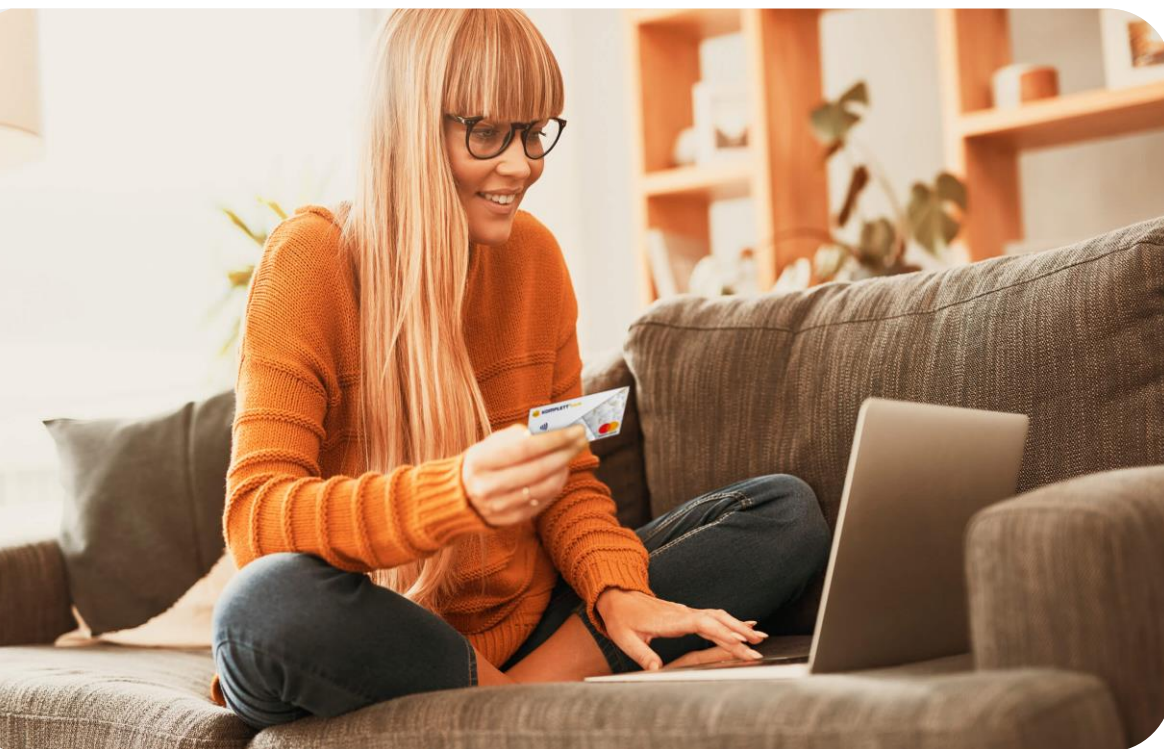


Interim report

SECOND QUARTER 2020



Highlights and key figures

Growth

- Growth in the quarter is affected by low new lending to be more prudent in risk selection and currency effects
- Adjusted for currency effects, net loans decreased by NOK 278 million. Including currency effects, net loans decreased by NOK 418 million

Profitability

- Total income for Q2 2020 was NOK 286.2 million, down 1.5% compared to NOK 290.6 million in Q1 2020, driven by reduced new lending
- Total operating expenses increased to NOK 100.4 million compared to NOK 97.0 million in the previous quarter driven by a temporary increase in administration costs related to further strengthening risk and collection capabilities. Expect administration costs excluding cost of marketing to return to Q1 2020 level in Q3 2020
- The cost/Income ratio was 35.1% in the quarter, up from 33.4% in Q1 2020
- Losses on loans were NOK 82.9 million, compared to NOK 132.2 million in Q1 2020 which included additional loan loss provisions of NOK 50 million related to Covid-19
- Adjusted for additional loan loss provisions, the loan loss ratio was equal to the level in Q1 2020 at 3.8%
- Profit after tax was NOK 77.0 million, up from NOK 45.9 million in Q1 2020
- Return on equity (ROE)* was 16.1%, up from 10.1% in Q1 2020

Capital Adequacy

- Komplett Bank's CET1 ratio increased to 21.8% by end Q2 from 20.9% at end Q1 2020
- Total capital ratio increased to 25.3% by end Q2 from 22.1% after successful NOK 200 million AT1 placement in June

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

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 credit line 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 Government recommendations. The organisation has adapted well to working from home and operational productivity and customer service level have been maintained during the quarter as our employees continued to operate out of home-offices.

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 in Norway and Finland. The number of requests received from customers in Sweden have been marginal. The Bank has not experienced any negative impact on default rates so far and loan losses were stable from the previous quarter. Preliminary figures for July are consistent with the figures in the second quarter.

Financial figures for Q2 2020

All figures are prepared and presented in accordance with IFRS.

