

# Company presentation

A diversified consumer finance  
company growing across the Nordics

16 February 2023



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# Agenda

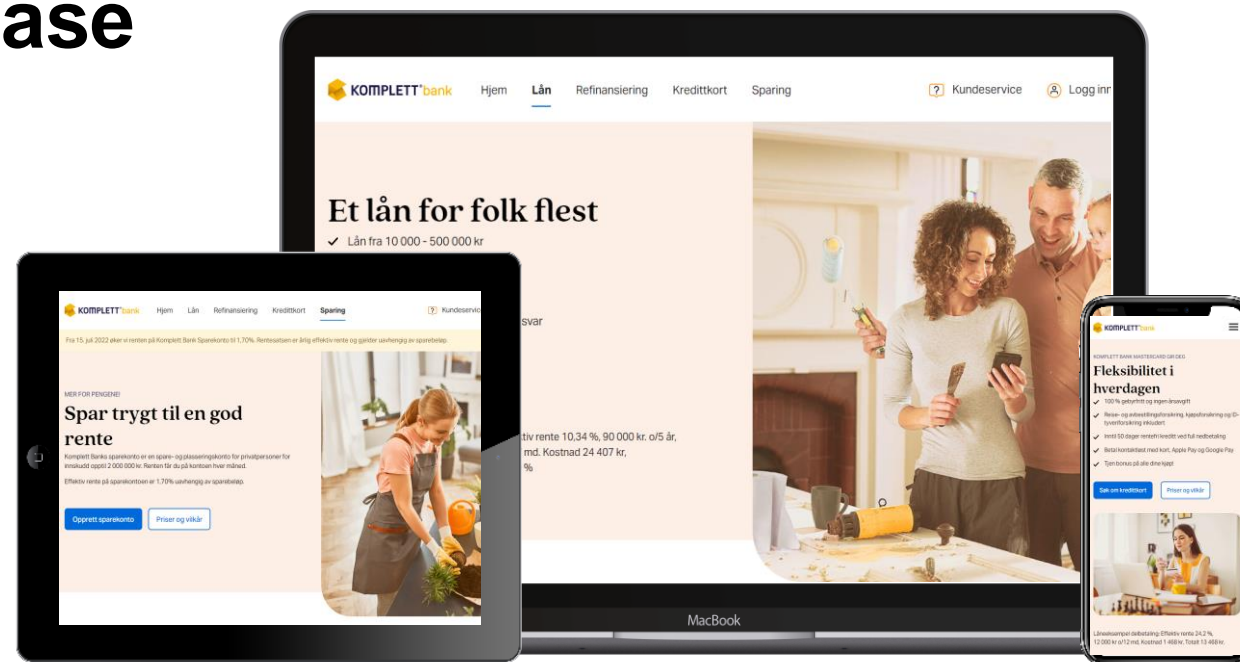
- Komplet Bank overview
- Contemplated capital increase
- Market environment
- Financials: Q4 and outlook
- Key investment highlights
- Management team, Board and Shareholders
- Appendix: Profit and loss and Balance sheet



# Komplett Bank overview

## Contemplated capital increase

## Market environment



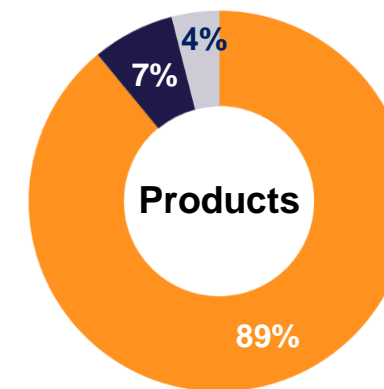
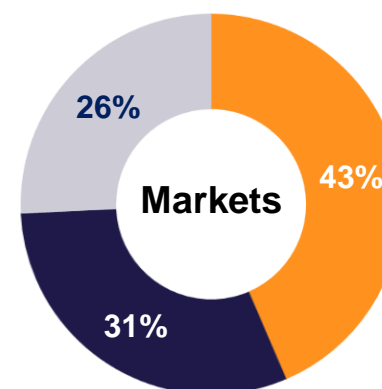
# Komplett Bank – a diversified Nordic consumer finance company

## Key facts

- Established in 2014, listed in 2017
- Norwegian banking license (EU passporting)
- Fully centralised operations (80 FTE)
- Consumer loans, credit lines and cards in NO, SE and FI
- Partner based distribution
- Deposit funded in NO, SE and DE

