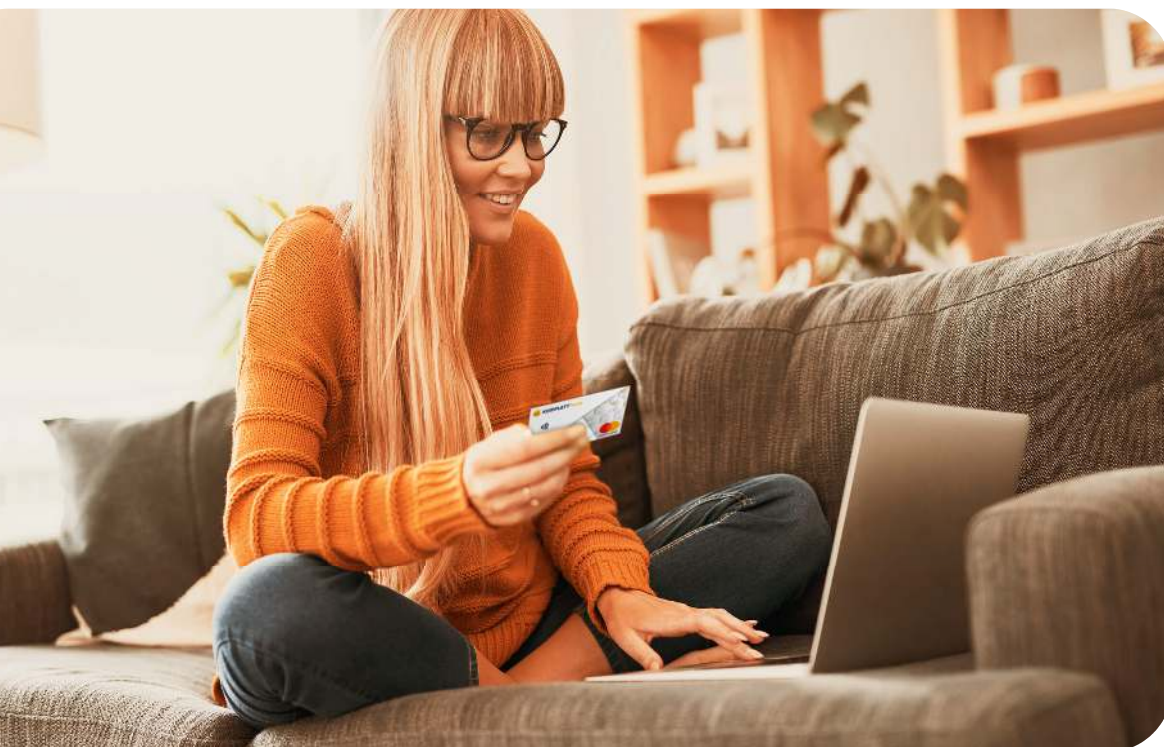


# Interim report

THIRD QUARTER 2020



## Highlights and key figures

- Sales have continuously been ramped up during Q3 and Komplett Bank returned to growth in September with stable loan losses
- Operational efficiency improved as costs were lowered in the quarter
- Financial position and dividend capacity were strengthened during the period

### Financial performance

- Net loans decreased by NOK 62 million for the full quarter, compared to a decrease of NOK 278 million in Q2. Adjusted for currency effects and portfolio sales, net loans decreased by NOK 92 million, compared to a decrease of NOK 418 million in the previous quarter
- The reduced decrease in net loans compared to Q2 was driven by increased onboarding of new customers
- Total income was NOK 269.3 million, down 5.9% compared to NOK 286.2 million in Q2 2020, driven by reduced net interest income due to lower balance of net loans in Q3
- Total operating expenses decreased to NOK 90.9 million from NOK 100.4 million, mainly driven by a decrease in consulting spend in the quarter
- The cost/Income ratio was 33.8%, down from 35.1% in Q2 2020
- Losses on loans were NOK 80.3 million, compared to NOK 82.9 million in Q2 2020
- The loan loss ratio was 3.8%, equal to the level in Q2 2020
- Profit after tax was NOK 73.4 million, down from NOK 77.0 million in Q2 2020
- Return on equity (ROE)\* was 13.9%, down from 16.1% in Q2 2020

### Capital Adequacy

- Komplett Bank's CET1 ratio increased to 22.2% by end Q3 from 21.8% at end Q2 2020
- Total capital ratio increased to 25.7% by end Q3 from 25.3% at end Q2 2020

\*  $ROE = 4 \times (\text{Profit after tax in the quarter} - \text{AT1 interests}) / (\text{quarterly average total equity} - \text{average AT1 capital})$

## 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.

The Bank’s main products are consumer loans, comprising Komplett Bank’s annuity loans launched in May 2019 as well as a flexible loan product with functionality that gives the customer more flexibility in use of the credit line. In April 2020, the Bank launched a new refinancing product in Norway. In addition, the Bank offers “Komplett Bank Mastercard”, a credit card with product features tailored for online shopping as well as Point of Sales (POS) finance products. The Bank offers deposit products with highly attractive interest rates in Norway, Germany and Sweden. As a member of the Norwegian Banks’ Guarantee Fund, customer deposits are guaranteed up to NOK 2 million (EUR 100,000 in Germany and Sweden) per customer.

Canica Invest AS, the owner of the leading web retailer in the Nordic countries, the Komplett Group, is Komplett Bank’s largest shareholder with an ownership of 19.2%. The Bank has a long-term strategic cooperation with the Komplett Group.

The Bank follows a strategic roadmap based on geographical and product-wise diversification and expansion. The strategy is founded on a digital, scalable, efficient and low-cost operating model combined with strong risk control. In the near- to medium term, lending operations will be

focused on the Nordic region and the Bank will continue its expansion by developing its current product portfolio in existing markets.

The Bank operates on a cross-border basis from Lysaker, outside of Oslo. The Norwegian banking license provides for passporting of the Bank’s offering throughout the entire European Economic Area (EEA).

## Covid-19 update

As a response to the outbreak of Covid-19, Komplett Bank implemented measures to safeguard employees and their families in line with national recommendations. The organisation has adapted well to the situation and operational productivity and customer service level have been maintained during the quarter.

Customer behaviour has largely been unchanged and no material impact on withdrawals was experienced. Komplett Bank has received a limited number of forbearance requests from customers. The Bank has not experienced any negative impact on default rates so far and loan losses were stable from the previous quarter.

