



**Interim report
2nd quarter 2016**

About Komplett Bank ASA

Komplett Bank ASA started banking operations on 21 March 2014 when the company received its banking licence from the Norwegian authorities. Komplett Bank offers unsecured consumer and leisure financing to creditworthy individuals. The main product is “*Fleksibelt Lån*”, a loan product with credit line functionality that gives the customer more flexibility in timing repayments and use of the credit line. In Q4 2015 the bank also launched a new product, “*Komplett Bank MasterCard*”. 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 is the largest shareholder with 20.0% ownership. Komplett Bank ASA is registered on the NOTC list (a Norwegian information system for unlisted shares) as of 26 March 2015 with ticker code KOMP.

Developments to date

Since start up in March 2014, the operating and marketing organization has functioned as intended. The bank has achieved desired and better than planned growth and results since start up.

Highlights for the quarter and year to date

- Strong growth in net loans and profit
 - o Growth in net loans at NOK 360 million in the quarter (+18 %) and NOK 1 416 million year over year (+ 156 %)
 - o Profit before tax for the quarter at NOK 37.9 million compared to NOK 22.7 last quarter (+67 %)
 - o Profit before tax year to date at NOK 60.6 million compared to a loss at NOK 3.9 million for the same period last year
- NOK 110 million issued in subordinated capital (AT1 and T2) in February, facilitating further strategic growth
- Satisfactory growth in the credit cards business, in accordance with plans

Financial figures

Total assets amounted to NOK 3 054.3 million. Net loans to customers amounted to NOK 2 346.3 million, while deposits from customers amounted to

NOK 2 507.7 million. Total equity amounted to NOK 384.2 million. For information about regulatory capital, see note 3. Bank deposits and liquid securities amounted to NOK 641.0 million and corresponded to 21.0 % of total assets.

Profit after tax for the 2nd quarter amounted to NOK 27.7 million (NOK 43.5 million year to date). Net interest income amounted to NOK 79.9 million (NOK 144.1 million), while net commissions and fees amounted to NOK 4.7 million (NOK 4.5 million). Gross defaulted loans at the end of the 2nd quarter amounted to NOK 131.5 million while losses on loans amounted to NOK 17.2 million in the 2nd quarter (NOK 30.7 million). Accumulated loan impairment amounted to NOK 66.7 million.

Outlook

The bank expects further high growth in lending volumes and profit. The liquidity and capital position is expected to remain at a satisfactory level.

Preparations for geographic expansion continues and the bank plans to launch in Finland in the first half of 2017. The launch is expected to further strengthen the bank’s growth platform and to reduce business model risk.

The cooperation with the Komplett Group as well as the credit card business and the expansion into new territories are expected to contribute significantly to the bank’s long term growth and profit.

Significant events since quarter end

In conjunction with the announcement of the second quarter report, the board has decided to announce a planned equity issue of NOK 200 million and additional minor repair issue. The background for the equity issue is to maintain the company’s highly profitable growth story, meet the expected capital level requirements and initiate cross-border expansion.

ABG Sundal Collier ASA and Pareto Securities AS are acting as the company’s advisors in conjunction with the capital raise.

Other information

The accounting profit for the 2nd 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. Regulatory capital, as described in note 3, is revised for Q4 2015 in line with the final filed capital report.

Bærum, 12 August 2016

Board of Directors, Komplett Bank ASA

Income Statement

Amounts in NOK 1000	Note	Q2 2016	1H 2016	2 015	Q2 2015	1H 2015
Interest income	2	93 115	167 373	160 972	33 090	55 921
Interest expenses		13 181	23 292	27 201	5 511	11 353
Net interest income		79 933	144 081	133 771	27 579	44 568
Income commissions and fees		10 695	17 018	12 324	2 621	4 530
Expenses commissions and fees		6 044	12 520	10 132	1 702	3 650
Net commissions and fees		4 651	4 497	2 193	918	880
Net gains / losses (-) on certificates and bonds		541	622	-2 134	-	-
Salary and other personnel expenses		10 204	19 751	29 997	5 830	12 498
Other administrative expenses, of which:		15 077	29 300	40 392	11 587	20 125
<i>Direct marketing cost</i>		10 806	20 641	30 289	9 249	15 618
Total salary and administrative expenses		25 281	49 051	70 389	17 417	32 622
Ordinary depreciation		1 709	3 283	4 726	1 011	1 819
Other expenses		3 067	5 568	7 094	1 515	2 986
Total operating expenses		30 057	57 901	82 209	19 943	37 428
Losses on loans	2	17 201	30 702	32 750	7 200	11 950
Pre-tax operating profit		37 867	60 597	18 871	1 354	-3 931
Tax expenses		10 186	17 057	7 517	784	-1 025
Profit after tax		27 681	43 540	11 354	570	-2 906