## Gross loan balance of BNOK 10

■ Norway ■ Finland ■ Sweden ■ Loans ■ Credit Cards ■ POS



Euronext Oslo Børs

**Ticker: KOMP**

Market cap

**BNOK 1**

Book value of equity

**BNOK 2**

Loan growth vs Q2 2022

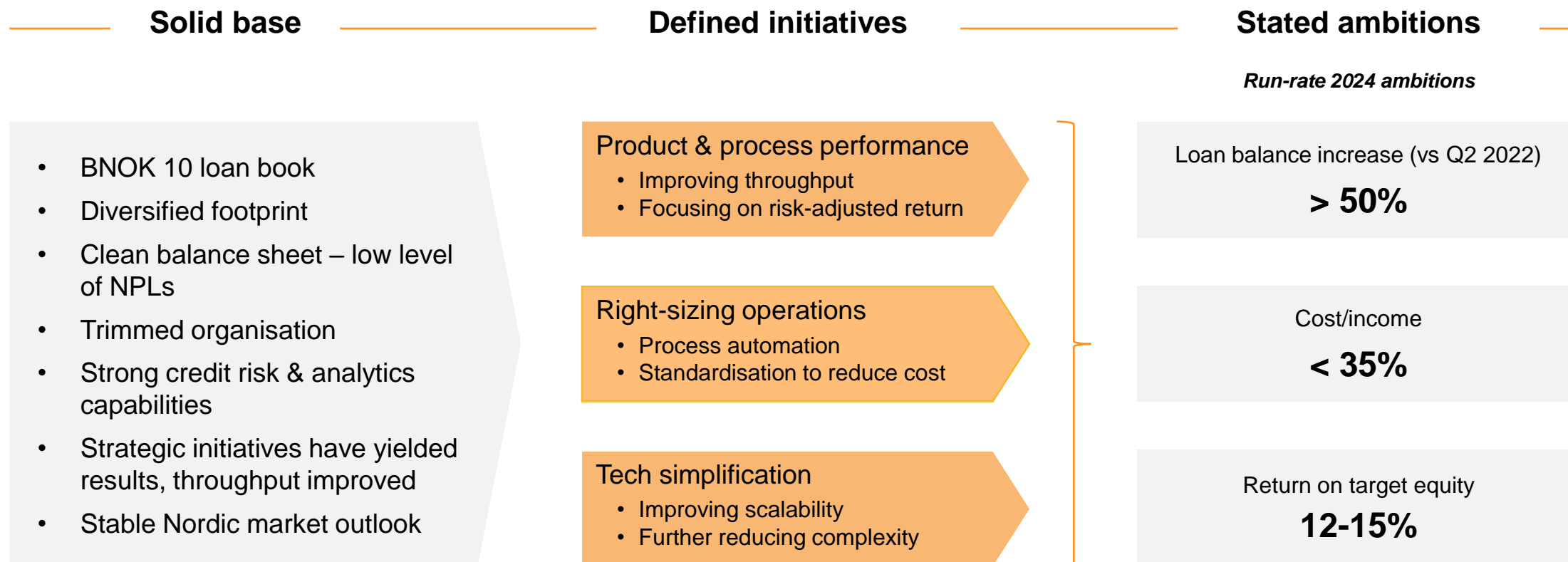
**~30%**

FTE reductions y-o-y

**~40%**



# New strategy and ambitions set in early 2022: delivering ahead of plan



# Strategic initiatives driving growth and efficiency improvements

## Delivering on defined initiatives

**New management team & organisational structure in place**

**Balance sheet clean-up:** sale of total BNOK ~2 NPL portfolio

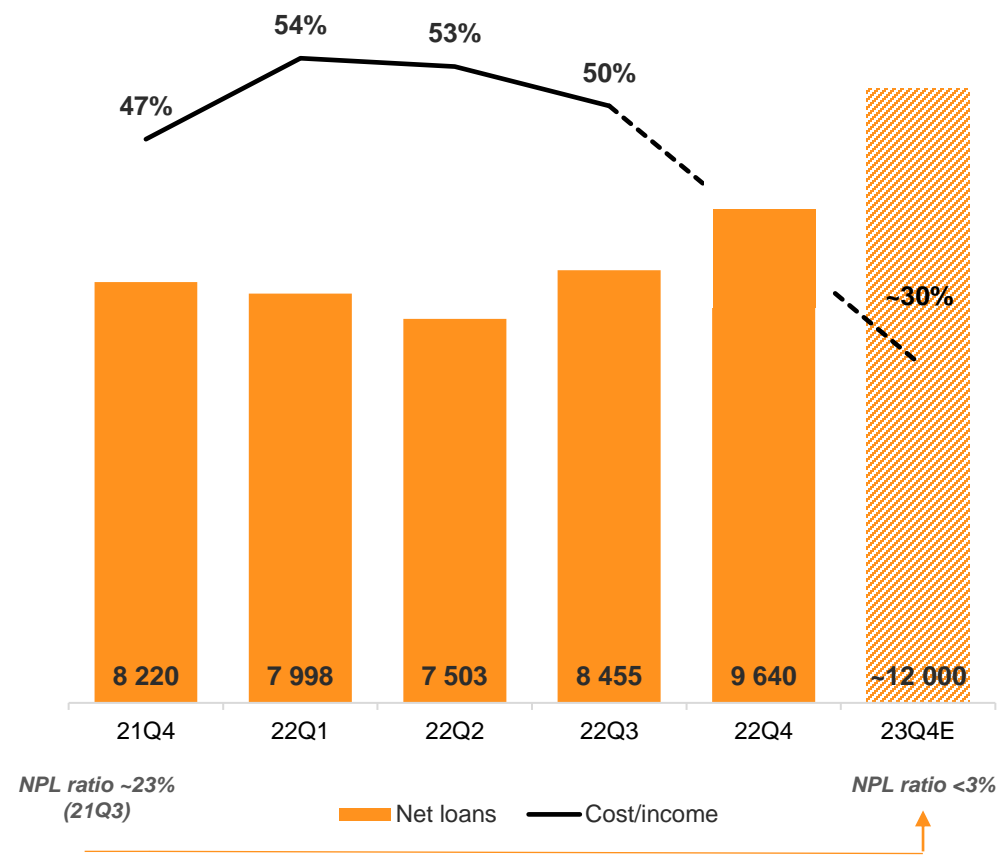
**Product performance improved:** sales throughput 4x vs January 2022

**Growth engine re-started:** 30% loan book growth Q2 to Q4 2022

**Organisation right-sized:** FTEs reduced ~40% year-on-year

**Ongoing initiatives:** transfer to future-proof IT platform, exiting underperforming POS finance and further cost optimisation

## Gross loans (MNOK) and cost/income (%)



Note: Q4 2023 target assumes capital raise to continue growth. POS = Point-of-sale financing product.

