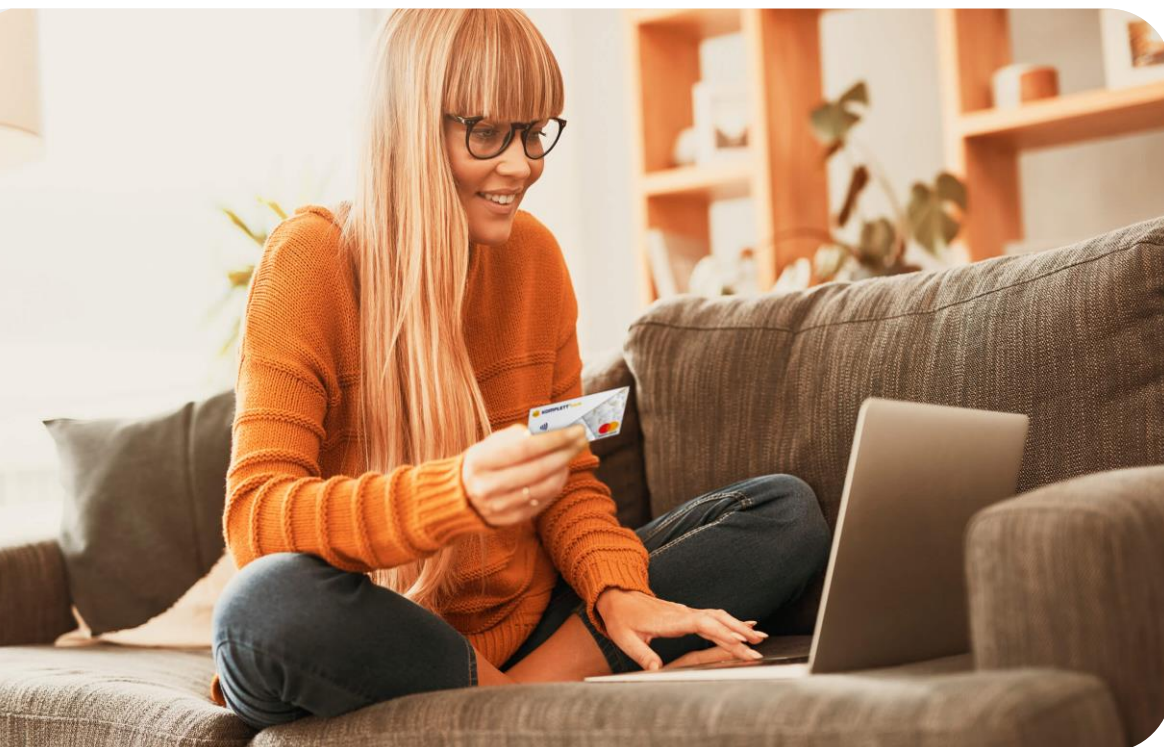


Interim report

FIRST QUARTER 2021



Highlights and key figures

- Increased customer amortisations reduced growth in initial part of Q1 2020: On track to deliver on 5-10% 2021 loan growth ambition after strong sales throughout the quarter continued in April
- Improvement in underlying credit quality and performance in the period
- Dividend capacity was strengthened, and the Bank paid out its first ever dividend during Q1 on the back of strong financial results and a solid capital position

Financial performance

- Net loans decreased by NOK 319.4 million for the full quarter, compared to an increase of NOK 20.0 million in Q4 2020. Adjusted for currency effects and portfolio sales, net loans decreased by NOK 62.1 million, compared to an increase of NOK 239.9 million in the previous quarter
- Total income was NOK 255.8 million, up 0.6% compared to NOK 254.4 million in Q4 2020
- Total operating expenses decreased to NOK 98.3 million from NOK 99.3 million
- The cost/income ratio was 38.4%, down from 39.0% in Q4 2020.
- Losses on loans were NOK 73.8 million, compared to NOK 68.9 million in Q4 2020
- The underlying loan loss ratio was 3.8% adjusted for positive non-recurring loss reservations, down from 4.0% in Q4 2020. The reported loan loss level was 3.6%
- Profit after tax was NOK 62.7 million, down from NOK 66.4 million in Q4 2020
- Return on equity (ROE)* was 12.0%, down from 13.1% in Q4 2020. At the Bank's target CET1 ratio of 18.0%, ROE would be 14.3% for the quarter

Capital Adequacy

- Komplett Bank's CET1 ratio decreased to 22.5% by end Q1 2021 from 22.7% at end Q4 2020. The main drivers behind the decrease are extractions of actual and expected dividend pay-outs in 2021 and implementation of a new default definition from EBA effective from 2021
- Total capital ratio decreased slightly to 26.1% by end Q1 from 26.3% at end Q4 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.