## Financial figures for Q3 2020

All figures are prepared and presented in accordance with IFRS.

Net loans decreased by NOK 62 million. Split on product segments, loans declined by NOK 65 million, credit cards decreased by NOK 3 million and POS increased by NOK 6 million in the quarter.

Adjusted for currency effects and portfolio sales as part of the forward flow agreement, net loans decreased by NOK 92 million in Q3 2020. The bank cautiously re-started onboarding of new loans in June, continuing this practice during Q3.

Net interest income amounted to NOK 271.1 million, down from NOK 279.2 million in Q2 2020. A decrease in net loans during the quarter is the main driver of the reduction in net interest margin. Net commissions and fees amounted to NOK -2.2 million in Q3 2020, down from 1.4 million in the previous quarter. Decreased provision income, due to lower conversion on insurance products, is the main reason for the reduction in net commissions and fees. The resulting total income was NOK 269.3 million, down 5.9% compared to NOK 286.2 million in Q2 2020.

Operating expenses were NOK 90.9 million, down 9.5% from NOK 100.4 million in Q2 2020. Salary and other personnel expenses decreased to NOK 34.3 million from 35.7 million in the previous quarter (-3.9%).

General administrative expenses decreased to 30.2 million from NOK 34.7 million in Q2 2020 (-13.0%). The cost-income ratio including marketing expenses decreased to 33.8% in Q3 2020 from 35.1% in the previous quarter, driven by a temporary increase in Q2 in administrative costs related to further strengthening risk and collection capabilities. In addition, the Q3 cost level was positively impacted by a one-time effect of NOK 1.1 million related to reduction in rate for social security taxes. This reduction is a government measure in response to the Covid-19 outbreak.

Losses on loans amounted to NOK 80.3 million, including model parameter updates of NOK 4.0 million. The parameter updates included transfer of NOK 11.4 million from the macro reservations that we earlier made this year and have instead increased our LGDs. Losses on loans were down from NOK 82.9 million in Q2 2020. Compared to previous quarter, the Bank observes that the forecasts for macro indicators are improving in Q3. Year to date, the Bank has made additional macro reservations of NOK 52.8 million in preparedness for possible effects of the Covid-19 pandemic. The loan loss ratio<sup>1</sup> was 3.8%, equal to the level in Q2 2020.

Profit after tax was NOK 73.4 million, down 4.7% from NOK 77.0 million in the previous quarter. The decline was mainly driven by a reduction in net interest income.

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<sup>1</sup> Losses on loans = 4\* Quarterly losses on loans / Average net loans over the period

Total assets at 30 September 2020 amounted to NOK 12,571 million (compared to NOK 11,374 million at 30 June 2020). Net loans to customers ended at NOK 8,341 million (NOK 8,403 million). Deposits from customers amounted to NOK 10,064 million (NOK 8,951 million).

Total equity was NOK 2,239 million (NOK 2,170 million at 30 June 2020). Komplett Bank had a total capital ratio of 25.7% (25.3%), and a CET1 ratio of 22.2% (21.8%) as of 30 September 2020. Bank deposits and liquid securities amounted to NOK 4,052 million (NOK 2,790 million) corresponding to 32.2% (24.5%) of total assets.

Gross defaulted loans at the end of Q3 2020 amounted to NOK 1,929 million, up from NOK 1,850 million (+4.2%) at 30 June 2020. Loan impairments amounted to NOK 1,148 million (NOK 1,066 million).

## Regulatory update

EU endorsed new regulations in connection with Capital Requirements Regulation (CRR) to tightening capital requirements related to non-performing loans (the backstop-regulation) in April 2019. The aim is to secure sufficient capital to meet future expected losses. In Norway the hearing process ended in February 2020 and the Norwegian FSA proposed on 30 September 2020 to include the recommendation into Norwegian law. We do not expect the back-stop rule to have material impact in 2021. Our expectation is that the impact will be limited also in 2022 as we have a forward flow contract in place and our new sales in

Norway has been relatively low from mid-2019.

## Outlook

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 operating model. Combined with a well-known brand and strong distribution capabilities, this puts the Bank in a favourable competitive position.

The Bank's strategy for product-wise and geographical expansion is the cornerstone to ensuring long-term sustainable growth and value creation. Going forward, Komplett Bank will continue to focus on creating customer value through convenient financing solutions and efficient and customer friendly processes.

The Bank considers the potential for growth in Norway, Finland and Sweden in the medium term as good. With reference to the current interest cap and marketing restriction in Finland, Komplett Bank does not expect material impact from the temporary legislation on existing customers however new sales in Finland is likely to be negatively impacted short term.

Due to macroeconomic uncertainty related to Covid-19, Komplett Bank has increased focus near term on assisting existing customers while continuing to be prudent on risk selection. This has resulted in moderate new lending and marketing expenditure during the quarter. The Bank re-started onboarding of new customers in June and expects to grow in net loans from Q4 2020.

Further, Komplett Bank expects operational leverage in combination with its increased cost focus to contribute to a decrease in cost/income ratio beyond 2020.

Komplett Bank's efficient business model with high net interest income and strong pre provision earnings provides a solid foundation for withstanding a potential increase in loan loss provisions. A variable cost base and ability to control growth provides additional loan loss tolerance, as does the CET1 ratio of 22.2% with significant headroom to the current CET1 capital requirement of 17.0%. Going forward, the Bank will continue its focus on optimising the capital structure including the ongoing assessment of dividend payment in line with its dividend policy. Based on the financial performance year to date, the Bank considers its dividend capacity to be 30-50% of 2020 net income while maintaining ample capacity for growth in the medium term. However, there is a risk of dividend restrictions in light of the current macroeconomic uncertainty.

Komplett Bank's attractive customer value proposition coupled with stable financial performance, a flexible cost base and solid capital position provide a strong platform for value creation going forward.

Komplett Bank's main strategic priorities are to return to growth whilst maintaining high focus on credit risk and collection performance, strengthen operational performance, and ensure continued robust financial position and dividend capacity.

## Financial Targets

The Bank has established the following financial targets:

### 1. Capital Adequacy:

CET1 target of 18.0%

- Comprised of CET1 requirement of 17.0% + 1.0% management buffer

### 2. Return on Equity

Above 20% return on equity

- The Bank does not expect to meet its ROE target of 20% in 2020

### 3. Dividend policy

Excess capital not deployed for growth purposes will be distributed to shareholders

## **Significant events after the balance sheet date**

The Board of directors is not aware of events after the date of the balance sheet that may be of material significance to the accounts.

