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Interim report

Second quarter 2018

Highlights

- Continued expansion and growth
  - Net loans increased by NOK 886 million in Q2 2018 (+15 %) and NOK 2,247 million year over year (+49 %).
  - Profit before tax for Q2 2018 at NOK 116.2 million compared to NOK 96.4 million last quarter (+20.5 %) and NOK 76.8 million (+51.3 %) for the same period last year.

- POS Finance
  - All core functionality in place on Komplett.no and Komplett.se. Net loans for POS Finance at NOK 136 million compared to NOK 57 million at the end of Q1 2018.

- Loans launched in Sweden at the end of Q1. Net loans at NOK 149 million by the end of Q2.

- Guiding for 2018 volume growth maintained
  - Net loans end of 2018 expected at NOK 8.4-8.7 billion (before effects of agreement to sell non-performing loans entered into with effect from June 2018).

- The cooperation agreement for cards between Komplett Group and Komplett Bank was prolonged this quarter for another 5 years.

- Diversification and expansion continues
  - Loan Finland growth in Q2 2018 at NOK 136 million, corresponding to 15 % of total growth.
  - POS Finance growth in Q2 2018 at NOK 80 million, corresponding to 9 % of total growth. Next step is to launch POS Finance in Finland in H2 2018 and to broaden scope in Norway and Sweden.
  - Loan Sweden growth in Q2 2018 at NOK 149 million, corresponding to 17 % of total growth.
  - Credit cards to be launched in Sweden and Finland in H2 2018.

- Loan loss ratio stable at 2.5%.[1]

Key figures

NOK 1 000 000, unless otherwise specified	Q2 18	Q2 17	1H 2018	1H 2017	2017
Net interest income	**231**	**162**	**438**	**299**	**670**
Growth, yoy	42 %	101 %	47 %	106 %	80 %
Pre-tax operating profit	**116**	**77**	**213**	**146**	**369**
Profit after tax	**88**	**57**	**159**	**109**	**274**
Profit growth, yoy	54 %	100 %	46 %	145 %	112 %
Cost / Income (ex marketing)	23 %	21 %	23 %	20 %	20 %
Gross loans to customers, end date	**7,178**	**4,748**	**7,178**	**4,748**	**5,596**
Loan growth, yoy	51 %	95 %	51 %	95 %	68 %
ROE, annualised *)	**25 %**	**28 %**	**23 %**	**28 %**	**29 %**
EPS, annualised **)	**2.04**	**1.53**	**1.86**	**1.47**	**1.60**

**) ROE = Profit After Tax / Quarterly Average Equity*

***) EPS = Profit After Tax/ Number of shares end of period*

[1] Losses last 12 months/Average net loans last 12 months

About Komplett Bank ASA

Komplett Bank ASA (the "Bank") started operations in March 2014 when the company received its banking licence from the Norwegian authorities. Komplett Bank focuses on offering convenient consumer financing products.

Our 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 has recently introduced point of sale (POS) finance products, while also offering a deposit product with attractive interest rates. As a member of the Norwegian Banks' Guarantee Fund, client deposits of up to NOK 2 million are guaranteed.

Canica Invest AS, the owner of the leading web retailer in the Nordic countries (Komplett AS), is the largest shareholder with a 20 % ownership. The Bank has a long-term strategic cooperation with the Komplett Group.

The Bank follows a growth strategy based on geographical and product-wise diversification and expansion. The strategy is founded on a digital, scalable, efficient and low-cost operational model with strong risk control. We operate our business on a cross-border basis from a single location in Lysaker, outside of Oslo. Our Norwegian banking license provides passporting of the bank's offering throughout the entire European Economic Area (EEA).

In the near to medium term, the Bank remains focused on the Nordic region. We launched our loan product in Norway in Q1 2014, in Finland in Q1 2017 and Sweden in Q1 2018. The Bank started credit card operations in Norway in 2015 and POS Finance products in Norway and Sweden in Q3 2017 and Q2 2018 respectively. Further diversification and expansion is planned through 2018 with the launch of POS Finance products in Finland in H2 2018 as well as credit cards in Sweden and Finland towards the end of 2018. The Bank also plans for introducing deposit products in markets outside of Norway in 2018.

Financial figures

All figures are prepared and presented in accordance with IFRS, and historical financial data are converted to IFRS for comparison purposes.

Komplett Bank has experienced a continued strong growth in net loans and net interest income during Q2, driven by a sustained strong demand for unsecured consumer loans and credit cards in Norway as well as Finland and Sweden. POS Finance contributed with NOK 80 million (9 %) of total growth in net loans.

