



**2<sup>ND</sup> QUARTER 2015**

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## Key topics

- In its 5<sup>th</sup> quarter since inception the bank has a net profit of 0.6 NOK million
- Net loans to customers show solid growth with 249 NOK million for the quarter
- Maintaining high yield on loans to customers
- Relatively low loan losses
- Good liquidity and solid capital position for further growth
- Well-functioning operations with cost control

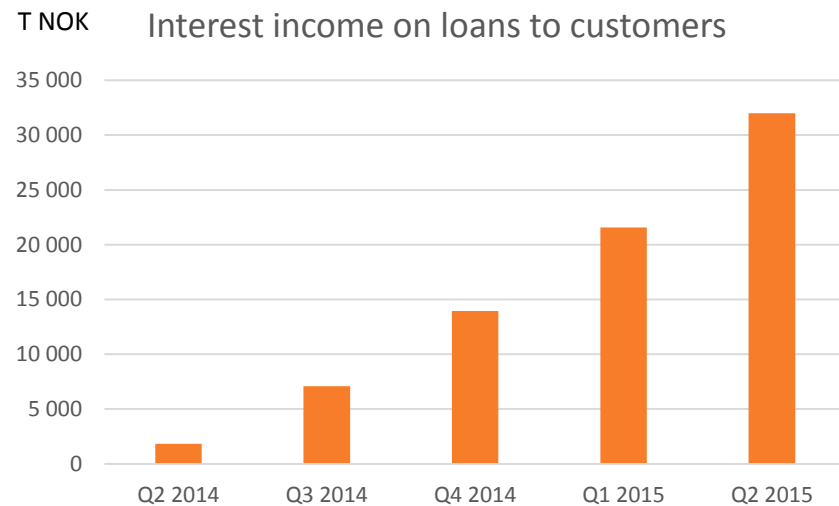
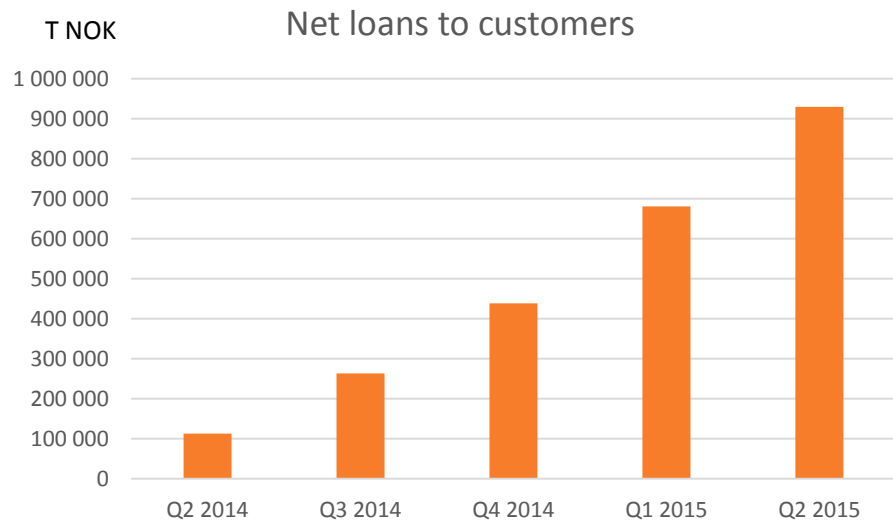
# Quarterly Income Statement

## Income Statement

Amounts in NOK 1000	Note	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest income	2	33 090	22 831	14 765	7 717	2 338
Interest expenses		5 511	5 842	4 024	1 975	319
<b>Net interest income</b>		<b>27 579</b>	<b>16 989</b>	<b>10 741</b>	<b>5 742</b>	<b>2 019</b>
Income commissions and fees		2 621	1 909	1 338	747	185
Expenses commissions and fees		1 702	1 948	946	344	131
<b>Net commissions and fees</b>		<b>918</b>	<b>-39</b>	<b>392</b>	<b>403</b>	<b>54</b>
Salary and other personnel expenses		5 830	6 667	5 319	5 723	5 126
Other administrative expenses, of which:		11 587	8 538	6 480	6 502	4 845
<i>Direct marketing cost</i>		9 249	6 369	4 735	5 099	3 688
<b>Total salary and administrative expenses</b>		<b>17 417</b>	<b>15 205</b>	<b>11 799</b>	<b>12 225</b>	<b>9 971</b>
Ordinary depreciation		1 011	809	688	568	530
Other expenses		1 515	1 471	1 055	724	790
<b>Total operating expenses</b>		<b>19 943</b>	<b>17 485</b>	<b>13 542</b>	<b>13 517</b>	<b>11 291</b>
Losses on loans	2	7 200	4 750	3 192	1 000	-
<b>Pre-tax operating profit</b>		<b>1 354</b>	<b>-5 285</b>	<b>-5 601</b>	<b>-8 372</b>	<b>-9 218</b>
Tax expenses		784	-1 809	-908	-1 837	-2 489
<b>Profit after tax</b>		<b>570</b>	<b>-3 476</b>	<b>-4 693</b>	<b>-6 535</b>	<b>-6 729</b>