Net loans decreased by NOK 418 million in Q2 2020, driven by reduced new lending activity across markets and currency effects. NOK 140 million of the reduction in net loans was related to currency effects, as EUR and SEK weakened against NOK in the quarter. Excluding currency effects, loans declined by NOK 245 million, Credit cards by 12 million and POS by 22 million in the quarter.

Net interest income amounted to NOK 279.2 million, down from NOK 285.9 million in Q1 2020. Net commissions and fees amounted to NOK 1.4 million in Q2 2020, down from 4.5 million in the previous quarter. The resulting total income was NOK 286.2 million, down 1.5% compared to NOK 290.6 million in Q1 2020.

Operating expenses were NOK 100.4 million, up from NOK 97.0 million in Q1 2020. Salary and other personnel expenses decreased to NOK 35.7 million from 36.2 million in the previous quarter. General administrative expenses increased to 34.7 million from NOK 29.4 million in Q1 2020. The increase related mainly to increased spend on consultants as part of initiatives to further strengthen risk and collection capabilities and an increase in direct marketing expenses which amounted to

NOK 5.3 million, up from NOK 4.3 million in Q1 2020. The corresponding cost-income ratio including marketing expenses increased to 35.1% in Q2 2020 from 33.4% in the previous quarter.

Losses on loans amounted to NOK 82.9 million, including NOK 14.2 million in macro adjustments, down from the NOK 132.2 million in Q1 2020 which included additional loan loss provision due to macroeconomic uncertainty related to Covid-19 amounting to NOK 50 million. The loan loss ratio¹ was 3.8%, equal to the level in Q1 2020 when adjusting for the additional provisions of NOK 50 million in Q1.

Profit after tax was NOK 77 million, up from NOK 46 million in the previous quarter.

Total assets at 30 June 2020 amounted to NOK 11,374 million (compared to NOK 10,672 million at 31 March 2020). Net loans to customers ended at NOK 8,403 million (NOK 8,821 million). Deposits from customers amounted to NOK 8,951 million (NOK 8,557 million).

Total equity was NOK 2,170 million (NOK 1,895 million at 31 March 2020). Komplett Bank had a total capital ratio of 25.3% (22.1%), the increase driven by the issuance of a NOK 200 million AT1 subordinated bond in June, and a CET1 ratio of 21.8% (20.9%) as of 30 June 2020. Bank deposits and liquid securities amounted to NOK 2,790 million (NOK 1,672

¹ *Losses on loans = 4* Quarterly losses on loans / Average net loans over the period*

million) corresponding to 24.5% (15.7%) of total assets.

Gross defaulted loans at the end of Q2 2020 amounted to NOK 1,850 million, up from NOK 1,670 million at 31 March 2020. Loan impairments amounted to NOK 1,066 million (NOK 1,013 million).

Regulatory update

On 16 June 2020, Finland's parliament approved the government's proposal of a legislative change that includes a temporary 10% interest cap on new loans from previously 20% as well as a ban on direct marketing to consumers. These restrictions entered into force on 1 July and apply until 31 December 2020.

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 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 being even more prudent on risk selection. This has resulted in a reduction of new lending and moderate marketing expenditure during the quarter. The Bank re-started onboarding of new customers in June and expects to grow 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 21.8% 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.

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 for 2020 remain: Reduce credit losses, 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

2. Dividend policy

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

Significant events after the balance sheet date

The board 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 Q2 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.

Lysaker, Bærum, 12 August 2020

Board of Directors, Komplett Bank ASA

INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Note	Q2 2020	Q2 2019	1H 2020	1H 2019	2019
Interest income	2, 9	317.1	316.7	643.5	626.9	1,282.5
Interest expenses	9	-37.9	-41.7	-78.4	-87.8	-167.2
Net interest income	9	279.2	275.0	565.1	539.1	1,115.3
Income commissions and fees	2, 10	36.7	42.0	77.5	86.6	172.4
Expenses commissions and fees	10	-35.3	-24.2	-71.6	-49.1	-113.8
Net commissions and fees	10	1.4	17.8	5.9	37.5	58.6
Net gains / losses (-) on certificates and bonds, and currency		5.5	2.5	5.7	1.5	1.7
Total income		286.2	295.2	576.7	578.0	1,175.6
Salary and other personnel expenses		-35.7	-35.3	-71.8	-66.5	-135.4
General administrative expenses	11	-34.7	-44.9	-64.1	-94.3	-172.4
<i>Direct marketing expenses</i>	11	-5.3	-23.6	-9.6	-52.2	-84.0
Total salary and admin. expenses		-70.4	-80.1	-136.0	-160.9	-307.8
Ordinary depreciation	8	-18.1	-12.8	-35.2	-24.6	-54.9
Other expenses	12	-11.9	-35.2	-26.2	-50.9	-79.0
Total operating expenses excl. losses on loans		-100.4	-128.2	-197.4	-236.4	-441.7
Losses on loans	2	-82.9	-78.5	-215.1	-150.8	-454.3
Pre-tax operating profit		102.9	88.6	164.3	190.9	279.6
Tax expenses		-25.9	-27.2	-41.3	-53.1	-76.7
Profit after tax		77.0	61.4	123.0	137.8	202.9
Earnings per share (NOK)		0.41	0.33	0.66	0.76	1.11
Diluted earnings per share (NOK)		0.40	0.32	0.64	0.73	1.06
Comprehensive income						
<i>Amounts in NOK million</i>						
Profit after tax		77.0	61.4	123.0	137.8	202.9
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		77.0	61.4	123.0	137.8	202.9

STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD

<i>Amounts in NOK million</i>	Note	30.06.2020	31.12.2019	30.06.2019
Assets				
Loans and deposits with credit institutions	4,5	1,292.1	614.7	1,313.5
Net loans to customers	2,5	8,403.2	8,495.8	8,090.4
Certificates and bonds	5	1,498.2	1,329.8	1,150.8
Other intangible assets	8	151.9	143.3	118.7
Deferred tax assets		-	0.8	-
Fixed assets	8	15.3	17.3	17.4
Other receivables	5	13.3	18.8	7.0
Total assets		11,373.9	10,620.4	10,697.8
Equity and liabilities				
Deposits from and debt to customers	5	8,951.1	8,519.5	8,431.9
Senior unsecured bond	5	-	-	231.0
Other debt	5,7	147.0	149.5	148.8
Subordinated loans (Tier 2)	5,6	64.9	64.9	64.8
Deferred tax	7	40.5	-	13.6
Tax payable	7	-	37.0	23.7
Total liabilities		9,203.6	8,770.9	8,913.8
Share capital	3,13	186.4	184.1	182.8
Share premium reserve	3	786.7	786.7	786.7
Other paid-in equity	3	47.4	45.8	45.7
Retained earnings	3	905.4	788.4	724.3
Additional Tier 1 capital	3	244.6	44.6	44.6
Total equity		2,170.4	1,849.6	1,784.1
Total equity and liabilities		11,373.9	10,620.4	10,697.8

Lysaker, Bærum, 12 August 2020

Board of Directors, Komplett Bank ASA

STATEMENT OF CASH FLOW FOR THE PERIOD

Amounts in NOK million	Note	Q2 2020	Q2 2019	1 H 2020	1 H2019	2019
Cash flow from operating activities						
Pre-tax operating profit		102.9	88.6	164.3	190.9	279.6
Taxes paid		-	-43.5	-37.0	-87.0	-107.2
Ordinary depreciation	8	18.1	12.8	35.2	24.6	54.9
Change in impairments on loans to customers	2	53.5	47.8	256.1	76.3	338.5
Change in loans to customers	2, 5	364.5	-235.2	-163.6	-322.4	-989.9
Effects of currency on loans to customers in the period		-140.4	-2.7	374.1	-83.2	-18.4
Change in deposits from and debt to customers	5	394.2	1,150.5	431.6	1,066.2	1,153.9
Effects of currency on deposits from and debt to customers in the period		203.4	-	-289.8	-	-46.9
Change in certificates and bonds	5	-492.6	-696.9	-168.4	-710.4	-893.4
Change in accruals		-0.1	12.3	11.7	28.7	31.6
Net cash flow from operating activities		503.5	333.7	614.2	183.7	-197.2
Cash flows from investing activities						
Net Investments/sale of fixed assets	8	-0.2	-0.2	-1.0	-0.4	-0.6
Net Investments/sale of intangible assets	8	-23.8	-21.4	-41.4	-45.4	-98.6
Net cash flow used in investing activities		-24.0	-21.5	-42.4	-45.8	-99.2
Cash flows from financing activities						
Paid-in equity		2.2	0.2	2.2	24.9	26.2
Net receipts from issue of additional Tier 1 capital		200.0	-	200.0	-	-
Repayment of senior unsecured bond		-	-59.9	-	-160.9	-400.0
Payment to Tier 1 capital investors		-1.0	-0.9	-2.0	-1.9	-3.8
Net cash flow from financing activities		201.2	-60.6	200.2	-137.9	-377.5
Net cash flow for the period		680.8	251.5	772.1	0.1	-674.0
Cash and cash equivalents at the start of the period	4	666.1	1,059.8	614.7	1,232.4	1,232.4
Effects of currency on loans and deposits with credit institutions in the period		-54.8	2.1	-94.7	81.1	56.3
Cash and cash equivalents at the end of the period	4	1,292.1	1,313.5	1,292.1	1,313.5	614.7