Net interest income amounted to NOK 230.9 million (NOK 207.5 million for the previous quarter), while net commissions and fees amounted to NOK 14.2 million (NOK 13.9 million). Due to a number of business initiatives being developed, operating costs increased and amounted to NOK 57.0 million (excluding marketing expenses) (NOK 50.0 million). Direct marketing expenses amounted to NOK 25.2 (NOK 27.2 million), while loan losses amounted to NOK 46.4 million (NOK 46.6 million). Profit after tax amounted to NOK 87.6 million (NOK 71.5 million).

Total assets amounted to NOK 8,130 million (NOK 6,859 million). Net loans to customers amounted to NOK 6,801 million (NOK 5,915 million), while deposits from customers amounted to NOK 6,072 million (NOK 4,928 million). Total equity amounted to NOK 1,442 million (NOK 1,357 million). Total capital ratio was 24.0 % (26.2 %) and the CET1 ratio was 22.3 % (24.2 %). The bank targets a CET1 ratio above 17.0 %. Bank deposits and liquid securities amounted to NOK 1,209 million (NOK 872 million) corresponding to 14.9 % (12.7 %) of total assets.

Gross defaulted loans at the end of Q2 amounted to NOK 702.8 million (NOK 574.8 million). Loan impairments amounted to NOK 377.1 million (NOK 339.0 million).

Outlook

Komplett Bank expects continued strong growth in lending volumes going forward and maintains our expectation for growth in net loans to customers through 2018. We expect net loans to be NOK 8.4-8.7 billion at the end of 2018 (adjusted for effects of IFRS 9 at implementation. An agreement to sell non-performing loans will, with effect from June, reduce net loans with the amount of net loans transferred. The effect of this is not adjusted for in the guiding above.).

The bank will during 2018 continue to develop its strategic roadmap and decide on strategies and further direction for geographical and product-wise expansion.

Actual growth and financial performance depend on uncertain factors, including but not limited to market conditions, regulatory environment, project execution and competitors' actions.

Komplett Bank expects new regulation, including the newly adopted NFSA guidelines on unsecured credit, to dampen total market growth for consumer lending in Norway. While adapting to new regulation, the bank will continue to focus on creating customer value through flexible solutions and efficient and customer friendly processes while continuing to diversify its business geographically and product wise. Komplett Bank believes it is well-positioned to continue to increase its market share and to attract sustainable growth. Due to its strategy for growth through diversification and expansion, the bank will become increasingly less reliant upon growth in one single market.

Komplett Bank follows a diversified 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, this puts the bank in a favourable position to meet the competition within the consumer finance industry as well as new regulation related to the industry.

The bank started offering loans in Finland in Q1 2017 and Sweden in Q1 2018. The operation has developed satisfactorily and has strengthened the bank's platform for growth and diversification. Komplett Bank expects loans in Finland and Sweden to continue to grow significantly going forward. In Q3 2017, the bank launched its first POS Finance products in Norway in cooperation with Komplett Group. The payment solution and finance products will gradually be available on check outs at Komplett Group's web-stores, including for partners at its newly launched Marketplace. The bank expects volumes from POS Finance to gradually build up during 2018 and onwards. The bank also expects the recent launch of loans and POS Finance products in Sweden to contribute markedly to the bank's growth going forward. Komplett Bank expects continued strong demand for loans in Norway.

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 for 2018 are:

- Continued sustainable volume growth in Finland and Norway
- Scale up loans in Sweden
- Launch credit cards in Sweden and Finland in H2
- Scale up POS finance business and expand into Finland
- Preparations for further capitalization on strategic and operational platform – strategies and direction for new products and new geo-graphies

In the near to medium term, growth will be given priority over dividends.

Other information

The accounting profit for Q2 has in its entirety been booked against retained earnings. This interim report has been reviewed in accordance with ISRE 2410 (International Standard on Review Engagement). The review report is enclosed to this report.