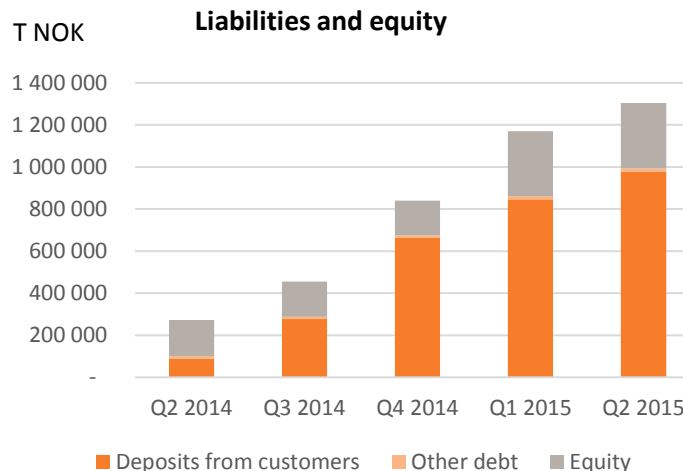
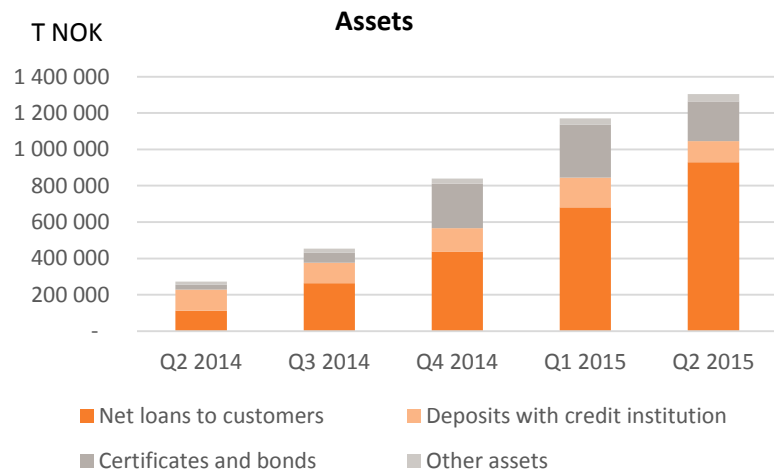
- Net income ahead of plan
- Good cost control with cost/income ratio moving steadily down.
- Increased activity during 2<sup>nd</sup> quarter, including TV-campaign
- Moderate losses on loans, lower than expected

# Rising lending volume and interest income



# Balance Sheet structure

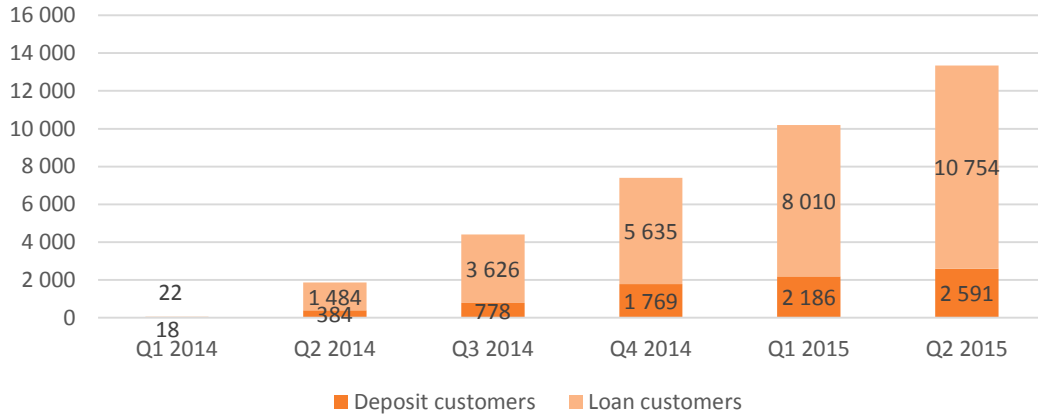
- Assets comprise loans to customers and liquidity
- Liabilities consists of deposits from customers