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Additional Tier 1 capital	Other paid in capital	Retained earnings	Total Equity
Amounts in NOK million						
Equity as at 01.01.2019	172.7	771.9	44.6	42.2	588.4	1,619.8
<i>Changes deriving from profit or loss:</i>						
Profit after tax	-	-	-	-	202.9	202.9
<i>Changes deriving from transactions with owners:</i>						
Share capital increase	11.4	14.8	-	-	-	26.2
Paid-in Share premium reserve	-	-	-	-	-	-
<i>Other changes recognized in equity:</i>						
Changes in equity due to share options program	-	-	-	3.6	-	3.6
Paid interest on Additional Tier 1 capital	-	-	-	-	-2.9	-2.9
Equity as at 31.12.2019	184.1	786.7	44.6	45.8	788.4	1,849.5
<i>Changes deriving from profit or loss:</i>						
Profit after tax	-	-	-	-	45.9	45.9
<i>Changes deriving from transactions with owners:</i>						
Share capital increase	-	-	-	-	-	-
Paid-in Share premium reserve	-	-	-	-	-	-
<i>Other changes recognized in equity:</i>						
Changes in equity due to share options program	-	-	-	0.9	-	0.9
Paid interest on Additional Tier 1 capital	-	-	-	-	-1.1	-1.1
Equity as at 31.03.2020	184.1	786.7	44.6	46.7	833.2	1,895.3
<i>Changes deriving from profit or loss:</i>						
Profit after tax	-	-	-	-	77.0	77.0
<i>Changes deriving from transactions with owners:</i>						
Share capital increase	-	-	-	-	-	-
Paid-in Share premium reserve	-	-	-	-	-	-
Paid-in Additional Tier 1 capital	-	-	200.0	-	-4.0	196.0
<i>Other changes recognized in equity:</i>						
Changes in equity due to share options program	2.2	-	-	0.7	-	2.9
Paid interest on Additional Tier 1 capital	-	-	-	-	-0.8	-0.8
Equity as at 30.06.2020	186.4	786.7	244.6	47.4	905.5	2,170.4

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 Covid-19 situation is expected to negatively impact the future macro-economic outlook for the Nordic countries, and the Bank has booked loss provision of NOK 14 million in Q2 2020.

Loans to customers

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Loans to customers	9,469.5	9,305.9	8,638.4
Gross lending	9,469.5	9,305.9	8,638.4
Impairment of loans	1,066.3	810.1	548.0
Net loans to customers	8,403.2	8,495.8	8,090.4

Defaults and losses

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Gross defaulted loans *	1,850.5	1,284.9	955.2
Impairment of loans (stage 3)	722.6	493.6	317.6
Net defaulted loans	1,127.8	791.3	637.5

* Defaulted loans comprise amongst other of loans which are 91 days or more overdue according to agreed payment schedule. Such loans will still be considered defaulted regardless of future payment status. Defaulted loans also comprise of cases of client fraud and decease.

Gross loans by geographical regions

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Agder	245.3	269.3	286.2
Innlandet	359.2	373.9	413.4
Møre og Romsdal	229.1	250.9	262.7
Nordland	248.7	260.3	276.9
Oslo	602.8	648.4	720.8
Rogaland	425.2	461.5	499.6
Troms og Finnmark	262.5	282.8	293.0
Trøndelag	339.9	372.6	393.1
Vestfold og Telemark	447.1	460.9	511.9
Vestland	530.7	571.0	614.7
Viken	1,202.8	1,241.7	1,197.7
Norway	4,893.2	5,193.2	5,470.0
Finland	3,062.8	2,752.3	2,255.4
Sweden	1,513.5	1,360.4	909.0
Total	9,469.5	9,305.9	8,634.4

Information on products and geographical distribution

Amounts in NOK million

	Consumer loans			Credit cards	POS Finance	Not allocated to product	Total
	Norway	Finland	Sweden				
Income per product in Q2 2020							
Interest income	132.8	92.5	39.5	34.4	18.2	-0.2	317.1
Income commissions and fees	4.1	4.5	1.0	7.5	12.9	6.7	36.7
Total	136.8	96.9	40.5	41.9	31.1	6.5	353.8
Income per product in Q2 2019							
Interest income	159.0	69.9	28.1	42.1	12.1	5.5	316.7
Income commissions and fees	10.1	7.2	2.3	10.6	11.8	-	42.0
Total	169.1	77.1	30.4	52.7	23.9	23.9	358.6
Income per product in 1 H 2020							
Interest income	274.7	182.1	77.7	70.3	34.7	4.1	643.5
Income commissions and fees	12.2	11.8	3.0	16.2	27.1	7.2	77.5
Total	286.9	193.9	80.7	86.5	61.8	11.3	721.0
Income per product in 1 H 2019							
Interest income	325.1	131.8	52.0	85.0	21.8	11.2	626.9
Income commissions and fees	21.2	14.2	4.4	20.9	22.9	3.0	86.6
Total	346.3	146.0	56.4	105.9	44.6	44.6	713.5
Income per product 2019							
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
Total	669.6	324.7	127.8	204.4	102.1	26.3	1,454.9
Loans per product per 30.06.2020							
Net loans to customers	3,413.7	2,584.9	1,137.5	756.3	510.8	-	8,403.2
Total	3,413.7	2,584.9	1,137.5	756.3	510.8	-	8,403.2
Loans per product per 31.12.2019							
Net loans to customers	3,699.5	2,428.9	1,061.8	800.5	505.0	-	8,495.7
Total	3,699.5	2,428.9	1,061.8	800.5	505.0	-	8,495.7
Loans per product per 30.06.2019							
Net loans to customers	4,098.2	2,072.3	754.8	792.6	372.4	-	8,090.4
Total	4,098.2	2,072.3	754.8	792.6	372.4	-	8,090.4
Impairment per product per 31.12.2019							
Impairment of loans to customers	286.3	319.1	115.4	57.1	32.3	-	810.1
Total	286.3	319.1	115.4	57.1	32.3	-	810.1
Impairment per product per 30.06.2020							
Impairment of loans to customers	326.8	470.2	157.1	72.5	39.7	-	1,066.3
Total	326.8	470.2	157.1	72.5	39.7	-	1,066.3
Impairment per product per 30.06.2019							
Impairment of loans to customers	225.6	182.6	60.6	53.3	25.9	-	548.0
Total	225.6	182.6	60.6	53.3	25.9	-	548.0

Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.2020	6,840.8	1,180.2	1,284.9	9,305.9
Transfers 1.1.2020-30.06.2020:				
Transfer from stage 1 to stage 2	-841.8	841.8	-	-
Transfer from stage 1 to stage 3	-324.4	-	324.4	-
Transfer from stage 2 to stage 3	-	-517.4	517.4	-
Transfer from stage 3 to stage 2	-	6.3	-6.3	-
Transfer from stage 2 to stage 1	499.9	-499.9	-	-
Transfer from stage 3 to stage 1	5.8	-	-5.8	-
New assets	1,565.4	126.6	86.5	1,778.6
Assets derecognized	-1,148.7	-115.6	-350.7	-1,615.0
Gross carrying amount as at 30.06.2020	6,597.0	1,022.0	1,850.5	9,469.5

Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.2019	6,313.2	1,158.2	844.6	8,316.0
Transfers 1.1.2019 - 30.06.2019:				
Transfer from stage 1 to stage 2	-832.1	832.1	-	-
Transfer from stage 1 to stage 3	-98.8	-	98.8	-
Transfer from stage 2 to stage 3	-	-322.2	322.2	-
Transfer from stage 3 to stage 2	-	1.3	-1.3	-
Transfer from stage 2 to stage 1	470.0	-470.0	-	-
Transfer from stage 3 to stage 1	1.0	-	-1.0	-
New assets	1,812.2	133.6	30.9	1,976.8
Assets derecognized	-1,022.4	-292.8	-339.2	-1,654.4
Gross carrying amount as at 30.06.2019	6,643.0	1,040.2	955.2	8,638.4

Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31.03.2020	7,006.7	1,155.2	1,672.1	9,834.0
Transfers in Q2 2020:				
Transfer from stage 1 to stage 2	-386.4	386.4	-	-
Transfer from stage 1 to stage 3	-158.2	-	158.2	-
Transfer from stage 2 to stage 3	-	-235.6	235.6	-
Transfer from stage 3 to stage 2	-	2.7	-2.7	-
Transfer from stage 2 to stage 1	248.0	-248.0	-	-
Transfer from stage 3 to stage 1	3.4	-	-3.4	-
New assets	431.6	18.2	-20.4	429.3
Assets derecognized	-547.9	-57.0	-189.0	-793.9
Gross carrying amount as at 30.06.2020	6,597.0	1,022.0	1,850.5	9,469.5

Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31.03.2019	6,434.1	1,100.1	868.9	8,403.2
Transfers in Q2 2019:				
Transfer from stage 1 to stage 2	-401.4	401.4	-	-
Transfer from stage 1 to stage 3	-50.8	-	50.8	-
Transfer from stage 2 to stage 3	-	-145.7	145.7	-
Transfer from stage 3 to stage 2	-	0.6	-0.6	-
Transfer from stage 2 to stage 1	218.6	-218.6	-	-
Transfer from stage 3 to stage 1	0.9	-	-0.9	-
New assets	925.7	75.7	16.1	1,017.5
Assets derecognized	-484.1	-173.3	-124.9	-782.3
Gross carrying amount as at 30.06.2019	6,643.0	1,040.2	955.2	8,638.4

Reconciliation of gross lending to customers

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.2019	6,313.2	1,158.2	844.6	8,316.0
Transfers 1.1.2019-31.12.2019:				
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	4,100.2
Assets derecognized	-2,008.8	-499.3	-602.1	-3,110.2
Gross carrying amount as at 31.12.2019	6,840.8	1,180.2	1,284.9	9,305.9

Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment as at 01.01.2020	143.7	172.8	493.6	810.1
Transfers 1.1.2020 - 30.06.2020:				
Transfer from stage 1 to stage 2	-17.2	17.2	-	-
Transfer from stage 1 to stage 3	-5.4	-	5.4	-
Transfer from stage 2 to stage 3	-	-102.6	102.6	-
Transfer from stage 3 to stage 2	-	2.5	-2.5	-
Transfer from stage 2 to stage 1	60.2	-60.2	-	-
Transfer from stage 3 to stage 1	2.3	-	-2.3	-
New financial assets originated	9.7	11.7	0.0	21.3
Increased expected credit loss	11.3	114.6	138.3	264.1
Assets derecognized	-69.2	-13.4	-29.1	-111.8
Decreased expected credit loss	-6.7	-4.8	-15.1	-26.6
Exchange rate movements	10.1	9.5	32.3	51.9
Macroeconomic model changes	29.0	35.2	-	64.2
Other changes	-2.0	-4.5	-0.6	-7.2
Impairment as at 30.06.2020	165.6	178.0	722.6	1,066.3

Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment as at 01.01.2019	102.1	100.8	268.8	471.6
Transfers 1.1.2019 - 30.06.2019:				
Transfer from stage 1 to stage 2	-10.5	10.5	-	-
Transfer from stage 1 to stage 3	-1.3	-	1.3	-
Transfer from stage 2 to stage 3	-	-47.2	47.2	-
Transfer from stage 3 to stage 2	-	0.5	-0.5	-
Transfer from stage 2 to stage 1	34.4	-34.4	-	-
Transfer from stage 3 to stage 1	0.7	-	-0.7	-
New financial assets originated or change in provisions	29.5	102.1	84.8	216.4
Assets derecognized or change in provisions	-35.9	-29.9	-82.3	-148.1
Other changes	-9.8	19.0	-1.2	8.0
Impairment as at 30.06.2019	109.1	121.3	317.6	548.0

Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment as at 31.03.2020	174.4	197.0	641.2	1,012.7
Transfers in Q2 2020:				
Transfer from stage 1 to stage 2	-9.4	9.4	-	-
Transfer from stage 1 to stage 3	-2.9	-	2.9	-
Transfer from stage 2 to stage 3	-	-55.5	55.5	-
Transfer from stage 3 to stage 2	-	0.9	-0.9	-
Transfer from stage 2 to stage 1	34.4	-34.4	-	-
Transfer from stage 3 to stage 1	1.2	-	-1.2	-
New financial assets originated	4.1	0.3	0.0	4.3
Increased expected credit loss	6.8	72.4	66.1	145.3
Assets derecognized	-39.4	-7.6	-15.2	-62.2
Decreased expected credit loss	-4.0	-3.1	-9.9	-16.9
Exchange rate movements	-4.4	-4.6	-15.9	-24.9
Macroeconomic model changes	7.1	7.1	-	14.2
Other changes	-2.3	-3.9	-	-6.2
Impairment as at 30.06.2020	165.6	178.0	722.6	1,066.3

Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment as at 31.03.2019	113.0	102.8	284.4	500.2
Transfers in Q2 2019:				
Transfer from stage 1 to stage 2	-5.3	5.3	-	-
Transfer from stage 1 to stage 3	-0.7	-	0.7	-
Transfer from stage 2 to stage 3	-	-23.4	23.4	-
Transfer from stage 3 to stage 2	-	0.2	-0.2	-
Transfer from stage 2 to stage 1	16.1	-16.1	-	-
Transfer from stage 3 to stage 1	0.6	-	-0.6	-
New financial assets originated or change in provisions	13.3	50.1	43.9	107.3
Assets derecognized or change in provisions	-17.1	-15.9	-32.6	-65.6
Other changes	-10.9	18.2	-1.2	6.1
Impairment as at 30.06.2019	109.1	121.3	317.6	548.0

Reconciliation of loss allowances

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairment as at 01.01.2019	102.1	100.8	268.8	471.6
Transfers 1.1.2019 - 31.12.2019				
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	121.6
Impairment as at 31.12.2019	143.7	172.8	493.6	810.1

Note 3 – Regulatory capital

Total capital

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Share capital	186.4	184.1	182.8
Share premium	786.7	786.7	786.7
Other equity	952.8	834.2	770.0
Phase-in effects of IFRS 9	174.6	194.3	146.8
Deductions:			
Deferred tax assets and other intangible assets and deductions	-153.4	-145.4	-119.9
Common equity Tier 1 including phase-in impact of IFRS 9	1,947.1	1,853.9	1,766.5
Common equity Tier 1 excluding phase-in impact of IFRS 9	1,772.4	1,659.6	1,619.6
Additional Tier 1 capital	244.6	44.6	44.6
Core capital including phase-in impact of IFRS 9	2,191.6	1,898.4	1,811.0
Core capital excluding phase-in impact of IFRS 9	2,017.0	1,704.1	1,664.2
Subordinated loans (Tier 2)	64.9	64.9	64.8
Total capital including phase-in impact of IFRS 9	2,256.5	1,963.3	1,875.8
Total capital excluding phase-in impact of IFRS 9	2,081.9	1,769.0	1,729.0