## Increasing regulatory capital to enable continued strong growth

Komplett Bank experiences strong growth momentum following successful execution of strategic initiatives

Growth plan based on Norway's implementation of EU regulations to create level playing field

However, the Norwegian Ministry of Finance postponed implementation for one year on 16 Dec 2022

Consequently, the Bank's regulatory capital requirements increased by 100 basis points for 2023

To maintain the strong growth momentum, the Bank therefore needs to increase its capital base

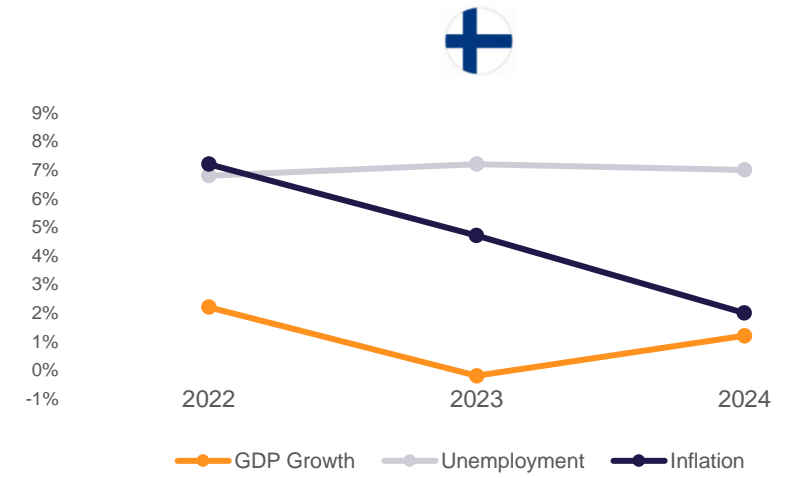
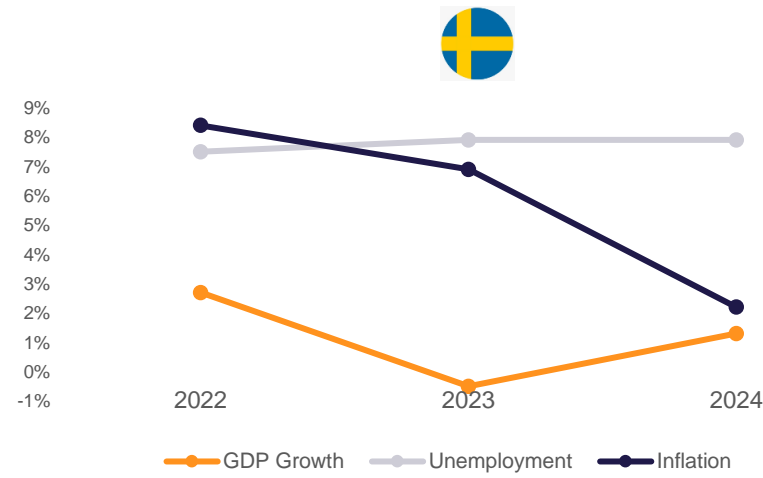
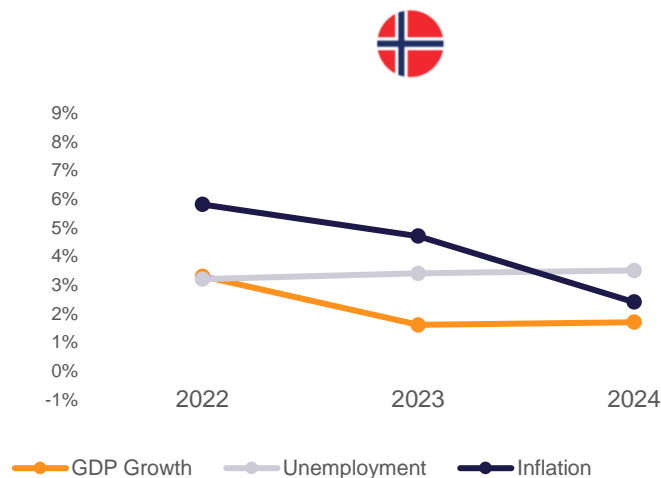
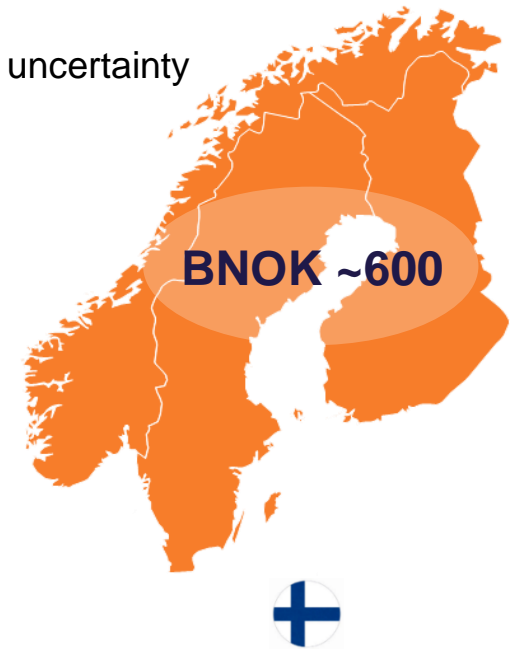
**Contemplating capital increase of MNOK ~100 in equity**