Lysaker, Bærum, 13 August 2018

Board of Directors, Komplett Bank ASA

Condensed consolidated interim statement of comprehensive income

Amounts in NOK million	Note	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Interest income	2, 8	265.2	182.4	499.0	336.0	756.2
Interest expenses	8	-34.3	-20.0	-60.6	-37.3	-86.5
Net interest income	**8**	**230.9**	**162.4**	**438.4**	**298.8**	**669.8**
Income commissions and fees	2, 9	34.4	20.8	63.2	39.1	89.1
Expenses commissions and fees	9	-20.2	-10.6	-35.2	-18.3	-52.0
Net commissions and fees	**9**	**14.2**	**10.2**	**28.0**	**20.8**	**37.0**
Net gains / losses (-) on certificates and bonds, and currency		-0.2	0.1	-1.4	1.0	2.5
Total income		**244.8**	**172.7**	**465.0**	**320.5**	**709.3**
Salary and other personnel expenses		-29.6	-17.2	-54.5	-30.2	-69.0
General administrative expenses	10	-38.9	-30.4	-79.0	-56.2	-115.3
Direct marketing expenses	10	-25.2	-20.5	-52.4	-40.6	-79.9
Total salary and admin. expenses		**-68.5**	**-47.7**	**-133.5**	**-86.5**	**-184.3**
Ordinary depreciation		-6.8	-3.1	-12.4	-5.3	-14.3
Other expenses	11, 14	-7.0	-6.4	-13.5	-11.1	-23.0
Total operating expenses excl. lossses on loans		**-82.2**	**-57.2**	**-159.4**	**-102.9**	**-221.7**
Losses on loans	2	-46.4	-38.7	-93.0	-71.3	-118.7
Pre-tax operating profit		**116.2**	**76.8**	**212.6**	**146.4**	**368.8**
Tax expenses		-28.6	-20.0	-53.4	-37.6	-95.0
Profit after tax		**87.6**	**56.8**	**159.2**	**108.8**	**273.8**
Earnings per share (NOK)		0.51	0.38	0.93	0.73	1.60
Diluted earnings per share (NOK)		0.47	0.35	0.85	0.66	1.46

Comprehensive income

Amounts in NOK million						
Comprehensive income for the period		**87.6**	**56.8**	**159.2**	**108.8**	**273.8**

Condensed statement of financial position

Amounts in NOK million	Note	30.06.2018	31.12.2017	30.06.2017
Assets				
Loans and deposits with credit institutions	4, 5	811.8	442.3	252.9
Net loans to customers	2, 5	6,801.0	5,461.0	4,553.6
Certificates and bonds	5	396.8	381.6	286.0
Other intangible assets		72.0	56.8	39.7
Deferred tax assets		-	0.4	-
Fixed assets		1.7	1.0	0.7
Other receivables	7	46.8	16.9	12.3
Total assets		**8,130.2**	**6,359.9**	**5,145.1**
Equity and liabilities				
Deposits from and debt to customers	5	6,072.1	4,330.5	4,134.5
Senior unsecured bond	5	399.5	399.3	-
Other debt	7	89.0	76.9	39.6
Subordinated loans	5.6	64.7	64.6	64.2
Deferred tax		53.0	-	-
Tax payable		10.0	87.0	76.4
Total liabilities		**6,688.3**	**4,958.2**	**4,314.7**
Share capital	3, 12	171.4	171.4	148.4
Share premium reserve	3	771.9	771.9	392.6
Tier 1 capital	3	44.6	44.6	45.0
Other paid-in equity	3	36.6	35.5	29.7
Retained earnings	3	417.4	378.4	214.8
Total equity		**1,441.9**	**1,401.7**	**830.5**
Total equity and liabilities		**8,130.2**	**6,359.9**	**5,145.1**

Lysaker, Bærum, 13 August 2018

Board of Directors, Komplett Bank ASA

Condensed statement of the cashflow position

Amounts in NOK million	Note	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Cash flow from operating activities						
Pre-tax operating profit		116.2	76.8	212.6	146.4	368.8
Taxes		-	-	-37.6	-	-39.0
Ordinary depreciation		6.8	3.1	12.4	5.3	14.3
Change in loans	2, 5	-924.5	-674.2	-1,571.7	-1,305.1	-2,153.3
Change in deposits from customers	5	1,143.7	563.2	1,741.6	821.5	1,017.5
Change in securities	5	-15.0	31.8	-15.2	24.0	-71.6
Change in accruals		13.0	40.2	57.1	83.4	53.8
Net cash flow from operating activities		**340.2**	**41.0**	**399.2**	**-224.5**	**-809.4**
Cash flows from investing activities						
Investments in fixed assets		-0.4	-0.1	-0.9	-0.2	-0.6
Investments in intangible assets		-17.3	-12.5	-27.1	-19.4	-44.4
Net cash flow used in investing activities		**-17.7**	**-12.7**	**-27.9**	**-19.6**	**-45.0**
Cash flows from financing activities						
Paid-in equity		0.1	-	0.1	-	402.3
Uptake of senior unsecured bond		-	-	-	-	399.3
Payment to Tier 1 capital investors		-0.9	-0.9	-1.8	-1.8	-3.7
Net cash flow from financing activities		**-0.8**	**-0.9**	**-1.7**	**-1.8**	**797.9**
Net cash flow for the period		321.7	27.4	369.5	-245.9	-56.5
Cash and cash equivalents at the start of the period		490.2	225.5	442.3	498.8	498.8
Cash and cash equivalents at the end of the period	**4**	**811.8**	**252.9**	**811.8**	**252.9**	**442.3**