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 has a long-term strategic cooperation with Komplett Group.

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 since the Covid-19 outbreak in 2020, however, during the first months of 2021 the Bank experienced an increase in customer amortisations as customers’ liquidity improved. During this period Komplett Bank has received a limited number of forbearance requests and has focused on assisting existing customers to overcome short-term challenges during the pandemic. No material impact on withdrawals was experienced. The Bank has not experienced any negative impact on default rates so far and overall credit performance was stable from the previous quarter.

Financial figures for Q1 2021

All figures are prepared and presented in accordance with IFRS.

Net loans decreased by NOK 319.4 million in the quarter. Split on product segments, loans declined by NOK 262.1 million, credit cards decreased by NOK 34.8 million and POS decreased by NOK 22.5.

Adjusted for currency effects and portfolio sales as part of the forward flow agreement, net loans decreased by NOK 62.1 million in Q1 2021. The bank cautiously re-started onboarding of new loans in June 2020, continuing this practice during Q4 2020 and Q1 2021.

Net interest income amounted to NOK 236.9 million, down from NOK 237.9 million in Q4 2020. The decline was mainly driven by fewer interest-bearing days compared to previous quarter.

From Q4 2020 sales commission to agents is presented in the "Interest income", earlier "Expenses commissions and fees", and comparable figures have been recalculated (note 15). Net commissions and fees amounted to NOK 12.0 million in Q1 2021, up from NOK 11.0 million in the previous quarter. The total income was NOK 255.8 million, up 0.6% compared to NOK 254.4 million in Q4 2020.

Operating expenses were NOK 98.3 million, down 1.0% from NOK 99.3 million in Q4 2020. Salary and other personnel expenses increased slightly to NOK 37.9 million in the quarter from NOK 37.7 million in Q4 2020.

General administrative expenses decreased to NOK 33.5 million, down 2.9% from NOK 34.5 million in Q4 2020. The cost-income ratio was 38.4% in Q1 2021 compared to 39.0% in the previous quarter and 35.2% for the full financial year in 2020.

Losses on loans amounted to NOK 73.8 million, including negative non-recurring effects of NOK 2.9 million, of which NOK 4.4 million (positive effect) relates to reduction of the additional macro reservation made previous year. Losses on loans were up from NOK 68.9 million in Q4 2020. The loan loss ratio was 3.6% adjusted for non-recurring effects, down from 4.0% in Q4 2020.

Profit after tax was NOK 62.7 million, down 5.6% from NOK 66.4 million in the previous quarter. The decline was mainly driven by an increase in losses on loans in absolute numbers.

Total assets at 31 March 2021 amounted to NOK 11,644 million (compared to NOK 11,586 million at 31 December 2020). Net loans to customers ended at NOK 8,042 million (NOK 8,361 million). Deposits from customers amounted to NOK 9,006 million (NOK 8,992 million).

Total equity stood at NOK 2,318 million (NOK 2,304 million at 31 December 2020). Komplett Bank had a total capital ratio of 26.1% (26.3%), and a CET1 ratio of 22.5% (22.7%) as of 31 March 2021. Bank deposits and liquid securities amounted to NOK 3,429 million (NOK 3,052 million) corresponding to 29.4% (26.3%) of total assets.

Gross defaulted loans at the end of Q1 2021 amounted to NOK 2,237 million, up from NOK 2,039 million (+9.7%) at 30 December 2020. The implementation of a new default definition from EBA resulted in a one-off migration implementation effect of NOK 175.1 million in Q1 2021, from stage 1 and

2, to stage 3. Loan impairments amounted to NOK 1,157 million (NOK 1,146 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 backstop 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 have been relatively low from mid-2019.

On 18 December 2020, the European Systemic Risk Board (ESRB) issued a new recommendation to national authorities to request banks and insurers to refrain from making dividend distributions etc. until 30 September 2021, unless the institutions apply caution and the distributions do not exceed the conservative thresholds set by the national supervisory authorities.

The Norwegian Ministry of Finance made the decision on 18 March 2021 to keep the countercyclical capital buffer at 1% in Norway.

The new Market Abuse Regulation (MAR) entered into effect in Norway March 1, 2021. The rules contain prohibition of insider trading, unlawful disclosure of inside

information and market manipulation, as well as measures for the authorities to prevent and detect breaches of such clauses.