# A growing and resilient BNOK 600 Nordic consumer lending market

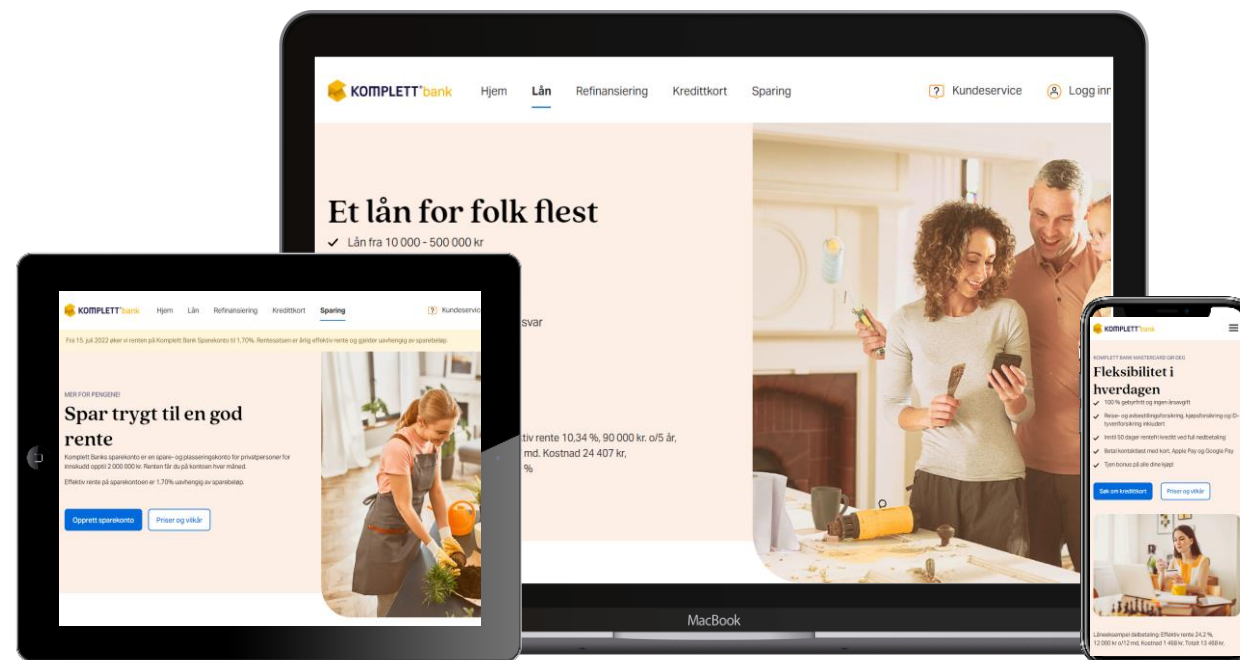
- The Nordic region proven to be a stable and resilient market during times of global macro-economic uncertainty
- Higher cost of living drives demand for new credit and debt consolidation across the region
- Increased demand from higher-income individuals expected to drive upward shift of segments
- Stable volume in Norway since the introduction of debt register, some growth in Credit Card
- Sweden to remain the largest market with a stable growth outlook
- Finland most profitable market: higher loan yields and efficient EUR funding
- Higher market interest rate levels set to improve net yield over time



Source: FocusEconomics

# Financials: Q4 and outlook

## Key investment highlights



## Q4 2022 highlights: Strong growth and further reduction of cost base

MNOK	Q4 2022	vs Q3 22	vs Q4 21
<b>Gross loans</b>	9,660	+14%	+17%
<b>Total income</b>	220	+17%	+1%
<b>Operating expenses</b>	203	+115%	+96%
<b>Profit after tax</b>	-89	N/M	N/M

### Growth engine at cruising speed

- Record sales in the quarter and 14% loan growth vs. Q3 2022
- Loan book interest rates successfully increased
- Total income growth of 17% vs. Q3 2022

### Initiatives to improve performance and reduce cost base

- Write-down and restructuring costs of MNOK 105 driven by IT platform optimisation
- FTEs reduced by ~40% year-on-year
- Further cost base reductions initiated: exiting underperforming POS Finance, terminating brand royalty license (“Komplett”), and reducing office space

### Ahead of schedule for delivering on 2024 growth and efficiency ambitions

- New Q4 2023 target: Gross loans of BNOK ~12, cost/income ratio ~30% and return on target equity of ~10%



Note: Operating expenses include write-downs and depreciation.