Condensed statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Tier 1 capital	Other paid in capital	Retained earnings	Total Equity
Equity as at 31.12.2017	**171.4**	**771.9**	**44.6**	**35.5**	**378.4**	**1,401.7**
Changes in equity due to share options program	-	-	-	3.0	-	**3.0**
Implementation of IFRS 9	-	-	-	-	-157.8	**-157.8**
Tax effect of implementing IFRS 9	-	-	-	-	39.4	**39.4**
Profit after tax	-	-	-	-	71.5	**71.5**
Paid interest on Tier 1 capital	-	-	-	-	-0.7	**-0.7**
Equity as at 31.03.2018	**171.4**	**771.9**	**44.6**	**38.5**	**330.7**	**1,357.0**
Changes in equity due to share options program	-	-	-	-1.9	-	**-1.9**
Share capital increase	0.1	-	-	-	-	**0.1**
Profit after tax	-	-	-	-	87.6	**87.6**
Paid interest on Tier 1 capital	-	-	-	-	-0.9	**-0.9**
Equity as at 30.06.2018	**171.4**	**771.9**	**44.6**	**36.6**	**417.4**	**1,441.9**

Notes

Note 1 - General accounting principles

This interim report is prepared in accordance with the same accounting principles as in the annual report for 2017 except for financial instruments, which are subject to the accounting standard IFRS 9 that took effect as of 1 January 2018.

IFRS 9 introduces new approaches to the classification, measurement and impairment of financial instruments. The only significant change of accounting principle that the IFRS 9 has on this interim report, is in relation to impairments.

IFRS 9 involves a transition from IAS 39's "incurred loss model" to an expected loss model, where impairments are recognised based on the company's best estimate on the balance sheet date, using available information about the past, present and estimates for the future. The model used by the Bank to calculate impairment losses will also cover probability of default, exposure at default and loss given default as well as triggers for the transition across the three different stages introduced in IFRS 9 (1. Performing, 2. Significant increase in the credit risk compared with initial recognition, 3. Defaulted). In the case of financial assets subject to impairment tests in accordance with IFRS 9, impairments are measured and recognised for 12 months' expected loss for financial assets regarded as performing (stage 1). Performing loans are defined as loans where the credit risk has not increased significant since initial recognition. Transition to stage 2 occurs when the Bank receives information indicating that the credit risk has increased significantly, or at the latest when loans are more than 30 days past due. Indicators of significant increase in credit risk relate to client behavioural aspects such as past due status, credit limit utilisation, etc.

The Bank's assessment of the timing when a significant increase in the credit risk occurs is based on historical, present and future expectations of the cash flow properties for the financial instruments that are subject to impairment under IFRS 9. In the transition to stage 3, the Bank uses its internal definition of a defaulted account, which occurs when the claim is more than 90 days past due.

The Bank has divided the client exposures into the following main categories:

- Loans Norway
- Loans Finland
- Loans Sweden
- Credit cards
- Point of sales financing (POS)

These categories are usually categorised into sub-categories in relation to exposure and the age of the client relationship (months on book).

All clients in Finland and Sweden are considered new. The client exposures are further categorized based on the balance amount.

The probability of default is the statistical unit probability of a client becoming default and is related to a certain time period. For stage 1 clients, this probability is restricted to 12 months after the reporting date. For cases where the expected lifetime in stage 1 is less than 12 months, the Bank applies the expected lifetime.

For stage 2, the bank must consider lifetime probability of default. In order to assess the expected lifetime of the various segments, the Bank has estimated this expected lifetime based on historical information and experience following the IFRS 9 guidance.

As the Bank is providing loan facilities that may be drawn upon, the exposure at default reflects the facility available at the reporting date. The model further applies a factor of observed credit limits for defaulting clients in relation to the entire client base to reflect the fact that credit limits are dependent on the risk.

Loss given default is calculated as the net present value of the shortfall of contractual repayments, using the effective interest method. The Bank therefore computes different discount factors, based on the effective interest rates in the various categories.

The Bank also needs to assess macroeconomic components in the expected credit losses. The Bank uses forecasts and expert views and applies a judgmental view in this matter. Currently, the economic outlook is reflected in the macro component of the model with a marginally positive effect.

The Bank has decided not to use the simplification rules for impairment losses permitted in IFRS 9.
The Bank has decided to adopt the transitional rules published by the EU that allow a gradual phasing-in of the effects of IFRS 9 on the Bank's capital adequacy.

All numbers are in NOK 1,000,000 unless otherwise specified.