At the end of March, the Norwegian Ministry of Finance announced that the amendments to the Capital Requirements Regulation for Banks (CRR2), to apply in the EU from June 2021, will not enter into force in the EEA Agreement at the same time.

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 is currently reviewing an expansion outside its current footprint. Both the Board of Directors and the management team are committed to the ambition of establishing presence in additional geographic markets, alternatively new product segments in current markets, during 2022.

The Bank considers the potential for growth in the Nordics 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 on assisting existing customers while continuing to be prudent on risk selection. This has resulted in moderate new lending and marketing expenditures during the quarter. The Bank re-started onboarding of new customers in June 2020, returned to net loan growth in Q4 2020 and targets loan growth of 5-10% in 2021. Further, Komplett Bank expects operational leverage in combination with its increased cost focus, to contribute to a decrease in cost/income ratio in 2021 and beyond.

Komplett Bank's efficient business model with high net interest income and strong pre-provision earnings provide 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 solid capital position with significant headroom to the capital requirement. Going forward, the Bank will continue its focus on optimising the capital structure including the ongoing assessment of dividend payments in line with its dividend policy. Based on the recent financial performance and current capital position, the Bank considers its dividend capacity to be 30-50% of annual profit after tax while maintaining ample capacity for growth in the

medium term. In Q1 2021 50% of the profit after tax is allocated to foreseeable dividends.

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.

Komplett Bank's main strategic priorities are to maintain activity levels and improve customer acquisition processes to ensure continued loan growth, maintain high focus on credit risk and collection performance to ensure stable credit performance, drive operational excellence with maintained focus on costs and efficiency to improve cost/income ratio and ensure solid capital position with capacity for both growth and dividends.

Financial Targets

The Bank has established the following long-term 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

3. Dividend policy

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

Significant events after the balance sheet date

The Bank has distributed NOK 0.42 per share in dividend after the balance sheet date. The total distributed dividend amounts to NOK 78.5 million. The Bank has entered into a new forward flow agreement for sale of non-performing consumer loans in Norway in April 2021. The forward flow agreement will not have material impact on the Bank's loan loss provisions.

The board is not aware of any other significant events after the date of the balance sheet that may be of material significance to the accounts.

Other information

The accounting result for Q1 2021 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, 11 May 2021

Board of Directors, Komplett Bank ASA

INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Note	Q1 2021	Q1 2020	2020
Interest income	2, 8, 15	261.3	309.9	1,171.9
Interest expenses	8, 15	-24.5	-40.5	-144.8
Net interest income	8	236.9	269.3	1,027.1
Income commissions and fees	2, 9, 15	25.6	30.8	111.0
Expenses commissions and fees	9, 15	-13.6	-9.7	-49.3
Net commissions and fees	9	12.0	21.1	61.8
Net gains / losses (-) on certificates and bonds, and currency		6.9	0.2	11.6
Total income		255.8	290.6	1,100.4
Salary and other personnel expenses		-37.9	-36.2	-143.8
General administrative expenses	10	-33.5	-29.4	-128.9
Total salary and admin. expenses		-71.4	-65.6	-272.7
Ordinary depreciation	7	-18.6	-17.1	-72.1
Other expenses	11	-8.3	-14.3	-42.8
Total operating expenses excl. losses on loans		-98.3	-97.0	-387.6
Losses on loans	2	-73.8	-132.2	-364.3
Pre-tax operating profit		83.7	61.4	348.5
Tax expenses		-21.0	-15.4	-85.7
Profit after tax		62.7	45.9	262.8
Attributable to				
Shareholders		58.9	44.9	253.5
Additional Tier 1 capital investors		3.8	1.0	9.3
Profit after tax		62.7	45.9	262.8
Earnings per share (NOK)		0.32	0.25	1.36
Diluted earnings per share (NOK)		0.31	0.24	1.34
Comprehensive income				
Profit after tax		62.7	45.9	262.8
Other comprehensive income		-	-	-
Comprehensive income for the period		62.7	45.9	262.8

STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD

<i>Amounts in NOK million</i>	Note	31.03.2021	31.03.2020	31.12.2020
Assets				
Loans and deposits with credit institutions	4	1,141.7	666.1	1,204.2
Net loans to customers	2,4	8,041.8	8,821.4	8,361.2
Certificates and bonds	4	2,287.4	1,005.6	1,848.0
Other intangible assets	7	150.9	145.8	154.2
Fixed assets	7,13	12.1	16.4	13.2
Other receivables	4	10.1	17.0	5.5
Total assets		11,644.0	10,672.2	11,586.3
Equity and liabilities				
Deposits from and debt to customers	4	9,005.9	8,556.8	8,991.8
Other debt	4,6	128.1	140.5	142.5
Subordinated loans (Tier 2)	4,5	106.8	64.9	65.0
Deferred tax payable		21.5	14.6	0.5
Tax payable		63.9	-	82.9
Total liabilities		9,326.2	8,776.8	9,282.7
Share capital	3,12	186.9	184.1	186.6
Share premium reserve	3	786.7	786.7	786.7
Other paid-in equity	3	48.4	46.7	48.3
Retained earnings	3	1,096.4	833.3	1,037.5
Additional Tier 1 capital	3	199.6	44.6	244.6
Total equity		2,317.9	1,895.3	2,303.6
Total equity and liabilities		11,644.0	10,672.2	11,586.3

Lysaker, Bærum, 11 May 2021

Board of Directors, Komplett Bank ASA

STATEMENT OF CASH FLOW FOR THE PERIOD

Amounts in NOK million	Note	Q1 2021	Q1 2020	2020
Cash flow from operating activities				
Pre-tax operating profit		83.7	61.4	348.5
Taxes paid		-17.7	-37.0	-37.0
Ordinary depreciation	7	18.6	17.1	72.1
Change in impairments on loans to customers	2	11.5	202.6	335.6
Change in loans to customers	2, 4	307.9	-528.1	-201.0
Effects of currency on loans to customers in the period		-219.9	514.6	274.6
Change in deposits from and debt to customers	4	14.1	37.3	472.3
Effects of currency on deposits from and debt to customers in the period		230.0	-493.1	-199.7
Change in certificates and bonds	4	-439.4	324.2	-518.2
Change in accruals		-14.2	11.8	4.2
Net cash flow from operating activities		-25.4	110.7	551.3
Cash flows from investing activities				
Net Investments/sale of fixed assets	7	-	-0.8	-1.1
Net Investments/sale of intangible assets	7	-14.2	-17.6	-78.3
Net cash flow used in investing activities		-14.2	-18.4	-79.5
Cash flows from financing activities				
Paid-in equity		0.2	-	2.4
Net receipts from issue of AT1 capital		-	-	200.0
Net receipts from AT2 capital		41.8	-	-
Payment to AT1 capital investors		-50.1	-1.0	-12.4
Net cash flow from financing activities		-8.0	-1.0	190.1
Net cash flow for the period		-47.6	91.3	661.9
Cash and cash equivalents at the start of the period	4	1,204.2	614.7	614.7
Effects of currency on loans and deposits with credit institutions in the period		-15.0	-39.9	-72.4
Cash and cash equivalents at the end of the period	4	1,141.7	666.1	1,204.2

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
Equity as at 01.01.2020	184.1	786.7	44.6	45.8	788.4	1,849.5
Profit after tax	-	-	-	-	262.8	262.8
Changes in additional Tier 1 capital	-	-	200.0	-	-	200.0
Changes in equity due to share options program	2.5	-	-	2.5	-	5.0
Net interest paid to additional Tier 1 capital investors	-	-	-	-	-9.2	-9.2
Equity as at 31.12.2020	186.6	786.7	244.6	48.3	1,037.5	2,303.6
Profit after tax	-	-	-	-	62.7	62.7
Changes in additional Tier 1 capital	-	-	-45.0	-	-	-45.0
Changes in equity due to share options program	0.2	-	-	0.2	-	0.4
Net interest paid to additional Tier 1 capital investors	-	-	-	-	-3.8	-3.8
Equity as at 31.03.2021	186.9	786.7	199.6	48.4	1,096.4	2,317.9

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 several estimates and factors summed up in 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 2021-2023, 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 each of these scenarios 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 4.4 million in Q1 2021 related to macro-economic considerations. The total loss provision related to macro-economic factors amounts to a total of NOK 14.3 million.

Loans to customers

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Loans to customers	9,199.1	9,834.0	9,506.9
Gross lending	9,199.1	9,834.0	9,506.9
Impairment of loans	1,157.3	1,012.7	1,145.8
Net loans to customers	8,041.8	8,821.4	8,361.2

Defaulted loans

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Gross defaulted loans *	2,236.9	1,670.3	2,039.2
Impairment of loans (stage 3)	894.6	641.2	829.7
Net defaulted loans	1,342.3	1,029.1	1,209.6

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

With the alignment of the new default definition (DoD) according to the EBA-guidelines effective from 2021, the Bank migrated NOK 175.1 million in gross loans from stage 1 and stage 2 to stage 3. This resulted in a one-off migration of NOK 27.5 million in increased loan impairment in stage 3.