## **Other information**

The accounting result for Q3 2020 has in its entirety been booked against retained earnings. This interim report has been subject to a review in accordance with ISRE 2410 (Review of interim financial information performed by the independent auditor of the entity). The review report is enclosed to this report.

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Lysaker, Bærum, 10 November 2020  
Board of Directors, Komplett Bank ASA

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Note	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Interest income	2, 8	308.7	322.6	952.3	949.4	1,282.5
Interest expenses	8	-37.7	-40.2	-116.1	-128.0	-167.2
<b>Net interest income</b>	<b>8</b>	<b>271.1</b>	<b>282.4</b>	<b>836.2</b>	<b>821.4</b>	<b>1,115.3</b>
Income commissions and fees	2, 9	34.5	42.5	112.0	129.1	172.4
Expenses commissions and fees	9	-36.8	-28.2	-108.4	-77.3	-113.8
<b>Net commissions and fees</b>	<b>9</b>	<b>-2.2</b>	<b>14.3</b>	<b>3.6</b>	<b>51.8</b>	<b>58.6</b>
Net gains / losses (-) on certificates and bonds, and currency		0.5	-2.0	6.2	-0.5	1.7
<b>Total income</b>		<b>269.3</b>	<b>294.7</b>	<b>846.0</b>	<b>872.7</b>	<b>1,175.6</b>
Salary and other personnel expenses		-34.3	-33.5	-106.1	-100.5	-135.4
General administrative expenses	10	-30.2	-45.8	-94.3	-140.1	-172.4
<b>Total salary and admin. expenses</b>		<b>-64.5</b>	<b>-79.3</b>	<b>-200.5</b>	<b>-240.6</b>	<b>-307.8</b>
Ordinary depreciation	7	-18.3	-14.3	-53.5	-38.9	-54.9
Other expenses	11	-8.1	-12.2	-34.3	-62.7	-79.0
<b>Total operating expenses excl. losses on loans</b>		<b>-90.9</b>	<b>-105.9</b>	<b>-288.3</b>	<b>-342.2</b>	<b>-441.7</b>
Losses on loans	2	-80.3	-81.8	-295.4	-232.6	-454.3
<b>Pre-tax operating profit</b>		<b>98.1</b>	<b>107.1</b>	<b>262.4</b>	<b>297.9</b>	<b>279.6</b>
Tax expenses		-24.7	-26.6	-66.0	-79.7	-76.7
<b>Profit after tax</b>		<b>73.4</b>	<b>80.5</b>	<b>196.4</b>	<b>218.3</b>	<b>202.9</b>
<b>Attributable to</b>						
Shareholders		68.1	79.5	189.1	215.5	200.0
Additional Tier 1 capital investors		5.3	1.0	7.3	2.8	2.9
<b>Profit after tax</b>		<b>73.4</b>	<b>80.5</b>	<b>196.4</b>	<b>218.3</b>	<b>202.9</b>
Earnings per share (NOK)		0.37	0.44	1.03	1.20	1.11
Diluted earnings per share (NOK)		0.36	0.43	1.01	1.15	1.06
<b>Comprehensive income</b>						
<i>Amounts in NOK million</i>						
Profit after tax		<b>73.4</b>	<b>80.5</b>	<b>196.4</b>	<b>218.3</b>	<b>202.9</b>
Other comprehensive income		-	-	-	-	-
<b>Comprehensive income for the period</b>		<b>73.4</b>	<b>80.5</b>	<b>196.4</b>	<b>218.3</b>	<b>202.9</b>



## STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD

<i>Amounts in NOK million</i>	Note	30.09.2020	31.12.2019	30.09.2019
<b>Assets</b>				
Loans and deposits with credit institutions	4	1,466.8	614.7	1,145.2
Net loans to customers	2,4	8,341.2	8,495.8	8,361.4
Certificates and bonds	4	2,585.2	1,329.8	1,197.4
Other intangible assets	7	151.9	143.3	124.9
Deferred tax assets		-	0.8	-
Fixed assets	7	14.2	17.3	18.3
Other receivables	4	12.2	18.8	24.7
<b>Total assets</b>		<b>12,571.5</b>	<b>10,620.4</b>	<b>10,872.0</b>
<b>Equity and liabilities</b>				
Deposits from and debt to customers	4	10,063.6	8,519.5	8,754.8
Other debt	4,6	139.0	149.5	125.7
Subordinated loans (Tier 2)	4,5	65.0	64.9	64.8
Deferred tax payable		65.2	-	40.1
Tax payable		-	37.0	23.7
<b>Total liabilities</b>		<b>10,332.8</b>	<b>8,770.9</b>	<b>9,009.2</b>
Share capital	3,12	186.5	184.1	182.8
Share premium reserve	3	786.7	786.7	786.7
Other paid-in equity	3	47.9	45.8	44.9
Retained earnings	3	973.1	788.4	803.8
Additional Tier 1 capital	3	244.6	44.6	44.6
<b>Total equity</b>		<b>2,238.7</b>	<b>1,849.6</b>	<b>1,862.8</b>
<b>Total equity and liabilities</b>		<b>12,571.5</b>	<b>10,620.4</b>	<b>10,872.0</b>

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 Lysaker, Bærum, 10 November 2020  
 Board of Directors, Komplett Bank ASA

