybrid securities		109 157	109 102	108 937
Tax payable		56 303	39 125	996
<b>Total liabilities</b>		<b>3 789 076</b>	<b>3 502 926</b>	<b>2 047 387</b>
Share capital	3	148 369	148 369	135 530
Share premium	3	392 645	392 645	205 830
Other paid-in equity	3	26 392	24 912	16 160
Retained earnings	3	157 883	107 005	-3 854
<b>Total equity</b>		<b>725 288</b>	<b>672 932</b>	<b>353 666</b>
<b>Total liabilities and equity</b>		<b>4 514 364</b>	<b>4 175 856</b>	<b>2 401 053</b>

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Bærum, 19 April 2017

Board of Directors, Komplet Bank ASA

## Notes

### Note 1 - General accounting principles

The interim report is prepared in accordance with the accounting principles in the annual report for 2016. All numbers are in NOK 1000 unless otherwise specified.

### Note 2 – Loans to customers

Amounts in NOK 1000	31.03.2017	31.12.2016	31.03.2016
Loans to private customers	4 041 597	3 412 725	2 035 748
Impairment of loans	154 477	120 577	49 691
<b>Net loans to customers</b>	<b>3 887 120</b>	<b>3 292 148</b>	<b>1 986 057</b>

### Loans - Defaults and losses

Amounts in NOK 1000	31.03.2017	31.12.2016	31.03.2016
Gross defaulted loans	334 632	241 491	91 157
Individual impairment of loans	143 477	104 277	39 267
Other impairments of loans	11 000	16 300	10 424
<b>Net defaulted loans</b>	<b>180 155</b>	<b>120 914</b>	<b>41 466</b>

100 % of loans are to private individuals. Impairment is calculated based on actual observations of the loan portfolio and expectations of future cash flow.

**Note 3 – Regulatory capital**

Amounts in NOK 1000	31.03.2017	31.12.2016	31.03.2016
Share capital	148 369	148 369	135 530
Share premium	392 645	392 645	205 830
Other equity	184 274	131 917	12 306
<b>Deductions:</b>			
Deferred tax asset / intangible assets / other deductions	-30 269	-26 024	-22 603
<b>Common equity tier 1</b>	<b>695 019</b>	<b>646 907</b>	<b>331 063</b>
Hybrid capital	44 655	44 633	44 565
<b>Core capital</b>	<b>739 674</b>	<b>691 540</b>	<b>375 628</b>
Supplemental capital	64 502	64 469	64 372
<b>Total capital</b>	<b>804 176</b>	<b>756 009</b>	<b>440 000</b>
<b>Calculation basis - amounts in NOK 1000</b>	<b>31.03.2017</b>	<b>31.12.2016</b>	<b>31.03.2016</b>
Loans and deposits with credit institutions (20 %)	45 101	99 757	32 988
Loans to customers (75 %)	2 780 224	2 438 630	1 458 902
Certificates and bonds (10 % and 0 %)	25 986	25 955	16 982
Defaulted loans (100 %)	180 155	120 914	41 466
Other assets (100%)	54 677	49 345	32 523
<b>Calculation basis credit risk</b>	<b>3 086 143</b>	<b>2 734 601</b>	<b>1 582 861</b>
Calculation basis operational risk	489 792	489 792	254 933
<b>Total calculation basis</b>	<b>3 575 935</b>	<b>3 224 393</b>	<b>1 837 794</b>
Common equity tier 1 (%)	19.4 %	20.1 %	18.0%
Core capital (%)	20.7 %	21.5 %	20.4%
Total capital (%)	22.5 %	23.5 %	23.9%



Til Styret i Komplett Bank ASA

## Uttalelse vedrørende forenklet revisorkontroll av delårsregnskap

### Innledning

Vi har foretatt en forenklet revisorkontroll av vedlagte balanse for Komplett Bank ASA pr. 31. mars 2017 og tilhørende resultatregnskap for tremånedersperiode avsluttet denne dato. Ledelsen er ansvarlig for utarbeidelsen og fremstillingen av delårsregnskapet i samsvar med prinsipper som beskrevet i note 1. Vår oppgave er å avgi en uttalelse om delårsregnskapet basert på vår forenklete revisorkontroll.

### Omfanget av den forenklete revisorkontrollen

Vi har utført vår forenklete revisorkontroll i samsvar med ISRE 2410 "Forenklet revisorkontroll av et delårsregnskap, utført av foretakets valgte revisor". En forenklet revisorkontroll av delårsregnskapet består i å rette forespørsler, primært til personer med ansvar for økonomi og regnskap, og å gjennomføre analytiske og andre kontrollhandlinger. En forenklet revisorkontroll har et betydelig mindre omfang enn en revisjon utført i samsvar med revisjonsstandarder fastsatt av Den norske Revisorforening, og gjør oss følgelig ikke i stand til å oppnå sikkerhet om at vi er blitt oppmerksomme på alle vesentlige forhold som kunne ha blitt avdekket i en revisjon. Vi avgir derfor ikke revisjonsberetning.

### Konklusjon

Vi har ved vår forenklete revisorkontroll ikke blitt oppmerksomme på noe som gir oss grunn til å tro at den vedlagte delårsregnskapet i det alt vesentlige ikke er utarbeidet i samsvar med prinsipper som beskrevet i note 1.

Oslo, 19. april 2017

**PricewaterhouseCoopers AS**

Bjørn Rydland  
Statsautorisert revisor