# Diversified portfolio with growth across all markets; gross loans +14% (Q-o-Q)

## Norway

- Outperforming market growth
- Underlying loan Q4 growth: MNOK 302 (+9%)

## Finland

- Strong new sales
- Underlying loan Q4 growth: MNOK 483 (+18%)

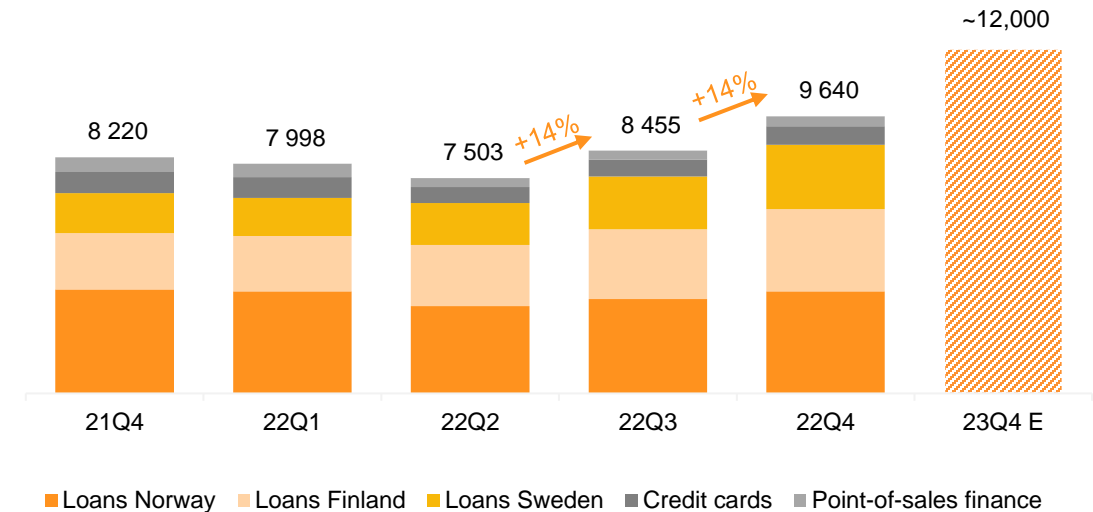
## Sweden

- Positive development continuing
- Underlying loan Q4 growth: MNOK 458 (+20%)

### Key contributors to the increased throughput

- Enhanced pricing analytics and credit scoring
- Simplified onboarding processes
- Increased level of automation in approval and disbursement processes

## Total gross loans (MNOK)

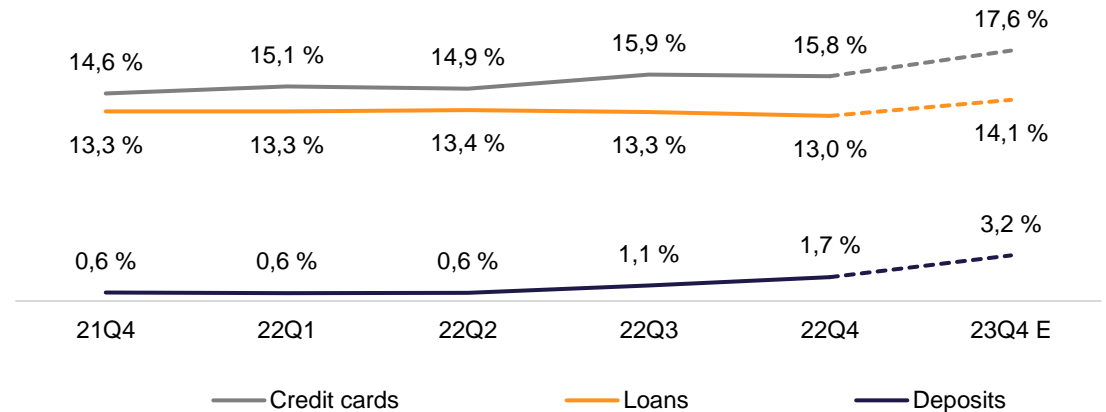


# Stable yield as interest increases are successfully passed on to customers

## Stable net yield outlook

- Stable yields for loans across geographies; set to increase during 2023
- Increasing yields on credit cards due to higher interest rates and a shift towards a more revolving base
- Higher deposit rates reduced net yield in Q4 2022, reflecting market development
- Some time lag in repricing loan book due to notification requirements in NO and FI

## Yield, performing loans and deposits

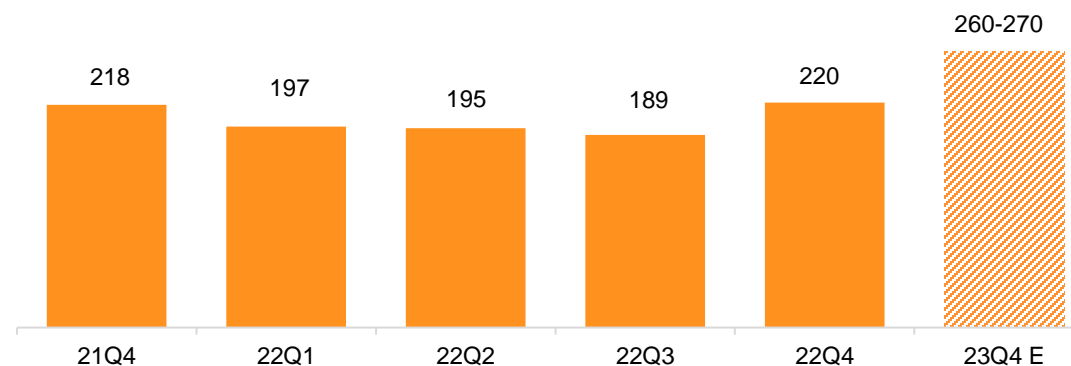


# Total income improved by loan growth and interest rate increases

## Q4 total income of MNOK 220, up 17% from Q3

- Increase in interest income of MNOK 32 vs Q3, partly offset by higher interest expenses
- Net commissions and fees up MNOK 3 vs Q3
- MNOK 9 in gain on investments in financial instruments in Q4 vs losses of MNOK 5 in Q3