## STATEMENT OF CASH FLOW FOR THE PERIOD

Amounts in NOK million	Note	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
<b>Cash flow from operating activities</b>						
Pre-tax operating profit		98.1	107.1	262.4	297.9	279.6
Taxes paid		-	-	-37.0	-87.0	-107.2
Ordinary depreciation	7	18.3	14.3	53.5	38.9	54.9
Change in impairments on loans to customers	2	82.0	60.4	338.1	136.7	338.5
Change in loans to customers	2, 4	-19.9	-331.4	-183.5	-653.8	-989.9
Effects of currency on loans to customers in the period		56.9	55.7	431.0	-30.2	-18.4
Change in deposits from and debt to customers	4	1,112.5	322.9	1,544.1	1,389.1	1,153.9
Effects of currency on deposits from and debt to customers in the period		-72.7	-61.0	-362.5	-58.3	-46.9
Change in certificates and bonds	4	-1,087.0	-46.6	-1,255.4	-761.0	-893.4
Change in accruals		1.6	-29.5	1.8	3.7	31.6
<b>Net cash flow from operating activities</b>		<b>189.7</b>	<b>91.9</b>	<b>792.4</b>	<b>276.1</b>	<b>-197.2</b>
<b>Cash flows from investing activities</b>						
Net Investments/sale of fixed assets	7	-	-	-1.0	-0.4	-0.6
Net Investments/sale of intangible assets	7	-17.2	-19.5	-58.6	-65.2	-98.6
<b>Net cash flow used in investing activities</b>		<b>-17.2</b>	<b>-19.5</b>	<b>-59.6</b>	<b>-65.6</b>	<b>-99.2</b>
<b>Cash flows from financing activities</b>						
Paid-in equity		0.2	-	2.4	24.9	26.2
Net receipts from issue of additional Tier 1 capital		-	-	200.0	-	-
Repayment of senior unsecured bond		-	-239.0	-	-400.0	-400.0
Payment to Additional Tier 1 capital investors		-5.3	-1.0	-7.3	-2.8	-3.8
<b>Net cash flow from financing activities</b>		<b>-5.1</b>	<b>-240.0</b>	<b>195.1</b>	<b>-378.0</b>	<b>-377.6</b>
Net cash flow for the period		167.4	-167.6	927.9	-167.5	-674.0
Cash and cash equivalents at the start of the period	4	1,292.1	1,313.5	614.7	1,232.4	1,232.4
Effects of currency on loans and deposits with credit institutions in the period		7.2	-0.8	-75.8	80.3	56.3
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>1,466.8</b>	<b>1,145.2</b>	<b>1,466.8</b>	<b>1,145.2</b>	<b>614.7</b>

## STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Share capital	Share premium reserve	Additional Tier 1 capital	Other paid in capital	Retained earnings	Total Equity
<b>Equity as at 01.01.2019</b>	<b>172.7</b>	<b>771.9</b>	<b>44.6</b>	<b>42.2</b>	<b>588.4</b>	<b>1,619.8</b>
Profit after tax	-	-	-	-	202.9	202.9
Share capital increase	11.4	14.8	-	-	-	26.2
Changes in equity due to share options program	-	-	-	3.6	-	3.6
Paid interest to Additional Tier 1 capital investors	-	-	-	-	-2.9	-2.9
<b>Equity as at 31.12.2019</b>	<b>184.1</b>	<b>786.7</b>	<b>44.6</b>	<b>45.8</b>	<b>788.4</b>	<b>1,849.6</b>
Profit after tax	-	-	-	-	196.3	196.3
Paid-in Additional Tier 1 capital	-	-	200.0	-	-4.5	195.5
Changes in equity due to share options program	2.4	-	-	2.1	-	4.5
Paid interest to Additional Tier 1 capital investors	-	-	-	-	-7.2	-7.2
<b>Equity as at 30.09.2020</b>	<b>186.5</b>	<b>786.7</b>	<b>244.6</b>	<b>47.9</b>	<b>973.1</b>	<b>2,238.7</b>

## Note 1 - General accounting principles

The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

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

## Note 2 – Loans to customers

The Bank is applying forward looking elements for its credit loss model. The overall losses are adjusted by considering a certain set of macro-economic variables. The credit losses are adjusted on a portfolio basis and are based on the expected development of the economies in the countries in which the Bank is offering loans. The macro-economic variables are not utilised to transfer loans among the various stages.

The Bank is applying three sets of indicators to the expected credit loss models for the respective countries: 1) the expected development in the unemployment rate, 2) the growth in the gross domestic product and 3) the short-term interest rate level. The expected credit loss model employs forecasted data for the years 2020-2022, which corresponds to the expected lifetime of the Bank's loan portfolio. The forecasted data are based on macro-economic indicators sourced from a specialised provider.

The Bank applies three scenarios when considering the macro-economic adjustment: a positive outlook, a neutral outlook and a negative outlook. The Bank calculates and assigns a probability and weight to these each scenario based on the forecasts and expectations for the macroeconomic situation. There are uncertainties related to the estimates as they are forward-looking.

The Bank has reversed loss provisions of NOK 11.4 million in Q3 2020 related to macro-economic considerations. Losses on loans in Q3 includes parameter updates of NOK 4.0 million related to reversal of macro-economic factors, LGD, PD and other model updates. Year to date the total loss provision related to macro-economic factors amounts to a total of NOK 52.8 million.

### Loans to customers

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Loans to customers	9,489.4	9,305.9	8,969.8
<b>Gross lending</b>	<b>9,489.4</b>	<b>9,305.9</b>	<b>8,969.8</b>
Impairment of loans	1,148.2	810.1	608.3
<b>Net loans to customers</b>	<b>8,341.2</b>	<b>8,495.8</b>	<b>8,361.4</b>

### Defaulted loans

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Gross defaulted loans *	1,928.6	1,284.9	1,060.6
Impairment of loans (stage 3)	801.5	493.6	356.2
<b>Net defaulted loans</b>	<b>1,127.1</b>	<b>791.3</b>	<b>704.4</b>

\* Defaulted loans comprise amongst other of loans which are 91 days or more overdue according to agreed payment schedule. Such loans will continue to be considered defaulted regardless of future payment status. Defaulted loans also comprise of loans with indications of unlikeliness to pay.

## Information on products and geographical distribution

### Income

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
<b>Income Q3 2020</b>							
Interest income	134.2	85.3	35.9	34.5	18.5	0.3	308.7
Income commissions and fees	6.4	6.2	1.9	4.8	13.0	2.2	34.5
<b>Total</b>	<b>140.6</b>	<b>91.5</b>	<b>37.8</b>	<b>39.3</b>	<b>31.5</b>	<b>2.5</b>	<b>343.3</b>
<b>Income Q3 2019</b>							
Interest income	154.5	76.9	33.2	40.5	12.8	4.7	322.6
Income commissions and fees	11.3	6.6	0.9	10.2	10.2	3.3	42.5
<b>Total</b>	<b>165.8</b>	<b>83.5</b>	<b>34.1</b>	<b>50.7</b>	<b>23.0</b>	<b>8.0</b>	<b>365.1</b>
<b>Income YTD 2020</b>							
Interest income	408.8	267.4	113.6	104.2	53.2	5.1	952.3
Income commissions and fees	21.7	20.5	5.8	20.9	40.1	2.9	112.0
<b>Total</b>	<b>430.6</b>	<b>287.9</b>	<b>119.4</b>	<b>125.1</b>	<b>93.3</b>	<b>8.0</b>	<b>1,064.3</b>
<b>Income YTD 2019</b>							
Interest income	479.6	208.7	85.2	125.5	34.6	15.8	949.4
Income commissions and fees	32.5	20.4	5.3	31.2	34.9	4.8	129.1
<b>Total</b>	<b>512.1</b>	<b>229.1</b>	<b>90.5</b>	<b>156.7</b>	<b>69.5</b>	<b>20.6</b>	<b>1,078.5</b>
<b>Income 2019</b>							
Interest income	625.4	297.3	122.2	163.5	52.4	21.8	1,282.5
Income commissions and fees	44.2	27.4	5.7	41.0	49.6	4.5	172.4
<b>Total</b>	<b>669.6</b>	<b>324.7</b>	<b>127.8</b>	<b>204.4</b>	<b>102.1</b>	<b>26.3</b>	<b>1,454.9</b>