- Deposits constitute 105,2 % of loans to customers.
- Liquid assets at end of quarter amounted to 25,6 % of total assets.
- Quantitative liquidity measures:
  - LCR 180 %
  - NSFR 192 %

# Satisfactory customer growth

Number of customers



- Good reception in the market
- High demand
- Number of loan customers steadily increasing

# Quarterly Balance Sheet

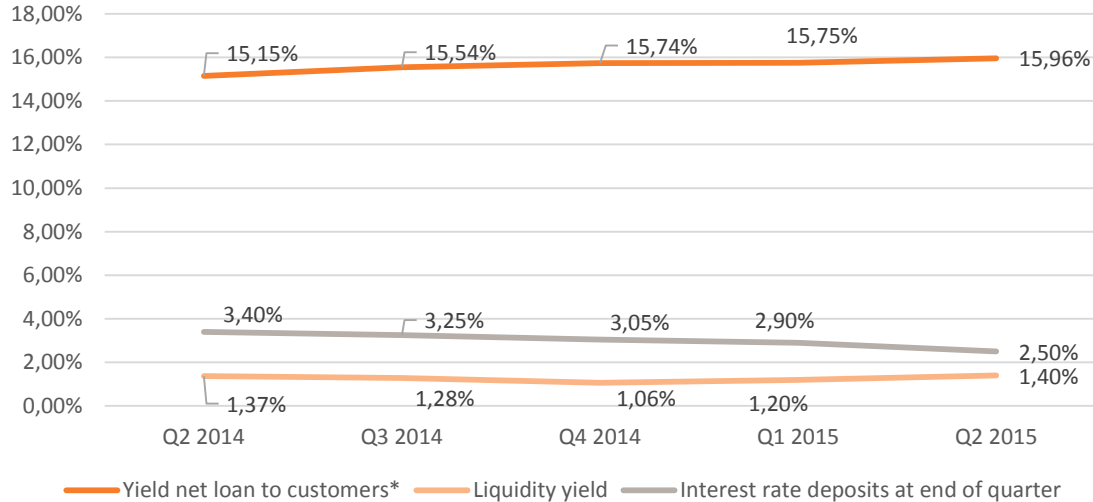
## Balance Sheet

Amounts in NOK 1000	Note	30.06.2015	31.03.2015	31.12.2014	30.09.2014	30.06.2014
<b>Assets</b>						
Loans and deposits with credit institutions		115 913	164 344	128 124	112 634	116 209
Loans to customers	2	946 146	689 882	443 112	264 189	113 257
-Loan impairment	2	-16 142	-8 942	-4 192	-1 000	-
Certificates and bonds		217 829	289 400	243 750	56 020	25 566
Other intangible assets		15 715	12 032	11 146	9 517	9 284
Deferred tax asset		11 102	11 886	10 077	8 892	7 055
Fixed assets		501	527	595	293	320
Other receivables, of which:		12 731	11 010	6 995	3 899	407
<i>Prepaid agent commission</i>		<i>12 552</i>	<i>10 859</i>	<i>6 658</i>	<i>3 693</i>	<i>376</i>
<b>Total assets</b>		<b>1 303 793</b>	<b>1 170 139</b>	<b>839 607</b>	<b>454 444</b>	<b>272 098</b>
<b>Liability and equity</b>						
Deposits from and debt to customers		978 316	845 744	663 645	277 426	87 876
Other debt, of which:		14 777	15 856	12 682	10 535	12 775
<i>Deferred revenue (establishment fees)</i>		<i>6 932</i>	<i>5 068</i>	<i>3 296</i>	<i>1 840</i>	<i>414</i>
<b>Total liabilities</b>		<b>993 093</b>	<b>861 600</b>	<b>676 327</b>	<b>287 961</b>	<b>100 651</b>
Share capital	3	135 400	135 400	89 200	89 200	89 200
Share premium	3	202 515	202 473	101 340	101 340	101 340
Other paid-in equity	3	6 758	5 209	3 806	2 586	1 017
Retained earnings	3	-33 973	-34 543	-31 067	-26 644	-20 110
<b>Total equity</b>		<b>310 700</b>	<b>308 539</b>	<b>163 279</b>	<b>166 482</b>	<b>171 447</b>
<b>Total liabilities and equity</b>		<b>1 303 793</b>	<b>1 170 139</b>	<b>839 607</b>	<b>454 444</b>	<b>272 098</b>