Note 2 – Loans to customers

Loans to customers

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Loans to customers	7,178.1	5,595.8	4,747.7
Gross lending	**7,178.1**	**5,595.8**	**4,747.7**
Impairment of loans	377.1	134.9	194.1
Net loans to customers	**6,801.0**	**5,461.0**	**4,553.6**

Defaults and losses

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Gross defaulted loans *	702.8	399.7	420.7
Individual impairment of loans	225.3	123.9	183.1
Group impairment of loans	151.8	11.0	11.0
Net defaulted loans	**325.7**	**264.8**	**226.6**

* Defaulted loans comprise of loans which are 91 days or more overdue according to agreed payment schedule, or loans overdue less than 91 days if earlier been 91 days or more overdue.

Gross loans by geographical regions

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Akershus	693.0	563.1	507.4
Aust-Agder	120.7	88.7	84.7
Buskerud	342.4	269.8	250.8
Finnmark	116.4	81.1	79.6
Hedmark	225.0	177.0	165.5
Hordaland	541.4	438.3	408.1
Møre og Romsdal	261.2	217.3	203.2
Nordland	279.3	235.1	208.4
Oppland	193.4	160.3	144.7
Oslo	716.6	586.7	532.1
Østfold	387.1	320.4	290.3
Rogaland	504.0	401.8	375.0
Sogn og Fjordane	77.8	66.2	61.4
Telemark	189.7	147.6	140.6
Troms	179.7	144.9	131.2
Vest-Agder	164.8	134.7	127.1
Vestfold	326.9	261.5	242.3
*Nord-Trøndelag	-	92.4	87.8
*Sør-Trøndelag	-	222.1	210.5
*Trøndelag	397.2	-	-
Norway	**5,716.5**	**4,609.1**	**4,250.5**
Finland and Sweden	1,461.6	986.8	497.2
Total	**7,178.1**	**5,595.8**	**4,747.7**

* Sør-Trøndelag and Nord-Trøndelag were merged to Trøndelag with effect from 1 January 2018.

Risk classes

All loans to customers are grouped in different risk classes from A to D, based on probability of default, where risk classes A have lowest probability of default and D the highest probability of default.

	30.06.2018	31.12.2017	30.06.2017
Established loans Norway risk class A	34 %	39 %	42 %
New loans Norway risk class A	16 %	14 %	18 %
Established loans Norway risk class B	5 %	7 %	5 %
New loans Norway risk class B	2 %	1 %	1 %
Established loans Norway risk class C	1 %	1 %	1 %
New loans Norway risk class C	0 %	0 %	0 %
Established loans Norway risk class D	6 %	5 %	7 %
New loans Norway risk class D	0 %	0 %	0 %
Established credit card loans risk class A	7 %	8 %	8 %
New credit card loans risk class A	1 %	2 %	2 %
Established credit card loans risk class B	2 %	3 %	2 %
New credit card loans risk class B	0 %	1 %	0 %
Established credit card loans risk class C	0 %	0 %	0 %
New credit card loans risk class C	0 %	0 %	0 %
Established credit card loans risk class D	2 %	2 %	2 %
New credit card loans risk class D	0 %	0 %	0 %
Loan Finland risk class A	15 %	16 %	10 %
Loan Finland risk class B	1 %	1 %	0 %
Loan Finland risk class C	0 %	0 %	0 %
Loan Finland risk class D	1 %	1 %	0 %
Pos Finance risk class A	2 %	0 %	0 %
Pos Finance risk class B	0 %	0 %	0 %
Pos Finance risk class C	0 %	0 %	0 %
Loans Sweden risk class A	2 %	0 %	0 %
Loans Sweden risk class B	0 %	0 %	0 %
Loans Sweden risk class C	0 %	0 %	0 %
Loans Sweden risk class D	0 %	0 %	0 %
Total	**100 %**	**100 %**	**100 %**

Ageing of loans

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Loans not past due	5,262.1	3,927.6	3,605.3
Past due 1 - 30 days	839.2	916.4	525.2
Past due 31 - 60 days	293.7	263.8	151.2
Past due 61 - 90 days	126.7	100.7	71.3
Past due 91+ days	656.3	387.4	394.6
Total	**7,178.1**	**5,595.8**	**4,747.7**

Ageing of loans %

	30.06.2018	31.12.2017	30.06.2017
Loans not past due	73 %	70 %	76 %
Past due 1 - 30 days	12 %	16 %	11 %
Past due 31 - 60 days	4 %	5 %	3 %
Past due 61 - 90 days	2 %	2 %	2 %
Past due 91+ days	9 %	7 %	8 %
Total	**100 %**	**100 %**	**100 %**