Calculation basis

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Loans and deposits with credit institutions	258.4	122.9	262.7
Loans to customers and IFRS 9 phase-in effects	6,785.6	6,745.2	6,358.6
Certificates and bonds	30.2	9.1	38.6
Other assets	28.6	36.2	24.4
Calculation basis credit risk	7,102.7	6,913.4	6,684.3
Calculation basis operational risk	1,822.6	1,822.6	1,331.8
Total calculation basis including phase-in impact of IFRS 9	8,925.3	8,735.9	8,016.1
Total calculation basis excluding phase-in impact of IFRS 9	8,763.4	8,560.2	7,884.7

Capital ratios including phase-in impact of IFRS 9

Common equity tier 1 (%)	21.8 %	21.2 %	22.0 %
Core capital (%)	24.6 %	21.7 %	22.6 %
Total capital (%)	25.3 %	22.5 %	23.4 %

Capital ratios excluding phase-in impact of IFRS 9

Common equity tier 1 (%)	20.2 %	19.4 %	20.5 %
Core capital (%)	23.0 %	19.9 %	21.1 %
Total capital (%)	23.8 %	20.7 %	21.9 %

LCR (Liquidity Coverage Ratio) is 525 % and NSFR (Net stable funding ratio) is 187 % as of 30.06.2020

Note 4 - Loans and deposits with credit institutions

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Loans and deposits with credit institutions	1,292.1	614.7	1,315.3
Total	1,292.1	614.7	1,315.3

Note 5 - 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	30.06.2020	31.12.2019	30.06.2019
Certificates and bonds - level 1	1,396.9	1,239.0	764.6
Certificates and bonds - level 2	101.3	90.8	386.2
Total financial instruments at fair value	1,498.2	1,329.8	1,150.8

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	30.06.2020	31.12.2019	30.06.2019
Loans and deposits with credit institutions	1,292.1	614.7	1,313.5
Net loans to customers	8,403.2	8,495.8	8,090.4
Other receivables	13.3	18.8	7.0
Total financial assets measured at amortised cost	9,708.5	9,129.2	9,410.9
Deposits from and debt to customers	8,951.1	8,519.5	8,431.9
Senior unsecured bond*	-	-	231.0
Other debt	147.0	149.5	148.8
Subordinated loans	64.9	64.9	64.8
Total financial liabilities measured at amortised cost	9,163.0	8,733.9	8,876.5

Note 6 - Subordinated loans

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Subordinated loans - ISIN NO0010757768			
3 months NIBOR + 5.0 %	64.9	64.9	64.8
Total subordinated loans	64.9	64.9	64.8

Note 7 – Specification of other liabilities

Amounts in NOK million	30.06.2020	31.12.2019	30.06.2019
Payables to suppliers	17.9	39.0	26.3
Social security tax	9.0	5.3	4.2
Deferred tax	40.5	-	-
Payable taxes	0.0	37.0	23.7
Other liabilities	120.2	105.2	118.2
Total other liabilities	187.6	186.5	172.4

Note 8 – Intangible assets and fixed assets

Type of non-current asset	Fixtures and fittings	Office machines	Intangible assets	Right-of-use assets	Other	Total
Amounts in NOK million						
Accumulated historical cost at 01.01.2018	1.5	0.5	83.4	-	-	85.4
Additions in 2018	0.4	0.5	67.5	-	0.2	68.6
Disposals in 2018	-	-	-	-	-	-
Historical cost at 31.12.2018	1.9	1.0	151.0	-	0.2	153.8
Additions in Q1 2019	0.2	0.0	24.2	17.2	-	41.7
Disposals in Q1 2019	-	-	-	-	-	-
Historical cost at 31.03.2019	2.1	1.0	175.1	17.2	0.2	195.7
Additions in Q2 2019	0.1	0.0	21.5	-	-	21.7
Disposals in Q2 2019	-	-	-	-	-	-
Historical cost at 30.06.2019	2.3	1.0	196.7	17.2	0.2	217.4
Additions in Q3 2019	-	-	19.5	2.2	-	21.6
Disposals in Q3 2019	-	-	-	-	-	-
Historical cost at 30.09.2019	2.3	1.0	216.1	19.4	0.2	239.0
Additions in Q4 2019	0.1	0.1	33.5	-	-	33.6
Disposals in Q4 2019	-	-	-	-	-	-
Historical cost at 31.12.2019	2.3	1.1	249.6	19.4	0.2	272.6
Additions in Q1 2020	-	0.1	17.6	-	0.7	18.4
Disposals in Q1 2020	-	-	-	-	-	-
Historical cost at 31.03.2020	2.3	1.1	267.2	19.4	0.9	291.0
Additions in Q2 2020	0.0	-	23.8	-	0.1	23.9
Disposals in Q2 2020	-	-	-	-	-	-
Historical cost at 30.06.2020	2.3	1.1	291.0	19.4	1.0	314.9
Accumulated depreciations at 01.01.2018	0.7	0.3	26.7	-	-	27.6
Annual depreciations	0.3	0.1	28.3	-	-	28.7
Accumulated depreciations at 31.12.2018	1.0	0.4	55.0	-	-	56.4
Book value at 31.12.2018	0.9	0.6	96.0	-	0.2	97.7
Depreciations Q1 2019	0.1	0.0	11.0	0.9	-	12.0
Accumulated depreciations at 31.03.2019	1.1	0.4	66.0	0.9	-	68.3
Book value at 31.03.2019	1.1	0.6	109.1	16.4	0.2	127.4
Depreciations Q2 2019	0.1	0.0	12.0	0.9	-	13.0
Accumulated depreciations at 30.06.2019	1.2	0.5	78.0	1.7	-	81.3
Book value at 30.06.2019	1.1	0.5	118.7	15.5	0.2	136.1
Depreciations Q3 2019	0.1	0.0	13.3	1.1	-	14.5
Accumulated depreciations at 30.09.2019	1.2	0.5	91.2	2.8	-	95.8
Book value at 30.09.2019	1.0	0.5	124.9	16.6	0.2	143.3
Depreciations Q4 2019	0.1	0.0	15.1	1.0	-	16.2
Accumulated depreciations at 31.12.2019	1.3	0.6	106.3	3.8	-	111.9
Book value at 31.12.2019	1.0	0.5	143.3	15.6	0.2	160.6
Depreciations Q1 2020	0.1	0.0	16.0	1.0	-	17.1
Accumulated depreciations at 31.03.2020	1.4	0.6	122.3	4.8	-0.1	129.0
Book value at 31.03.2020	0.9	0.5	144.9	14.6	1.0	161.9
Depreciations Q2 2020	0.3	-	17.0	0.8	-	18.1
Accumulated depreciations at 30.06.2020	1.7	0.6	139.3	5.6	-0.1	148.7
Book value at 30.06.2020	0.6	0.5	151.7	13.8	1.1	167.7