Total income (MNOK)



## Outlook

- Total income in Q4 2023 to improve driven by continued balance growth and increased loan interest
  - Gross loan balance growth of >20%
  - Yield improvement of 100 basis points



# Intensified efficiency measures: targeting cost/income ratio ~30% in Q4 2023

Ahead of stated ambition <35% in Q4 2024

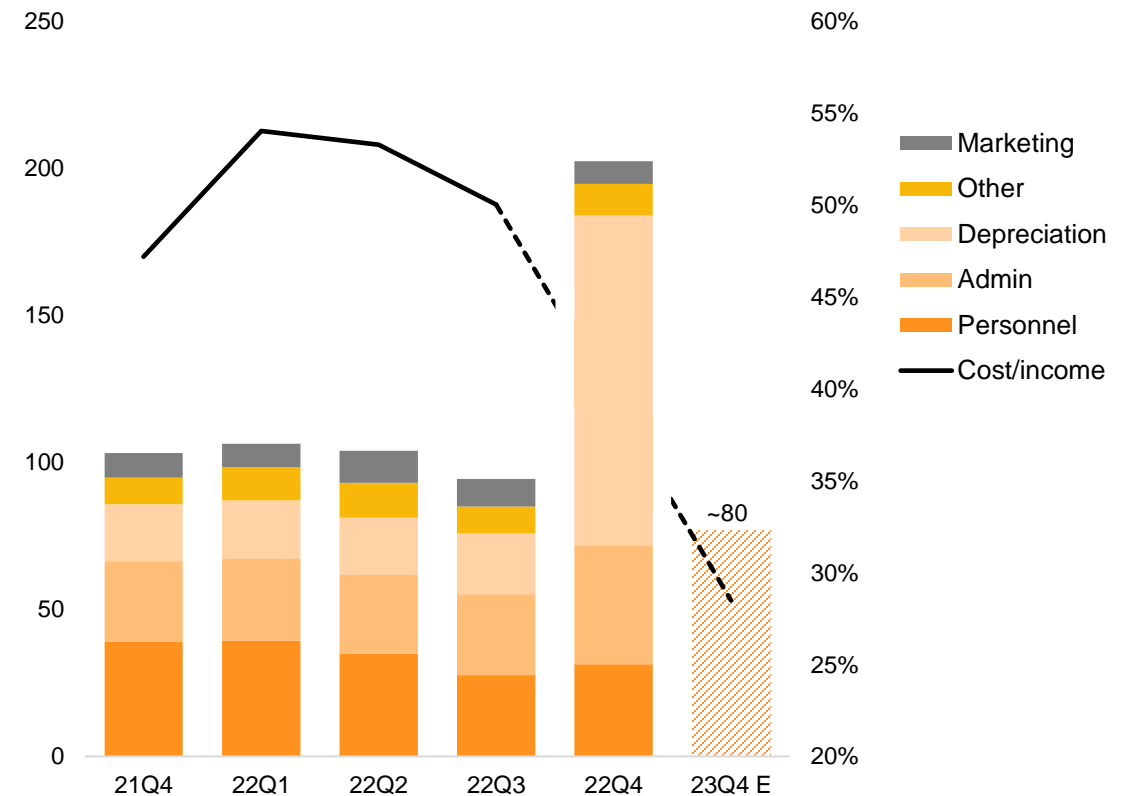
## Opex trending down: Q4 2022 affected by large write-down

- MNOK 93 write-down of assets related to historical IT investments (intangibles) and 2 MNOK for write down of office lease cost.
- Non-recurring admin cost of MNOK 9 in Q4, driven by transfer to more scalable and efficient IT platform
- Personnel costs increased in the quarter due to restructuring one-offs
- 95 FTEs at year-end, set to decrease to 80 by end of Q1

## Outlook

- Targeting cost/income ratio of ~30% in Q4 2023
- Driven by cost-cuts including personnel and lower depreciation
- IT cost of ownership to decrease by 40% over time