- Capital increase Q1 2015



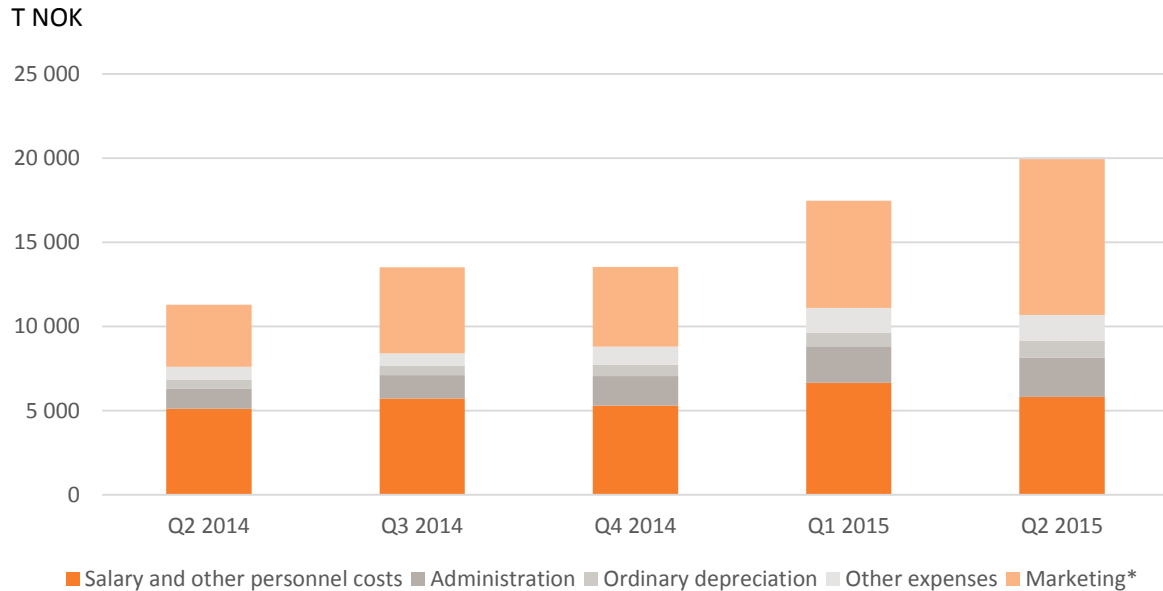
# Yields and margins



- Satisfactory yield 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). Relatively lower share in bank deposits during Q2 2015

\*Earlier presentations has shown yield based on gross loans

# Operating expenses



- Operating expenses are dominated by salary and marketing costs.

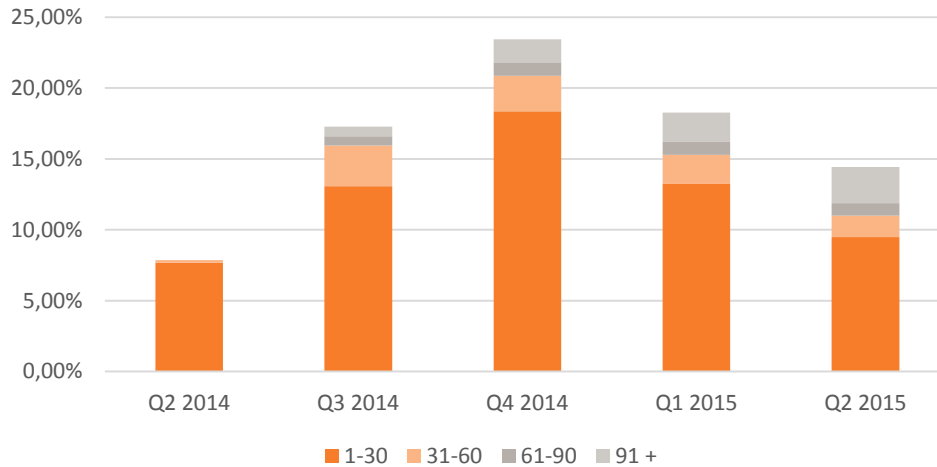
\* applies to marketing costs booked as operating expenses according to Norwegian generally accepted accounting principles