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 9 - Net interest income

Amounts in NOK million	Q2 2020	Q2 2019	1H 2020	1H2019	2019
Interest income from loans to customers	317.2	311.2	639.2	615.5	1,260.7
Interest income from loans and deposits with credit institutions	0.0	5.4	4.1	9.9	20.3
Interest from certificates and bonds	-0.1	0.1	0.2	1.3	1.4
Total interest income	317.1	316.7	643.5	626.8	1,282.5
Interest expense from deposits from and debt to customers	29.3	34.1	64.4	71.2	140.2
Interest expense from subordinated loan (Tier 2) and senior unsecured bond	4.4	3.3	5.6	7.5	9.9
Other interest expenses	4.2	4.4	8.4	9.0	17.1
Total interest expenses	37.9	41.7	78.4	87.8	167.2
Net interest income	279.2	275.0	565.1	539.0	1,115.3

Note 10 - Net commissions and fees

Amounts in NOK million	Q2 2020	Q2 2019	1H 2020	1H2019	2019
Insurance services	12.5	15.2	26.2	30.4	58.4
Other fees and commissions and bank services income	24.2	26.8	51.3	56.2	114.0
Total income commissions and fees	36.7	42.0	77.5	86.6	172.4
Agent provisions	20.9	16.9	45.1	34.5	75.2
Other expenses commissions and fees	14.3	7.3	26.5	14.6	38.6
Total expenses commissions and fees	35.3	24.2	71.6	49.1	113.8
Net commissions and fees	1.4	17.8	5.9	37.5	58.6

Note 11 - General administrative expenses

Amounts in NOK million	Q2 2020	Q2 2019	1H 2020	1H2019	2019
Direct marketing expenses	5.3	23.6	9.6	52.2	84.0
IT-expenses	20.1	10.3	39.1	21.4	33.5
Other general administrative expenses	9.3	10.9	15.5	20.7	54.9
Total general administrative expenses	34.7	44.9	64.1	94.3	172.4

Note 12 - Other operating expenses

Amounts in NOK million	Q2 2020	Q2 2019	1H 2020	1H2019	2019
External audit and related services	1.2	1.2	2.6	2.7	3.7
Other consultants	4.5	10.6	9.2	19.6	27.2
Insurance	0.5	0.3	1.0	0.5	1.1
Other	5.7	23.2	13.3	28.2	47.1
Total other operating expenses	11.9	35.2	26.2	50.9	79.0

Note 13 - 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. 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 14 - 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 15 - 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 4.5 million excluding VAT. The Bank has no other significant leasing agreements.

Confirmation from the Board of Directors and CEO

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year of 2020 which has been prepared in accordance with IAS 34 Interim Financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report provides a true overview of important events during the accounting period and their effect on the financial statements for the first half year, of key risks and uncertainty factors that the company is facing during the next accounting period and of transactions with related parties.

Lysaker, Bærum, 12 August 2020

Board of Directors, Komplett Bank ASA



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 June 2020, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the six-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 June 2020, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 12 August 2020

PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant

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