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		
Income Q1 2021							
Interest income	92.1	73.3	47.1	29.2	19.5	-	261.3
Income commissions and fees	4.6	4.2	1.1	5.7	8.1	2.1	25.6
Total	96.7	77.5	48.2	34.9	27.6	2.1	287.1

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Income Q1 2020							
Interest income	136.7	82.6	36.4	35.9	13.8	4.4	309.9
Income commissions and fees	7.5	5.5	1.1	8.7	7.9	-	30.8
Total	144.2	88.1	37.5	44.6	21.7	4.4	340.6

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Income 2020							
Interest income	505.3	314.0	152.4	134.9	60.9	4.4	1,171.9
Income commissions and fees	25.9	20.5	4.1	29.5	31.0	-	111.0
Total	531.2	334.6	156.5	164.3	91.8	4.4	1,282.9

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		
Net loans 31.03.2021							
Net loans to customers	2,990.7	2,420.5	1,381.9	694.0	554.7	-	8,041.8
Total	2,990.7	2,420.5	1,381.9	694.0	554.7	-	8,041.8

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Net loans 31.03.2020							
Net loans to customers	3,575.6	2,785.2	1,159.6	768.8	532.3	-	8,821.4
Total	3,575.6	2,785.2	1,159.6	768.8	532.3	-	8,821.4

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Net loans 31.12.2020							
Net loans to customers	3,168.9	2,484.2	1,402.1	728.7	577.2	-	8,361.2
Total	3,168.9	2,484.2	1,402.1	728.7	577.2	-	8,361.2

Impairment

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Impairment 31.03.2021							
Impairment of loans to customers	367.1	392.3	248.7	99.9	49.3	-	1,157.3
Total	367.1	392.3	248.7	99.9	49.3	-	1,157.3

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Impairment 31.03.2020							
Impairment of loans to customers	326.8	440.3	138.7	70.2	36.7	-	1,012.7
Total	326.8	440.3	138.7	70.2	36.7	-	1,012.7

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden	NO/FI/SE	NO/SE		
Impairment 31.12.2020							
Impairment of loans to customers	333.0	409.5	248.6	104.4	50.4	-	1,145.8
Total	333.0	409.5	248.6	104.4	50.4	-	1,145.8

Reconciliation of gross lending to customers

Q1 2021

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.2021	6,540.3	927.4	2,039.2	9,506.9
Q1 2021				
Transfer from stage 1 to stage 2	-307.0	307.0	-	-
Transfer from stage 1 to stage 3	-165.3	-	165.3	-
Transfer from stage 2 to stage 3	-	-325.6	325.6	-
Transfer from stage 3 to stage 2	-	3.5	-3.5	-
Transfer from stage 2 to stage 1	150.5	-150.5	-	-
Transfer from stage 3 to stage 1	2.0	-	-2.0	-
New assets	1,005.4	87.0	23.5	1,115.8
Assets derecognized	-1,019.9	-92.6	-311.2	-1,423.6
Gross loans 31.03.2021	6,206.0	756.3	2,236.9	9,199.1
Of which related to "Lazy payers"	-8.9	-166.2	175.1	-

Q1 2020

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.2020	6,840.8	1,180.2	1,284.9	9,305.9
Q1 2020				
Transfer from stage 1 to stage 2	-455.4	455.4	-	-
Transfer from stage 1 to stage 3	-166.1	-	166.1	-
Transfer from stage 2 to stage 3	-	-281.8	281.8	-
Transfer from stage 3 to stage 2	-	3.6	-3.6	-
Transfer from stage 2 to stage 1	252.0	-252.0	-	0.0
Transfer from stage 3 to stage 1	2.4	-	-2.4	-0.0
New assets	1,133.8	108.5	106.9	1,349.3
Assets derecognized	-600.9	-58.6	-161.6	-821.2
Gross loans 31.03.2020	7,006.7	1,155.2	1,672.1	9,834.0

2020

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.2020	6,840.8	1,180.2	1,284.9	9,305.9
2020				
Transfer from stage 1 to stage 2	-1,513.7	1,513.7	-	-
Transfer from stage 1 to stage 3	-557.0	-	557.0	-
Transfer from stage 2 to stage 3	-	-903.0	903.0	-
Transfer from stage 3 to stage 2	-	14.6	-14.6	-
Transfer from stage 2 to stage 1	896.1	-896.1	-	-
Transfer from stage 3 to stage 1	21.6	-	-21.6	-
New assets	3,098.3	226.2	113.9	3,438.4
Assets derecognized	-2,245.9	-208.2	-783.3	-3,237.5
Gross loans 31.12.2020	6,540.2	927.5	2,039.2	9,506.9