Maximum exposure for loans to customers as at 30.06.2018*

Amounts in NOK million	Stage 1	Stage 2	Stage 3
Credit risk rating grade			
Established loans Norway risk class A	3,498.5	-	-
New loans Norway risk class A	1,462.8	-	-
Established loans Norway risk class B	-	424.0	-
New loans Norway risk class B	-	136.0	-
Established loans Norway risk class C	-	65.3	-
New loans Norway risk class C	-	12.5	-
Established loans Norway risk class D	-	-	437.9
New loans Norway risk class D	-	-	10.4
Established credit card loans risk class A	995.8	-	-
New credit card loans risk class A	137.3	-	-
Established credit card loans risk class B	-	169.5	-
New credit card loans risk class B	-	15.7	-
Established credit card loans risk class C	-	20.7	-
New credit card loans risk class C	-	2.0	-
Established credit card loans risk class D	-	-	154.7
New credit card loans risk class D	-	-	2.1
Loan Finland risk class A	1,198.1	-	-
Loan Finland risk class B	-	79.9	-
Loan Finland risk class C	-	19.3	-
Loan Finland risk class D	123.3	-	99.4
Pos Finance risk class A	120.1	-	-
Pos Finance risk class B	-	11.5	-
Pos Finance risk class C	-	-	1.5
Loans Sweden risk class A	206.3	-	-
Loans Sweden risk class B	-	35.8	-
Loans Sweden risk class C	-	-	-
Loans Sweden risk class D	-	-	-
Total	**7,742.3**	**992.3**	**706.1**

* Exposures also include limits not utilized.

Reconciliation of gross carrying amount net loans to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31.03.2018	4,823.7	849.3	580.6	**6,253.6**
Transfers:				
Transfer from stage 1 to stage 2	-361.5	361.5	-	-
Transfer from stage 1 to stage 3	-28.0	-	28.0	-
Transfer from stage 2 to stage 3	-	-154.6	154.6	-
Transfer from stage 3 to stage 2	-	-	-	-
Transfer from stage 2 to stage 1	198.8	-198.8	-	-
Transfer from stage 3 to stage 1	0.7	-	-0.7	-
New assets	1,340.0	154.1	7.6	**1,501.7**
Assets derecognized	-429.7	-96.0	-51.5	**-577.2**
Gross carrying amount as at 30.06.2018	**5,544.0**	**915.5**	**718.6**	**7,178.1**

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Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 31.03.2018	74.2	84.4	180.3	**339.0**
Transfers:				
Transfer from stage 1 to stage 2	-4.6	4.6	-	-
Transfer from stage 1 to stage 3	-0.3	-	0.3	-
Transfer from stage 2 to stage 3	-	-20.0	20.0	-
Transfer from stage 3 to stage 2	-	-	-	-
Transfer from stage 2 to stage 1	18.4	-18.4	-	-
Transfer from stage 3 to stage 1	0.2	-	-0.2	-
New financial assets originated or change in provisions	18.0	51.3	32.3	**101.6**
Assets derecognized or change in provisions	-18.4	-7.7	-9.3	**-35.5**
Other changes	-9.5	-20.4	1.8	**-28.1**
Loss allowance as at 30.06.2018	**78.0**	**73.8**	**225.3**	**377.1**

Information on products and geographical distribution

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	
Income per product in Q2 2018	**Norway**	**Finland**	**Sweden**			**Total**
Interest income	166.4	42.3	2.9	47.1	1.9	**260.6**
Income commissions and fees	11.8	4.3	0.1	11.7	5.5	**33.4**
Total	**178.2**	**46.6**	**3.0**	**58.8**	**7.4**	**294.0**

	Consumer loans			Credit cards	POS Finance	
Income per product in 1H 2018	**Norway**	**Finland**	**Sweden**			**Total**
Interest income	315.7	79.4	2.9	93.3	2.1	**493.4**
Income commissions and fees	23.3	8.1	0.1	23.4	7.3	**62.2**
Total	**339.0**	**87.5**	**3.0**	**116.6**	**9.4**	**555.6**

	Consumer loans			Credit cards	POS Finance	
Loans per product per 30.06.2018	**Norway**	**Finland**	**Sweden**			**Total**
Net loans	4,400.1	1,242.3	148.8	873.3	136.5	**6,801.0**
Total	**4,400.1**	**1,242.3**	**148.8**	**873.3**	**136.5**	**6,801.0**

	Consumer loans			Credit cards	POS Finance	
Impairment per product per 30.06.2018	**Norway**	**Finland**	**Sweden**			**Total**
Impairment	234.1	64.9	5.5	69.1	3.4	**377.1**
Total	**234.1**	**64.9**	**5.5**	**69.1**	**3.4**	**377.1**