## Operational expenses (MNOK) and cost ratio (%)

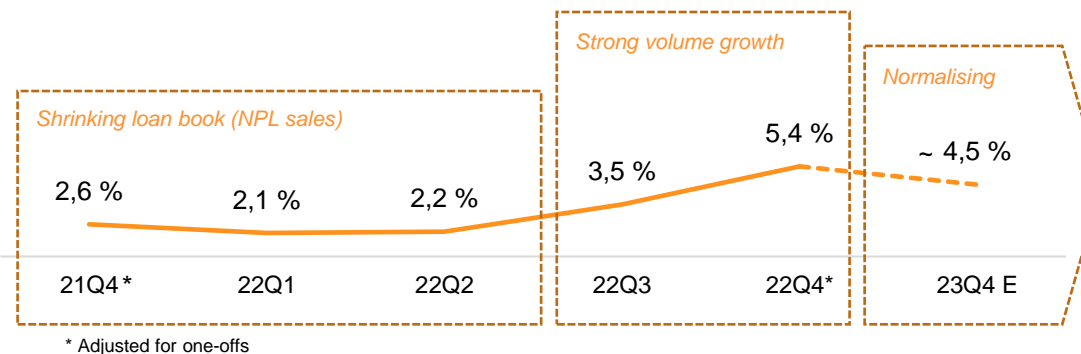


# Loan loss ratio set to decline as loan balance increases at improved credit quality

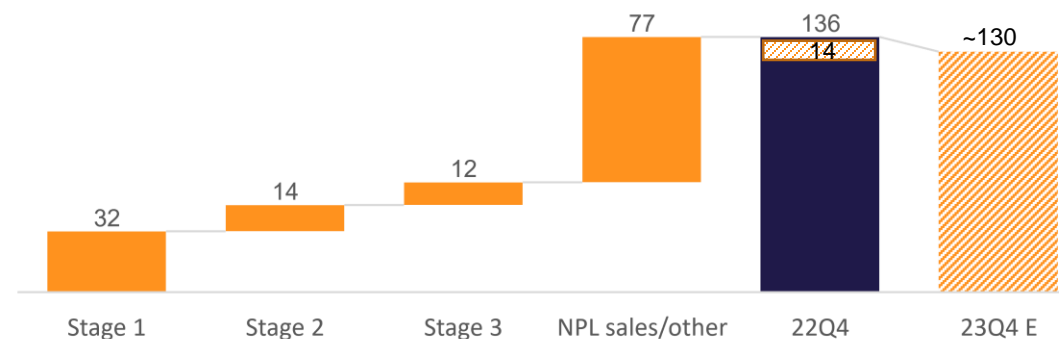
## Q4 loan loss provisions driven by strong growth

- Higher loan loss ratio in Q3 and Q4 2022 compared to prior quarters, as strong loan growth prompts provision increase (Stage 1)
- IFRS 9 requires recognising 12 months expected credit losses at loan origination (disbursement)
- One-off write-down of MNOK 14 related to clean-up of older cases
- Adjusted Stage 1 and write-down, loan loss ratio would be 4.0% in Q4 2022
- Improving default levels reduce loss ratio in outlook
- The development in underlying credit quality in Q4 was stable and most NPLs are sold on forward flow
- Stage 3 coverage ratio at 62%, up from 59% in Q3

## Loan loss ratio (LLR)



## Loan loss break-down Q4 (MNOK)



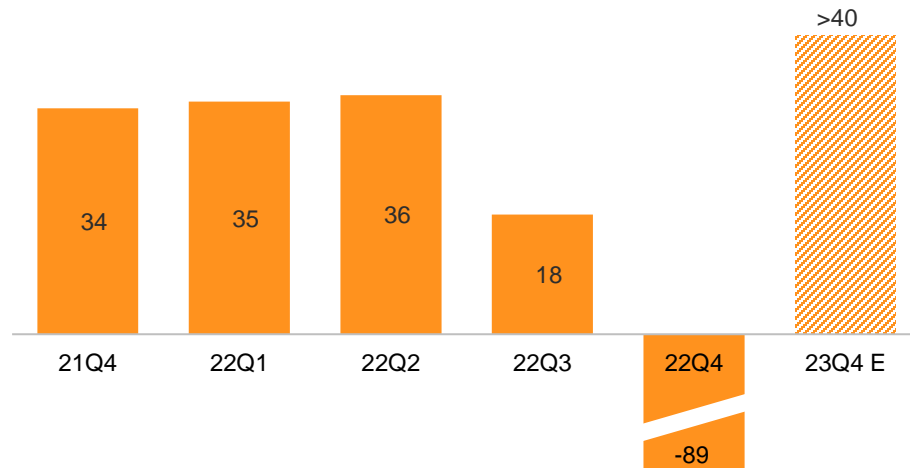
Note: IFRS 9 requires loan loss provisioning to be taken based on future losses according to credit loan loss models. One of the mechanisms of IFRS 9 is that losses for 12 months must be recognised at loan origination, rather than being spread out proportionally over time. As a result, accelerated growth will incur temporary loan loss provisions above the levels of the credit loan loss models.



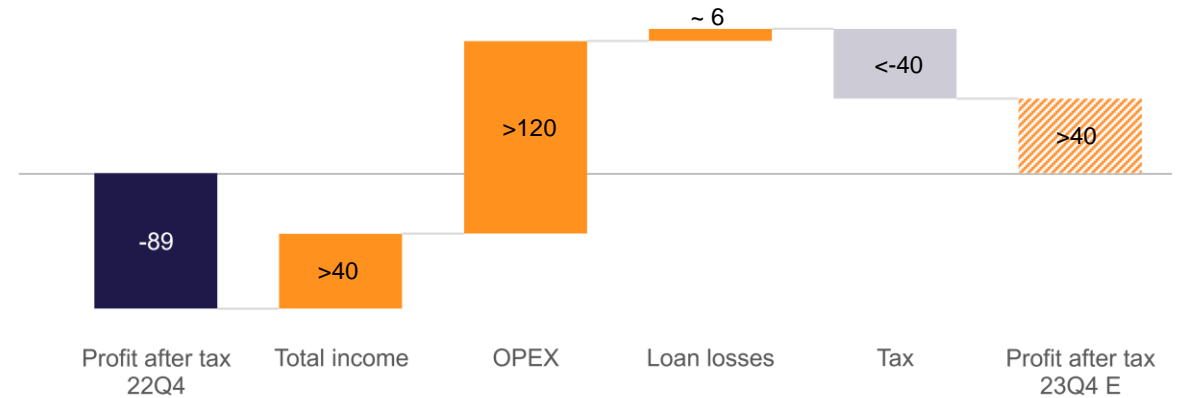


# Investments to increase scale and efficiency influence Q4 2022 profitability

Profit after tax (MNOK)