Cost to income Q2 2015: 70,0 %

Cost to income w/o marketing Q2 2015: 37,5 %

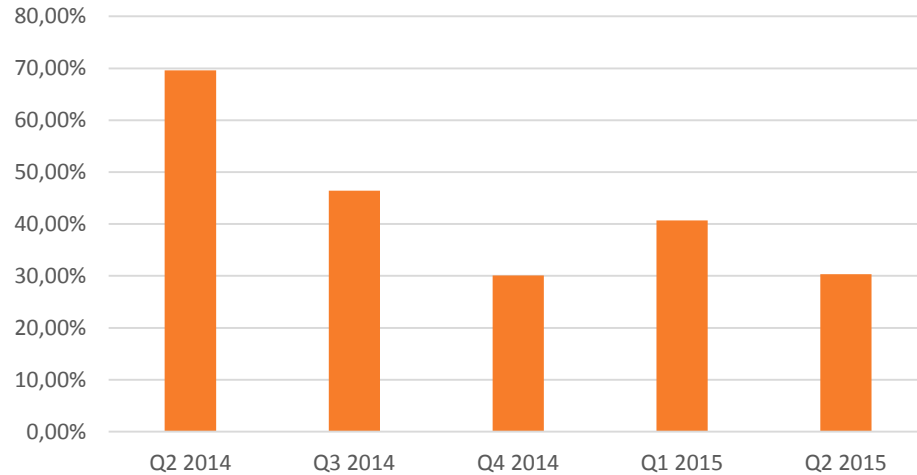
# Credit quality

Past due (days) at end of quarter



- Still few data points for customer behavior and credit quality
- Preliminary observations in line with expectation

## Common equity Tier 1



- Total capital consists exclusively of common equity
- The increase in Q1 is due to the capital increase in March 2015

# Summary

## After five quarters in operations

- In its 5<sup>th</sup> quarter since inception the bank has a net profit of 0,6 NOK million
- Net loans to customers show solid growth with 249 NOK million for the quarter
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# OUTLOOK

Well positioned for further growth, but macro factors and accelerating competition between niche banks makes further growth more challenging:

- Well capitalized – potential for solid growth
- Credit cards to be launched shortly
- Cooperation with Komplett Group to be developed and deepened. Strong brand a significant asset for growth
- Intensified competition for marketplace leads to higher marketing cost per acquired customer
- Macro outlook gives expectations of increased defaults and losses. Might also be accompanied by a slowdown in demand for consumer loans
- Tighter regulatory regime, hereunder increased capital and liquidity requirements may affect the industry negatively

## 20 largest shareholders

Beholdning	Prosentandel	Navn	Statsborgerskap/Reg. land	Kontotype
27 079 990	20,00	KOMPLETT AS	NOR	
11 847 209	8,75	PERM INVEST AS	NOR	
11 847 209	8,75	MACAMA AS	NOR	
9 050 399	6,68	STATE STREET BANK &	USA	Nominee
8 659 832	6,40	FONDSAVANSE AS	NOR	
8 446 801	6,24	SUNDT AS	NOR	
7 300 000	5,39	ALFAB HOLDING AS	NOR	
6 845 904	5,06	SANDEN A/S	NOR	
6 770 000	5,00	AWECO INVEST AS	NOR	
4 000 951	2,95	DINGJA INVEST AS	NOR	
3 643 788	2,69	IVAR S LØGE AS	NOR	
2 998 491	2,21	DIRECTMARKETING	NOR	
2 823 595	2,09	SVEJK INVEST AS	NOR	
2 462 853	1,82	MP PENSJON PK	NOR	
1 835 186	1,36	HØGSET HOLDING AS	NOR	
1 750 000	1,29	KHAYA AS	NOR	
1 420 000	1,05	URSULF AS	NOR	
1 345 651	0,99	TRULS AS	NOR	
1 205 000	0,89	CONTRIBUTE AS	NOR	
1 183 286	0,87	HAVA FINANCIALS AS	NOR	
Sum	122 516 145	90,48		
Øvrige	12 883 855	9,52		
Total	135 400 000	100,00		

as of 30 June 2015