Note 3 – Regulatory capital

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Share capital	171.4	171.4	148.4
Share premium	771.9	771.9	392.6
Other equity	454.0	413.9	244.4
Phase-in effects of IFRS 9	112.4	-	-
Deductions:			
Deferred tax asset and other intangible assets and deductions	-72.4	57.2	39.7
Common equity Tier 1 including phase-in impact of IFRS 9	**1,437.3**	**1,299.9**	**745.7**
Common equity Tier 1 excluding phase-in impact of IFRS 9	**1,324.9**	**1,299.9**	**745.7**
Tier 1 capital	44.6	44.6	45.0
Core capital including phase-in impact of IFRS 9	**1,481.9**	**1,344.5**	**790.7**
Core capital excluding phase-in impact of IFRS 9	**1,369.5**	**1,344.5**	**790.7**
Supplemental capital	64.7	64.6	64.2
Total capital including phase-in impact of IFRS 9	**1,546.6**	**1,409.1**	**855.0**
Total capital excluding phase-in impact of IFRS 9	**1,434.1**	**1,409.1**	**855.0**

Calculation basis

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Loans and deposits with credit institutions (20 %)	162.4	88.5	50.6
Loans to customers (75 %)	4,856.3	3,897.1	3,245.2
Certificates and bonds (10 % and 0 %)	28.2	28.2	20.6
IFRS 9 phase-in effect	264.6	-	-
Net defaulted loans (100%)	325.7	264.6	226.6
Other assets (100%)	48.5	17.9	12.9
Calculation basis credit risk	**5,685.7**	**4,296.4**	**3,556.0**
Calculation basis operational risk	770.0	768.3	489.8
Total calculation basis including phase-in impact of IFRS 9	**6,455.7**	**5,064.7**	**4,045.8**
Total calculation basis excluding phase-in impact of IFRS 9	**6,191.0**	**5,064.7**	**4,045.8**
Capital ratios including phase-in impact			
Common equity tier 1 (%)	22.3 %	25.7 %	18.4 %
Core capital (%)	23.0 %	26.5 %	19.5 %
Total capital (%)	24.0 %	27.8 %	21.1 %
Capital ratios excluding phase-in impact			
Common equity tier 1 (%)	21.4 %	25.7 %	18.4 %
Core capital (%)	22.1 %	26.5 %	19.5 %
Total capital (%)	23.2 %	27.8 %	21.1 %

LCR (Liquidity Coverage Ratio) is 227 % and NSFR (Net stable funding ratio) is 166 % as of 30.06.2018.

Note 4 - Loans and deposits with credit institutions

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Loans and deposit with credit institutions	811.8	442.3	252.9
Total	**811.8**	**442.3**	**252.9**

Note 5 - Financial instruments

Financial instruments at fair value is measured at different levels:

Level 1
Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

Level 2
Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

Level 3
When valuation cannot be determined in level 1 or 2, valuation methods based on non-observable market data are used.

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Certificates and bonds - level 1	114.9	99.9	79.9
Certificates and bonds - level 2	282.0	281.7	206.1
Total financial instruments at fair value	**396.8**	**381.6**	**286.0**

Financial instruments at amortized cost

Financial instruments at amortized cost are valued at originally determined cash flows, adjusted for any impairment losses.

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Loans and deposits with credit institutions	811.8	442.3	252.9
Net loans to customers	6,801.0	5,461.0	4,553.6
Total financial assets at amortized cost	**7,612.9**	**5,903.3**	**4,806.5**
Deposits from and debt to customers	6,072.1	4,330.5	4,134.5
Senior unsecured bond	399.4	399.3	-
Subordinated loans	64.7	64.6	64.2
Total financial liabilitiies at amortized cost	**6,536.1**	**4,794.4**	**4,198.7**

Note 6 - Subordinated loan

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Subordinated loan - ISIN NO0010757768			
3 months NIBOR + 5.0 %	64.7	64.6	64.2
Total subordinated loans	**64.7**	**64.6**	**64.2**

Note 7 - Receivables and other liabilities

Amounts in NOK million	30.06.2018	31.12.2017	30.06.2017
Other receivables	46.8	16.9	12.3
Total receivables	**46.8**	**16.9**	**12.3**
Payables to suppliers	27.4	28.0	6.3
Social secutity tax	3.5	3.0	2.1
Payable taxes	10.0	87.0	76.4
Other liabilities	58.1	45.9	31.2
Total other liabilities	**99.0**	**163.9**	**115.9**

Note 8 - Net interest income

Amounts in NOK million	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Interest income from loans to customers	260.6	181.4	493.4	334.0	752.1
Interest income from loans and deposits with credit institutions	3.5	0.2	3.6	0.3	0.6
Interest from certificates and bonds	1.1	0.8	2.0	1.7	3.5
Total interest income	**265.2**	**182.4**	**499.0**	**336.0**	**756.2**
Interest expense from deposit from customers	25.9	18.4	47.9	34.3	76.0
Interest expense from subordinated loan and unsecured bond	3.8	1.1	7.3	2.1	8.6
Other interest expenses	4.6	0.5	5.4	0.8	1.8
Total interest expenses	**34.3**	**20.0**	**60.6**	**37.3**	**86.5**
Net interest income	**230.9**	**162.4**	**438.4**	**298.8**	**669.8**