### Net Loans

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
<b>Net loans 30.09.2020</b>							
Net loans to customers	3,288.4	2,566.6	1,216.3	753.3	516.6	-	8,341.2
<b>Total</b>	<b>3,288.4</b>	<b>2,566.6</b>	<b>1,216.3</b>	<b>753.3</b>	<b>516.6</b>	<b>-</b>	<b>8,341.2</b>
<b>Net loans 31.12.2019</b>							
Net loans to customers	3,699.5	2,428.9	1,061.8	800.5	505.0	-	8,495.8
<b>Total</b>	<b>3,699.5</b>	<b>2,428.9</b>	<b>1,061.8</b>	<b>800.5</b>	<b>505.0</b>	<b>-</b>	<b>8,495.8</b>
<b>Net loans 30.09.2019</b>							
Net loans to customers	3,913.3	2,303.4	959.5	785.2	400.0	-	8,361.4
<b>Total</b>	<b>3,913.3</b>	<b>2,303.4</b>	<b>959.5</b>	<b>785.2</b>	<b>400.0</b>	<b>-</b>	<b>8,361.4</b>

### Impairment

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
<b>Impairment 30.09.2020</b>							
Impairment of loans to customers	311.2	496.5	228.4	71.8	40.4	-	1,148.2
<b>Total</b>	<b>311.2</b>	<b>496.5</b>	<b>228.4</b>	<b>71.8</b>	<b>40.4</b>	<b>-</b>	<b>1,148.2</b>
<b>Impairment 31.12.2019</b>							
Impairment of loans to customers	286.3	319.1	115.4	57.1	32.3	-	810.1
<b>Total</b>	<b>286.3</b>	<b>319.1</b>	<b>115.4</b>	<b>57.1</b>	<b>32.3</b>	<b>-</b>	<b>810.1</b>
<b>Impairment 30.09.2019</b>							
Impairment of loans to customers	222.1	218.3	80.7	56.5	30.8	-	608.3
<b>Total</b>	<b>222.1</b>	<b>218.3</b>	<b>80.7</b>	<b>56.5</b>	<b>30.8</b>	<b>-</b>	<b>608.3</b>

## Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans 30.06.2020</b>	<b>6,597.0</b>	<b>1,022.0</b>	<b>1,850.5</b>	<b>9,469.5</b>
Q3 2020				
Transfer from stage 1 to stage 2	-354.4	354.4	-	-
Transfer from stage 1 to stage 3	-125.8	-	125.8	-
Transfer from stage 2 to stage 3	-	-187.5	187.5	-
Transfer from stage 3 to stage 2	-	5.0	-5.0	-
Transfer from stage 2 to stage 1	206.2	-206.2	-	-
Transfer from stage 3 to stage 1	4.3	-	-4.3	-
New assets	736.5	56.1	35.4	827.9
Assets derecognized	-506.3	-40.3	-261.4	-808.0
<b>Gross loans 30.09.2020</b>	<b>6,557.4</b>	<b>1,003.4</b>	<b>1,928.6</b>	<b>9,489.4</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans 30.06.2019</b>	<b>6,643.0</b>	<b>1,040.2</b>	<b>955.2</b>	<b>8,638.4</b>
Q3 2019				
Transfer from stage 1 to stage 2	-482.7	482.7	-	-
Transfer from stage 1 to stage 3	-50.4	-	50.4	-
Transfer from stage 2 to stage 3	-	-173.6	173.6	-
Transfer from stage 3 to stage 2	-	1.8	-1.8	-
Transfer from stage 2 to stage 1	236.0	-236.0	-	-
Transfer from stage 3 to stage 1	1.2	-	-1.2	-
New assets	967.6	78.0	19.2	1,064.8
Assets derecognized	-489.2	-109.5	-134.7	-733.4
<b>Gross loans 30.09.2019</b>	<b>6,825.6</b>	<b>1,083.6</b>	<b>1,060.6</b>	<b>8,969.8</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans 01.01.2020</b>	<b>6,840.8</b>	<b>1,180.2</b>	<b>1,284.9</b>	<b>9,305.9</b>
YTD 2020				
Transfer from stage 1 to stage 2	-1,196.2	1,196.2	-	-
Transfer from stage 1 to stage 3	-450.2	-	450.2	-
Transfer from stage 2 to stage 3	-	-704.9	704.9	-
Transfer from stage 3 to stage 2	-	11.3	-11.3	-
Transfer from stage 2 to stage 1	706.1	-706.1	-	-
Transfer from stage 3 to stage 1	10.0	-	-10.0	-
New assets	2,301.8	182.7	121.9	2,606.5
Assets derecognized	-1,655.0	-155.9	-612.1	-2,423.0
<b>Gross loans 30.09.2020</b>	<b>6,557.4</b>	<b>1,003.4</b>	<b>1,928.6</b>	<b>9,489.4</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans 01.01.2019</b>	<b>6,313.2</b>	<b>1,158.2</b>	<b>844.6</b>	<b>8,316.0</b>
YTD 2019				
Transfer from stage 1 to stage 2	-1,314.8	1,314.8	-	-
Transfer from stage 1 to stage 3	-149.2	-	149.2	-
Transfer from stage 2 to stage 3	-	-495.8	495.8	-
Transfer from stage 3 to stage 2	-	3.1	-3.1	-
Transfer from stage 2 to stage 1	706.0	-706.0	-	-
Transfer from stage 3 to stage 1	2.2	-	-2.2	-
New assets	2,779.8	211.6	50.1	3,041.5
Assets derecognized	-1,511.7	-402.2	-473.9	-2,387.8
<b>Gross loans 30.09.2019</b>	<b>6,825.6</b>	<b>1,083.6</b>	<b>1,060.6</b>	<b>8,969.8</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans 01.01.2019</b>	<b>6,313.2</b>	<b>1,158.2</b>	<b>844.6</b>	<b>8,316.0</b>
Transfer from stage 1 to stage 2	-1,847.8	1,847.8	-	-
Transfer from stage 1 to stage 3	-222.4	-	222.4	-
Transfer from stage 2 to stage 3	-	-756.4	756.4	-
Transfer from stage 3 to stage 2	-	4.5	-4.5	-
Transfer from stage 2 to stage 1	859.2	-859.2	-	-
Transfer from stage 3 to stage 1	3.2	-	-3.2	-
New assets	3,744.3	284.5	71.3	4,100.1
Assets derecognized	-2,008.8	-499.3	-602.1	-3,110.2
<b>Gross loans 31.12.2019</b>	<b>6,840.8</b>	<b>1,180.2</b>	<b>1,284.9</b>	<b>9,305.9</b>