Reconciliation of impairment of loans

Q1 2021

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment 01.01.2021	166.1	150.0	829.7	1,145.8
Q1 2021				
Transfer from stage 1 to stage 2	-7.8	7.8	-	-
Transfer from stage 1 to stage 3	-3.5	-	3.5	-
Transfer from stage 2 to stage 3	-	-65.6	65.6	-
Transfer from stage 3 to stage 2	-	1.4	-1.4	-
Transfer from stage 2 to stage 1	22.6	-22.6	-	-
Transfer from stage 3 to stage 1	1.4	-	-1.4	-
New financial assets originated	10.2	2.5	0.5	13.3
Increased expected credit loss	17.7	68.4	76.9	163.0
Assets derecognized	-41.5	-16.2	-66.7	-124.4
Decreased expected credit loss	-2.3	-0.5	-2.3	-5.1
Exchange rate movements	-5.8	-4.8	-26.7	-37.4
Macroeconomic model changes	-2.6	-1.8	-	-4.4
Other changes	-13.5	3.3	16.9	6.7
Impairment 31.03.2021	140.8	122.0	894.6	1,157.3
Of which related to "Lazy payers"	-0.2	-27.3	27.5	-

Q1 2020

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment 01.01.2020	143.7	172.8	493.6	810.1
Q1 2020				
Transfer from stage 1 to stage 2	-7.8	7.8	-	-
Transfer from stage 1 to stage 3	-2.5	-	2.5	-
Transfer from stage 2 to stage 3	-	-47.1	47.1	-
Transfer from stage 3 to stage 2	-	1.5	-1.5	-
Transfer from stage 2 to stage 1	25.8	-25.8	-	-
Transfer from stage 3 to stage 1	1.1	-	-1.1	-
New financial assets originated	5.6	11.4	-	17.0
Increased expected credit loss	4.5	42.2	72.2	118.9
Assets derecognized	-29.8	-5.9	-13.9	-49.6
Decreased expected credit loss	-2.7	-1.7	-5.3	-9.7
Exchange rate movements	14.4	14.2	48.2	76.8
Macroeconomic model changes	21.9	28.1	-	50.0
Other changes	0.2	-0.5	-0.6	-1.0
Impairment 31.03.2020	174.4	197.0	641.2	1,012.7

2020

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment 01.01.2020	143.7	172.8	493.6	810.1
2020				
Transfer from stage 1 to stage 2	-33.7	33.7	-	-
Transfer from stage 1 to stage 3	-10.2	-	10.2	-
Transfer from stage 2 to stage 3	-	-198.8	198.8	-
Transfer from stage 3 to stage 2	-	5.6	-5.6	-
Transfer from stage 2 to stage 1	115.3	-115.3	-	-
Transfer from stage 3 to stage 1	10.3	-	-10.3	-
New financial assets originated	39.5	61.3	72.5	173.4
Increased expected credit loss	20.4	202.8	201.1	424.4
Assets derecognized	-145.1	-32.5	-113.5	-291.1
Decreased expected credit loss	-9.1	-6.0	-13.4	-28.5
Exchange rate movements	8.2	7.5	28.3	44.0
Macroeconomic model changes	16.4	23.3	-	39.8
Other changes	10.3	-4.5	-32.1	-26.3
Impairment 31.12.2020	166.1	150.0	829.7	1,145.8

Note 3 – Regulatory capital

Total capital

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Share capital	186.9	184.1	186.6
Share premium	786.7	786.7	786.7
Other equity	1,144.8	880.0	1,085.7
Other equity not included in core capital (Foreseeable dividends)	-161.8	-	-78.5
Phase-in effects of IFRS 9	94.4	189.2	159.4
Deductions:			
Deferred tax assets and other intangible assets and deductions	-153.2	-146.5	-156.0
Common equity Tier 1 including phase-in impact of IFRS 9	1,897.7	1,893.5	1,983.9
Additional Tier 1 capital	199.6	44.6	244.6
Core capital including phase-in impact of IFRS 9	2,097.2	1,938.0	2,228.4
Subordinated loans (Tier 2)	106.8	64.9	65.0
Total capital including phase-in impact of IFRS 9	2,204.0	2,002.9	2,293.4

Capital excluding phase-in impacts of IFRS 9

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Common equity Tier 1 excluding phase-in impact of IFRS 9	1,803.3	1,704.3	1,824.5
Core capital excluding phase-in impact of IFRS 9	2,002.9	1,748.8	2,069.0
Total capital excluding phase-in impact of IFRS 9	2,109.7	1,813.7	2,134.0