Note 9 - Net commissions and fees

Amounts in NOK million	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Insurance services	13.6	10.9	27.5	20.3	46.3
Fees	20.8	9.9	35.7	18.9	42.8
Total income commissions and fees	**34.4**	**20.8**	**63.2**	**39.1**	**89.1**
Agent provision	12.9	6.7	22.9	12.6	32.3
Other expenses comissions and fees	7.4	3.9	12.3	5.8	19.8
Total expenses commissions and fees	**20.2**	**10.6**	**35.2**	**18.3**	**52.0**
Net commissions and fees	**14.2**	**10.2**	**28.0**	**20.8**	**37.0**

Note 10 - General administrative expenses

Amounts in NOK million	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Direct marketing expenses	25.2	20.5	52.4	40.6	79.9
IT-expenses	5.8	3.9	10.5	6.8	16.0
Other general administrative expenses	7.9	6.0	16.1	8.8	19.4
Total general administrative expenses	**38.9**	**30.4**	**79.0**	**56.2**	**115.3**

Note 11 - Other operating expenses

Amounts in NOK million	Q2 2018	Q2 2017	1H 2018	1H 2017	2017
Rental expenses	0.8	0.6	1.4	1.1	2.2
External audit and related services	0.4	0.7	1.1	1.0	1.8
Other consultants	2.1	2.5	3.8	4.3	8.4
Insurance	0.3	0.2	0.5	0.3	0.7
Other	3.5	2.5	6.7	4.3	9.9
Total other operating expenses	**7.0**	**6.4**	**13.5**	**11.1**	**23.0**

Note 12 - Related parties

Komplett Bank is not part of a group. However, the Bank's largest shareholder is Canica Invest AS with 20 % of the Shares in the Bank. Canica Invest AS owns the majority of the shares in Komplett AS. Komplett Bank is financially and operationally independent of Komplett AS and its affiliated companies (the "Komplett Group").

Komplett AS and the Bank have entered into a cooperation agreement in relation to IP rights, marketing cooperation and other services. The agreement aims to give the Bank the right to use "Komplett Bank" as its name, and the profile and graphic design of komplett.no. The agreement gives the Bank the right to use all the intellectual property rights of Komplett AS that are necessary to achieving this purpose.

As an extension to the cooperation agreement, Komplett AS and the Bank have entered into an agreement on product cooperation in relation to the credit card of the Bank and the credit card's ancillary customer loyalty bonus program. The agreement aims to promote sales and the use of the credit card, as well as contributing to promote sales for Komplett AS. Pursuant to this agreement, the parties shall arrange for customer loyalty bonus in relation to the use of the Bank's credit card on, among other, purchases from Komplett AS. The product cooperation agreement for credit cards was prolonged this quarter for another 5 years.

Furthermore, the Bank is engaged in a marketing cooperation with the Komplett Group, in particular in connection with its credit card product as well as its payment solutions and distribution of point-of-sales finance ("POS Finance") products, which enables the Bank to market its products towards customers on Komplett's web shop platforms.

Note 13 - Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

Note 14 - Leasing agreements

Komplett Bank is leasing premises for Vollsveien 2A at Lysaker. The agreement expires 31.12.2023, and the annual rent totals NOK 2.8 million excluding VAT. The Bank has no other significant leasing agreements.

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. 30. juni 2018 og tilhørende resultatregnskap, utvidet resultatregnskap, oppstilling over endringer i egenkapital og kontantstrømoppstilling for seksmånedersperioden avsluttet denne dato, og av beskrivelsen av regnskapsprinsipper og andre noter. Ledelsen er ansvarlig for utarbeidelsen av delårsregnskapet og at det gir et rettvisende bilde i samsvar med prinsipper som beskrevet i note 1. Vår oppgave er å avgi en uttalelse om delårsregnskapet basert på vår forenklede revisorkontroll.

Omfanget av den forenklede revisorkontrollen

Vi har utført vår forenklede 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 de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene), 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 forenklede revisorkontroll ikke blitt oppmerksomme på noe som gir oss grunn til å tro at det vedlagte delårsregnskapet ikke gir et rettvisende bilde av foretakets finansielle stilling per. 30. juni 2018 og for resultatet og kontantstrømmene i seksmånedersperioden, i samsvar med prinsipper som beskrevet i note 1.

Oslo, 13. august 2018
PricewaterhouseCoopers AS

Bjørn Rydland
Statsautorisert revisor

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