## Reconciliation of impairment of loans

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Impairment 30.06.2020</b>	<b>165.6</b>	<b>178.0</b>	<b>722.6</b>	<b>1,066.3</b>
Q3 2020				
Transfer from stage 1 to stage 2	-8.3	8.3	-	-
Transfer from stage 1 to stage 3	-2.6	-	2.6	-
Transfer from stage 2 to stage 3	-	-45.4	45.4	-
Transfer from stage 3 to stage 2	-	1.8	-1.8	-
Transfer from stage 2 to stage 1	28.9	-28.9	-	-
Transfer from stage 3 to stage 1	1.5	-	-1.5	-
New financial assets originated	9.5	2.0	0.0	11.5
Increased expected credit loss	5.6	66.3	62.2	134.2
Assets derecognized	-35.4	-8.5	-37.3	-81.2
Decreased expected credit loss	-2.3	-1.6	-1.3	-5.2
Exchange rate movements	1.7	1.7	14.0	17.4
Macroeconomic model changes	-5.6	-5.8	-	-11.4
Other changes	12.5	7.6	-3.3	16.7
<b>Impairment 30.09.2020</b>	<b>171.2</b>	<b>175.5</b>	<b>801.5</b>	<b>1,148.2</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Impairment 30.06.2019</b>	<b>109.1</b>	<b>121.3</b>	<b>317.6</b>	<b>548.0</b>
Q3 2019				
Transfer from stage 1 to stage 2	-7.1	7.1	-	-
Transfer from stage 1 to stage 3	-0.9	-	0.9	-
Transfer from stage 2 to stage 3	-	-29.3	29.3	-
Transfer from stage 3 to stage 2	-	0.6	-0.6	-
Transfer from stage 2 to stage 1	23.1	-23.1	-	-
Transfer from stage 3 to stage 1	1.2	-	-1.2	-
New financial assets originated or change in provisions	17.9	69.0	42.0	128.8
Assets derecognized or change in provisions	-28.1	-14.9	-34.6	-77.6
Other changes	4.7	1.6	2.9	9.1
<b>Impairment 30.09.2019</b>	<b>119.8</b>	<b>132.4</b>	<b>356.3</b>	<b>608.3</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Impairment 01.01.2020</b>	<b>143.7</b>	<b>172.8</b>	<b>493.6</b>	<b>810.1</b>
YTD 2020				
Transfer from stage 1 to stage 2	-25.5	25.5	-	-
Transfer from stage 1 to stage 3	-8.0	-	8.0	-
Transfer from stage 2 to stage 3	-	-147.9	147.9	-
Transfer from stage 3 to stage 2	-	4.3	-4.3	-
Transfer from stage 2 to stage 1	89.1	-89.1	-	-
Transfer from stage 3 to stage 1	3.9	-	-3.9	-
New financial assets originated	23.6	55.9	72.2	151.7
Increased expected credit loss	12.4	138.7	128.3	279.5
Assets derecognized	-107.4	-23.6	-71.6	-202.6
Decreased expected credit loss	-6.3	-4.7	-11.2	-22.2
Exchange rate movements	11.8	11.2	46.3	69.3
Macroeconomic model changes	23.5	29.4	-	52.8
Other changes	10.4	3.1	-4.0	9.6
<b>Impairment 30.09.2020</b>	<b>171.2</b>	<b>175.5</b>	<b>801.5</b>	<b>1,148.2</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Impairment 01.01.2019</b>	<b>102.1</b>	<b>100.8</b>	<b>268.8</b>	<b>471.6</b>
YTD 2019				
Transfer from stage 1 to stage 2	-17.6	17.6	-	-
Transfer from stage 1 to stage 3	-2.2	-	2.2	-
Transfer from stage 2 to stage 3	-	-76.5	76.5	-
Transfer from stage 3 to stage 2	-	1.0	-1.0	-
Transfer from stage 2 to stage 1	57.5	-57.5	-	-
Transfer from stage 3 to stage 1	1.8	-	-1.8	-
New financial assets originated or change in provisions	47.3	171.1	126.9	345.3
Assets derecognized or change in provisions	-64.0	-44.8	-116.9	-225.7
Other changes	-5.1	20.6	1.7	17.2
<b>Impairment 30.09.2019</b>	<b>119.8</b>	<b>132.4</b>	<b>356.2</b>	<b>608.3</b>

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
<b>Impairment 01.01.2019</b>	<b>102.1</b>	<b>100.8</b>	<b>268.8</b>	<b>471.6</b>
2019				
Transfer from stage 1 to stage 2	-26.2	26.2	-	-
Transfer from stage 1 to stage 3	-3.5	-	3.5	-
Transfer from stage 2 to stage 3	-	-117.4	117.4	-
Transfer from stage 3 to stage 2	-	1.8	-1.8	-
Transfer from stage 2 to stage 1	73.7	-73.7	-	-
Transfer from stage 3 to stage 1	2.5	-	-2.5	-
New financial assets originated or change in provisions	66.0	245.0	205.0	516.0
Assets derecognized or change in provisions	-86.0	-59.1	-153.9	-299.0
Other changes	15.1	49.3	57.1	121.5
<b>Impairment 31.12.2019</b>	<b>143.7</b>	<b>172.8</b>	<b>493.6</b>	<b>810.1</b>