Calculation basis

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Loans and deposits with credit institutions	228.3	133.2	240.8
Loans to customers and IFRS 9 phase-in effects	6,456.0	7,078.2	6,721.4
Covered bonds	90.1	10.5	82.6
Institutions	-	-	10.2
Other assets	22.2	33.4	18.7
Calculation basis credit risk	6,796.6	7,255.3	7,073.7
Calculation basis operational risk	1,653.7	1,822.6	1,653.7
Total calculation basis including phase-in impact of IFRS 9	8,450.3	9,077.9	8,727.3
Total calculation basis excluding phase-in impact of IFRS 9	8,361.2	8,855.4	8,578.9

Capital ratios including phase-in impact of IFRS 9

	31.03.2021	31.03.2020	31.12.2020
Common equity tier 1 (%)	22.5 %	20.9 %	22.7 %
Core capital (%)	24.8 %	21.3 %	25.5 %
Total capital (%)	26.1 %	22.1 %	26.3 %

Capital ratios excluding phase-in impact of IFRS 9

	31.03.2021	31.03.2020	31.12.2020
Common equity tier 1 (%)	21.6 %	19.2 %	21.3 %
Core capital (%)	24.0 %	19.7 %	24.1 %
Total capital (%)	25.2 %	20.5 %	24.9 %

LCR (Liquidity Coverage Ratio) is 980% and NSFR (Net stable funding ratio) is 193% as of 31.03.2021.

Komplett Bank has made the decision to change the approach used for measuring operational risk when calculating capital adequacy. Starting from December 2020 Komplett Bank uses the Standardised Approach, which will replace the Basic Indicator Approach used previously.

The transition to the Standardised Approach had a positive effect of approximately 1.1%-points on Komplett Bank's capital adequacy as of 31 December 2020.

Note 4 - 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	31.03.2021	31.03.2020	31.12.2020
Certificates and bonds - level 1	276.9	262.8	292.6
Certificates and bonds - level 2	2,010.5	742.7	1,555.4
Total financial instruments at fair value	2,287.4	1,005.6	1,848.0

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	31.03.2021	31.03.2020	31.12.2020
Loans and deposits with credit institutions	1,141.7	666.1	1,204.2
Net loans to customers	8,041.8	8,821.4	8,361.2
Other receivables	10.1	17.0	5.5
Total financial assets measured at amortised cost	9,193.6	9,504.4	9,570.8
Deposits from and debt to customers	9,005.9	8,556.8	8,991.8
Other debt (note 6)	128.1	140.5	142.5
Subordinated loans (note 5)	106.8	64.9	65.0
Total financial liabilities measured at amortised cost	9,240.8	8,762.2	9,199.3

Note 5 - Subordinated loans

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Subordinated loan - ISIN NO0010757768	41.8	64.9	65.0
Subordinated loan - ISIN NO0010941131	65.0	-	-
Total subordinated loans	106.8	64.9	65.0

3 months NIBOR +5.0 %. First call on ISIN NO0010757768 was in February 2021. The subordinated loan was refinanced at the same time with the same conditions as the already existing subordinated loan.

Note 6 – Specification of other debt

Amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Payables to suppliers	13.3	30.6	27.5
Social security tax	8.7	3.4	8.8
Other liabilities	106.1	106.3	106.3
Total other debt	128.1	140.5	142.5

Note 7 – Intangible assets and fixed assets

Q1 2021

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
Historical cost 01.01.2021	2.4	1.1	327.9	20.1	0.2	351.9
Q1 2021						
Additions	-	-	14.4	-	-	14.4
Historical cost 31.03.2021	2.4	1.1	342.3	20.1	0.2	366.4
Depreciations 01.01.2021	2.1	0.6	173.7	7.6	-	184.5
Q1 2021	0.0	0.1	17.5	1.0	-	18.6
Accumulated depreciations 31.03.2021	2.1	0.7	191.4	9.0	-	203.1
Book value 31.03.2021	0.3	0.4	150.9	11.1	0.2	163.1

Q1 2020

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
Historical cost 01.01.2020	2.3	1.1	249.6	19.4	0.2	272.6
Q1 2020						
Additions	-	0.1	17.6	0.7	-	18.4
Historical cost 31.03.2020	2.3	1.2	267.2	20.1	0.2	291.0
Depreciations 01.01.2020	1.3	0.6	106.0	4.0	-	111.8
Q1 2020	0.1	0.0	16.0	1.0	-	17.1
Accumulated depreciations 31.03.2020	1.4	0.6	121.7	5.0	-	128.7
Book value 31.03.2020	0.9	0.6	145.8	15.1	0.2	162.2