Balance Sheet

Amounts in NOK 1000	Note	30.06.2016	31.12.2015	30.06.2015
Assets				
Loans and deposits with credit institutions		331 839	251 692	115 913
Loans to customers	2	2 412 979	1 619 558	946 146
-Loan impairment	2	-66 691	-36 243	-16 142
Certificates and bonds		309 181	220 050	217 829
Other intangible assets		24 340	22 315	15 715
Deferred tax asset		-	5 875	11 102
Fixed assets		512	374	501
Other receivables, of which:		42 117	29 066	12 731
<i>Prepaid agent commission</i>		41 400	28 912	12 552
Total assets		3 054 277	2 112 686	1 303 793
Liability and equity				
Deposits from and debt to customers		2 507 732	1 751 139	978 316
Other debt, of which:		42 146	27 196	14 777
<i>Deferred revenue (establishment fees)</i>		14 226	11 120	6 932
Subordinated loan and hybrid securities		108 992	-	-
Tax payable		11 183	-	-
Total liabilities		2 670 052	1 778 335	993 093
Share capital	3	135 530	135 465	135 400
Share premium	3	205 830	205 830	202 515
Other paid-in equity	3	19 039	12 769	6 758
Retained earnings	3	23 827	-19 713	-33 973
Total equity		384 225	334 351	310 700
Total liabilities and equity		3 054 277	2 112 686	1 303 793

Bærum, 12 August 2016

Board of Directors, Komplett Bank ASA

Note 1 - General accounting principles

The interim report is prepared in accordance with the accounting principles in the annual report for 2015.

Note 2 - Loans to customers

Amounts in NOK 1000	30.06.2016	31.12.2015	30.06.2015
Loans to private customers	2 412 979	1 619 558	946 146
Gross lending	2 412 979	1 619 558	946 146
Impairment of loans	66 691	36 243	16 142
Net loans from customers	2 346 288	1 583 315	930 004

Loans - Defaults and losses

Amounts in NOK 1000	30.06.2016	31.12.2015	30.06.2015
Gross defaulted loans	131 450	62 083	24 290
Individual impairment of loans	55 591	27 743	14 542
Net defaulted loans	75 859	34 340	9 748
Other impairments of loans	11 100	8 500	1 600

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	30.06.2016	31.12.2015	30.06.2015
Share capital	135 530	135 465	135 400
Share premium	205 830	205 830	202 515
Other equity	42 865	-6 944	-27 215
Deductions:			
Deferred tax asset and other intangible assets	-24 340	-28 190	-26 816
Common equity tier 1	359 885	306 161	283 884
Hybrid capital	44 588	-	-
Core capital	404 473	306 161	-
Supplemental capital	64 404	-	-
Total capital	468 877	306 161	283 884

Calculation basis - amounts in NOK 1000	30.06.2016	31.12.2015	30.06.2015
Loans and deposits with credit institutions (20 %)	66 368	50 338	23 183
Loans to customers (75 %)	1 711 147	1 204 308	740 422
Certificates and bonds (10 % and 0 %)	27 411	19 976	21 783
Defaulted loans (100 %)	64 759	25 840	8 147
Other assets (100%)	42 629	29 066	13 232
Calculation basis credit risk	1 912 314	1 329 528	806 767
Calculation basis operational risk	254 933	254 933	130 158
Total calculation basis	2 167 247	1 584 461	936 925

Common equity tier 1 (%)	16.6 %	19.3%	30.3%
Core capital (%)	18.7 %	19.3%	30.3%
Total capital (%)	21.6 %	19.3%	30.3%



Til Styret i Komplet Bank ASA

Uttalelse vedrørende forenklet revisorkontroll av delårsregnskap

Innledning

Vi har foretatt en forenklet revisorkontroll av vedlagte balanse for Komplet Bank ASA pr. 30. juni 2016 og tilhørende resultatregnskap for seksmånedersperioden 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, 12. august 2016

PricewaterhouseCoopers AS

Bjørn Rydland
Statsautorisert revisor