## Note 3 – Regulatory capital

### Total capital

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Share capital	186.5	184.1	182.8
Share premium	786.7	786.7	786.7
Other equity	1,021.0	834.2	848.8
Phase-in effects of IFRS 9	176.3	194.3	160.7
<b>Deductions:</b>			
Deferred tax assets and other intangible assets and deductions	-154.5	-145.4	-126.1
<b>Common equity Tier 1 including phase-in impact of IFRS 9</b>	<b>2,015.9</b>	<b>1,853.9</b>	<b>1,852.9</b>
Additional Tier 1 capital	244.6	44.6	44.6
<b>Core capital including phase-in impact of IFRS 9</b>	<b>2,260.5</b>	<b>1,898.4</b>	<b>1,897.4</b>
Subordinated loans (Tier 2)	65.0	64.9	64.8
<b>Total capital including phase-in impact of IFRS 9</b>	<b>2,325.4</b>	<b>1,963.3</b>	<b>1,962.2</b>

### Capital excluding phase-in impacts of IFRS 9

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Common equity Tier 1 excluding phase-in impact of IFRS 9	1,839.6	1,659.6	1,692.1
Core capital excluding phase-in impact of IFRS 9	2,084.2	1,704.1	1,736.7
Total capital excluding phase-in impact of IFRS 9	2,149.2	1,769.0	1,801.5

### Calculation basis

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Loans and deposits with credit institutions	293.4	122.9	229.0
Loans to customers and IFRS 9 phase-in effects	6,744.5	6,745.2	6,591.2
Certificates and bonds	178.5	9.1	41.0
Other assets	26.4	36.2	43.1
<b>Calculation basis credit risk</b>	<b>7,242.7</b>	<b>6,913.4</b>	<b>6,904.4</b>
Calculation basis operational risk	1,822.6	1,822.6	1,331.8
<b>Total calculation basis including phase-in impact of IFRS 9</b>	<b>9,065.4</b>	<b>8,735.9</b>	<b>8,236.2</b>
<b>Total calculation basis excluding phase-in impact of IFRS 9</b>	<b>8,901.0</b>	<b>8,560.2</b>	<b>8,092.1</b>

### Capital ratios including phase-in impact of IFRS 9

	30.09.2020	31.12.2019	30.09.2019
Common equity tier 1 (%)	22.2 %	21.2 %	22.5 %
Core capital (%)	24.9 %	21.7 %	23.0 %
Total capital (%)	25.7 %	22.5 %	23.8 %

### Capital ratios excluding phase-in impact of IFRS 9

	30.09.2020	31.12.2019	30.09.2019
Common equity tier 1 (%)	20.7 %	19.4 %	20.9 %
Core capital (%)	23.4 %	19.9 %	21.5 %
Total capital (%)	24.1 %	20.7 %	22.3 %

LCR (Liquidity Coverage Ratio) is 1 013 % and NSFR (Net stable funding ratio) is 212 % as of 30.09.2020

## Note 4 - Financial instruments

### Financial instruments at fair value

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

Valuation methods based on non-observable market data are used when valuation cannot be determined in level 1 or 2.

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Certificates and bonds - level 1	1,679.7	1,239.0	786.9
Certificates and bonds - level 2	905.5	90.8	410.5
<b>Total financial instruments at fair value</b>	<b>2,585.2</b>	<b>1,329.8</b>	<b>1,197.4</b>

### Financial instruments at amortised cost

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

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Loans and deposits with credit institutions	1,466.8	614.7	1,145.2
Net loans to customers	8,341.2	8,495.8	8,361.4
Other receivables	12.2	18.8	24.7
<b>Total financial assets measured at amortised cost</b>	<b>9,820.2</b>	<b>9,129.2</b>	<b>9,531.3</b>
Deposits from and debt to customers	10,063.6	8,519.5	8,754.8
Other debt (note 6)	139.0	149.5	125.7
Subordinated loans (note 5)	65.0	64.9	64.8
<b>Total financial liabilities measured at amortised cost</b>	<b>10,267.6</b>	<b>8,733.9</b>	<b>8,945.3</b>



## Note 5 - Subordinated loans

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Subordinated loans - ISIN NO0010757768	65.0	64.9	64.8
<b>Total subordinated loans</b>	<b>65.0</b>	<b>64.9</b>	<b>64.8</b>

3 months NIBOR + 5.0 %. First call February 2021

## Note 6 – Specification of other debt

Amounts in NOK million	30.09.2020	31.12.2019	30.09.2019
Payables to suppliers	13.9	39.0	14.8
Social security tax	6.4	5.3	3.6
Other liabilities	118.7	105.2	107.3
<b>Total other debt</b>	<b>139.0</b>	<b>149.5</b>	<b>125.7</b>

## Note 7 – Intangible assets and fixed assets

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
<b>Historical cost 30.06.2020</b>	2.3	1.1	291.0	20.1	0.2	314.7
Q3 2020						
Additions	-	-	17.2	-	-	17.2
<b>Historical cost 30.09.2020</b>	2.3	1.1	308.2	20.1	0.2	331.9
<b>Depreciations 30.06.2020</b>	2.0	0.6	139.3	5.8	-	147.7
Q3 2020	0.3	0.0	17.2	0.8	-	18.3
<b>Accumulated depreciations 30.09.2020</b>	2.3	0.6	156.2	6.6	-	165.8
<b>Book value 30.09.2020</b>	0.3	0.4	151.9	13.5	0.2	166.1

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
<b>Historical cost 30.06.2019</b>	2.3	1.0	196.7	17.2	0.2	217.4
Q3 2019						
Additions	-	-	19	2	-	21.6
<b>Historical cost 30.09.2019</b>	2.3	1.0	216.1	19.4	0.2	239.0
<b>Depreciations 30.06.2019</b>	1.2	0.5	78.0	1.7	-	81.3
Q3 2019	0.1	0.0	13.1	1.1	-	14.3
<b>Accumulated depreciations 30.09.2019</b>	1.2	0.5	91.0	2.8	-	95.6
<b>Book value 30.09.2019</b>	1.0	0.5	124.9	16.6	0.2	143.3