2020

Amounts in NOK million	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
Historical cost 01.01.2020	2.3	1.1	249.6	19.4	0.2	272.6
2020						
Additions	0.2	0.1	78.3	0.7	-	79.3
Historical cost 31.12.2020	2.5	1.2	327.9	20.1	0.2	351.9
Depreciations 01.01.2020	1.3	0.6	106.0	4.0	-	111.8
2020	0.8	0.0	67.7	3.6	-	72.1
Accumulated depreciations 31.12.2020	2.1	0.6	173.7	7.6	-	184.5
Book value 31.12.2020	0.4	0.5	154.2	12.1	0.2	167.4

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	Q1 2021	Q1 2020	2020
Interest income from loans to customers	278.7	332.1	1,230.7
Sales commissions to agents	-17.4	-26.6	-63.4
Interest income from loans and deposits with credit institutions	0.1	4.1	4.4
Interest from certificates and bonds	-	0.3	0.1
Total interest income	261.3	309.9	1,171.9
Interest expense deposits from and debt to customers	19.3	35.1	120.5
Interest expense subordinated loan (Tier 2)	1.1	1.1	0.1
Other interest expenses	4.1	4.2	24.2
Total interest expenses	24.5	40.5	144.8
Net interest income	236.9	269.4	1,027.1

Note 9 - Net commissions and fees

Amounts in NOK million	Q1 2021	Q1 2020	2020
Insurance services	9.4	13.7	48.2
Other fees and commissions and bank services income	16.3	27.9	62.8
Total income commissions and fees	25.6	30.8	111.0
Provisions to other bank connections	1.5	1.2	6.0
Other expenses commissions and fees	12.2	8.5	43.2
Total expenses commissions and fees	13.6	9.7	49.3
Net commissions and fees	12.0	21.1	61.8

Note 10 - General administrative expenses

Amounts in NOK million	Q1 2021	Q1 2020	2020
Direct marketing expenses	6.8	4.3	22.7
IT-expenses	18.8	18.9	74.0
Other general administrative expenses	7.9	6.2	32.2
Total general administrative expenses	33.5	29.4	128.9

Note 11 - Other operating expenses

Amounts in NOK million	Q1 2021	Q1 2020	2020
External audit and related services	0.1	1.5	4.2
Other consultants	3.0	4.7	13.6
Insurance	0.5	0.6	2.1
Other	4.7	7.6	23.0
Total other operating expenses	8.3	14.3	42.8

Note 12 - Related parties

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 www.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.

Kistefos AS is the Bank's largest shareholder with an ownership of 24 %. There have been no transactions between Komplett Bank ASA and Kistefos AS in Q1 2021.

Note 13 - Leasing agreements

Komplett Bank is leasing premises for Vollsveien 2A and 2B at Lysaker, Norway. The agreement expires 31.12.2023, and the annual rent totals NOK 4.5 million excluding VAT. The Bank has no other significant leasing agreements.

Note 14 – 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 March 31, 2021.

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.

Note 15 – Restated financial figures for comparison purposes

The Bank changed their accounting practices of sales commission to agents and establishment fees in Q4 2020. Sales commissions to agents were previously booked against expenses commission, and fees and establishment fees against income commission and fees. From Q4 2020 both are booked against interest income. The following table illustrates the changes in the comparable numbers in Q1 2020 from original report for the first quarter in 2020. The total income is not affected by these changes.

Amounts in NOK million	Q1 2020	Q1 2020 original	Change
Interest income	309.9	326.4	-16.5
Interest expenses	-40.5	-40.5	-
Net interest income	269.4	285.9	-16.5
Income commissions and fees	30.8	40.8	-10.0
Expenses commissions and fees	-9.7	-36.3	26.6
Net commissions and fees	21.0	4.5	16.5
Net gains / losses (-) on certificates and bonds, and currency	0.2	0.2	-
Total income	290.6	290.6	-

Note 16 - Subsequent events

The Bank has distributed NOK 0.42 per share in dividend after the balance sheet date. The total distributed dividend amounts to NOK 78.5 million.

The Bank has entered into a new forward flow agreement for sale of non-performing consumer loans in Norway in April 2021. The forward flow agreement will not have material impact on the Bank's loan loss provisions.

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



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 31 March 2021, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the three-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 31 March 2021, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 11 May 2021

PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant

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