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
<b>Historical cost 01.01.2020</b>	2.3	1.1	249.6	19.4	0.2	272.6
YTD 2020						
Additions	0.0	-	58.6	0.7	-	59.3
<b>Historical cost 30.09.2020</b>	2.3	1.1	308.2	20.1	0.2	331.9
<b>Depreciations 01.01.2020</b>	1.3	0.6	106.0	4.0	-	111.9
YTD 2020	0.7	0.0	50.2	2.6	-	53.5
<b>Accumulated depreciations 30.09.2020</b>	2.0	0.6	156.2	6.6	-	165.8
<b>Book value 30.09.2020</b>	0.3	0.4	151.9	13.5	0.2	166.1

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
<b>Historical cost 01.01.2019</b>	1.9	1.0	151.0	-	0.2	154.0
YTD 2019						
Additions	0.4	0.1	65.2	19.4	-	85.0
<b>Historical cost 30.09.2019</b>	2.3	1.0	216.1	19.4	0.2	239.0
<b>Depreciations 01.01.2019</b>	1.0	0.4	55.0	-	-	56.4
YTD 2019	0.3	0.1	35.7	2.8	-	38.9
<b>Accumulated depreciations 30.09.2019</b>	1.2	0.5	90.7	2.8	-	95.2
<b>Book value 30.09.2019</b>	1.0	0.5	124.9	16.6	0.2	143.3

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
<b>Historical cost 01.01.2019</b>	1.9	1.0	151.0	-	0.2	154.0
YTD 2019						
Additions	0.4	0.1	98.6	19.4	-	118.6
<b>Historical cost 31.12.2019</b>	2.3	1.1	249.6	19.4	0.2	272.6
<b>Depreciations 01.01.2019</b>	1.0	0.4	55.0	-	-	56.4
2019	0.3	0.2	50.6	3.8	-	54.9
<b>Accumulated depreciations 31.12.2019</b>	1.3	0.6	105.6	3.8	-	111.3
<b>Book value 31.12.2019</b>	1.0	0.5	143.3	15.6	0.2	160.6

Other intangible assets and fixed assets are depreciated on a straight-line basis over their lifetime. Intangible assets consist to a high degree of IT systems and rights acquired and developed in-house. Right-of-use assets relates to leasing agreements and are depreciated over their lifetime. No impairments have been recognised for other intangible assets or fixed assets either in the previous or current period.

## Note 8 - Net interest income

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Interest income from loans to customers	308.6	318.0	947.9	933.7	1,260.7
Interest income from loans and deposits with credit institutions	0.0	4.5	4.1	14.4	20.3
Interest from certificates and bonds	0.1	0.1	0.3	1.4	1.4
<b>Total interest income</b>	<b>308.7</b>	<b>322.6</b>	<b>952.3</b>	<b>949.4</b>	<b>1,282.5</b>
Interest expense from deposits from and debt to customers	32.6	35.1	96.6	106.3	140.2
Interest expense from subordinated loan (Tier 2)	0.9	1.2	3.0	8.7	9.9
Other interest expenses	4.2	3.8	16.5	12.9	17.1
<b>Total interest expenses</b>	<b>37.7</b>	<b>40.2</b>	<b>116.1</b>	<b>128.0</b>	<b>167.2</b>
<b>Net interest income</b>	<b>271.1</b>	<b>282.4</b>	<b>836.2</b>	<b>821.4</b>	<b>1,115.3</b>

## Note 9 - Net commissions and fees

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Insurance services	11.5	14.6	37.7	45.0	58.4
Other fees and commissions and bank services income	23.0	27.9	74.3	84.1	114.0
<b>Total income commissions and fees</b>	<b>34.5</b>	<b>42.5</b>	<b>112.0</b>	<b>129.1</b>	<b>172.4</b>
Agent provisions	23.7	19.1	73.3	53.6	75.2
Other expenses commissions and fees	13.1	9.1	35.1	23.7	38.6
<b>Total expenses commissions and fees</b>	<b>36.8</b>	<b>28.2</b>	<b>108.4</b>	<b>77.3</b>	<b>113.8</b>
<b>Net commissions and fees</b>	<b>-2.2</b>	<b>14.3</b>	<b>3.6</b>	<b>51.8</b>	<b>58.6</b>

## Note 10 - General administrative expenses

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Direct marketing expenses	6.1	20.9	15.7	73.1	84.0
IT-expenses	15.2	12.1	51.2	33.5	33.5
Other general administrative expenses	8.9	12.8	27.4	33.5	54.9
<b>Total general administrative expenses</b>	<b>30.2</b>	<b>45.8</b>	<b>94.3</b>	<b>140.1</b>	<b>172.4</b>

## Note 11 - Other operating expenses

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
External audit and related services	1.0	-	3.6	2.6	3.7
Other consultants	2.0	3.3	11.3	22.5	27.2
Insurance	0.5	0.2	1.5	0.7	1.1
Other	4.6	8.7	9.7	36.9	47.1
<b>Total other operating expenses</b>	<b>8.1</b>	<b>12.2</b>	<b>34.3</b>	<b>62.7</b>	<b>79.0</b>

## **Note 12 - Related parties**

Komplett Bank is not part of a group. However, the Bank's largest shareholder is Canica Invest AS with 19.2% 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](http://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 programme. 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 Q2 2018 for another 5 years.

Furthermore, the Bank is engaged in a 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 products, which enables the Bank to distribute its products towards customers on Komplett's web shop platforms.

## **Note 13 - Subsequent events**

The board is not aware of 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 and 2B at Lysaker. The agreement expires 31.12.2023, and the annual rent totals NOK 4.6 million excluding VAT. The Bank has no other significant leasing agreements.

## **Note 15 – Contingent liabilities**

The tax authorities disagree with the Bank's treatment of reverse charge of VAT for certain services after their local control for the period January 2017 to April 2018. Komplett Bank disagrees with the provisional conclusion, and there is no provision recognized in the interim statement for the period ending on September 30, 2020. The timing of the final conclusion by the tax authorities and the conclusion itself, are uncertain. If the Bank elects to accept the tax authority's conclusion or the case goes to a court with a negative outcome for the Bank, the estimated negative cash flow impact based on the above amounts to a total of NOK 2.2 million.



To the Board of Directors of Komplett Bank ASA

## **Report on Review of Interim Financial Information**

### *Introduction*

We have reviewed the accompanying interim balance sheet of Komplett Bank ASA as of 30 September 2020, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 September 2020, and its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 10 November 2020

**PricewaterhouseCoopers AS**

Erik Andersen  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.