Breakdown: Profit after tax, Q4 2022 vs Q4 2023 target (MNOK)

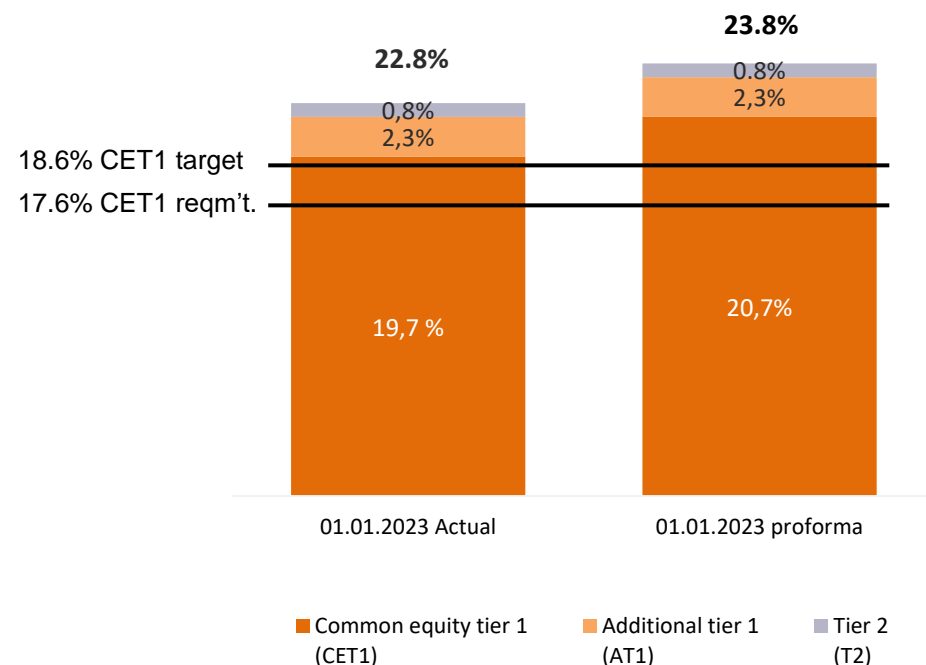


- Accelerated loan growth increases upfront loan loss provisions, while profit contribution is spread over loan lifetime
- Invested in scale in order to deliver attractive returns over time



# Capital situation resolved by equity and tier 2 issue

## Capital situation reported and proforma

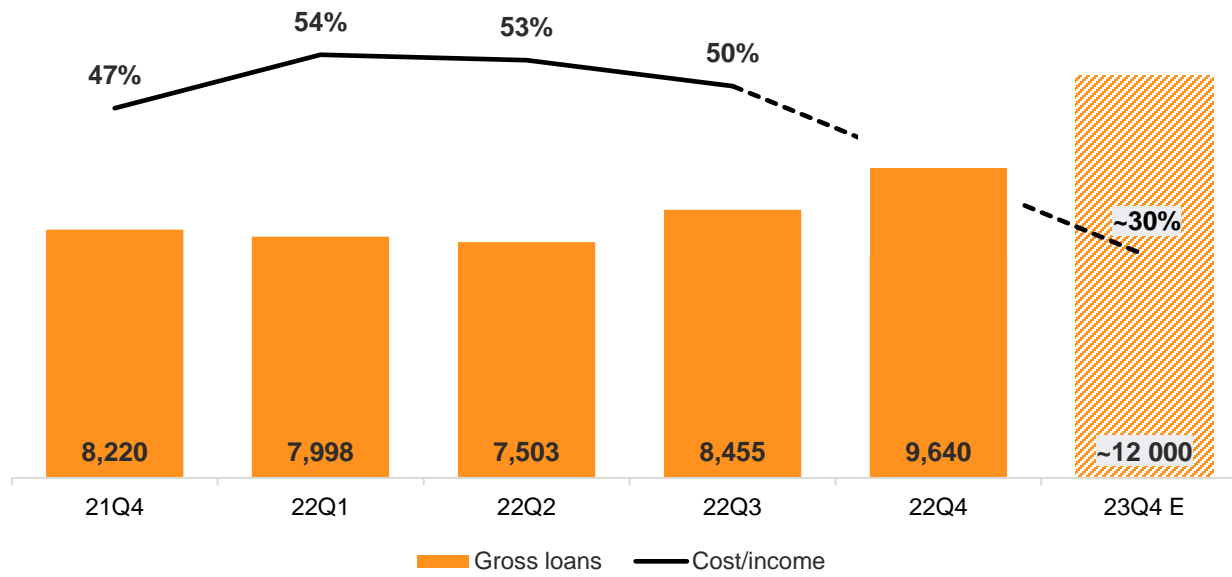


- With regulatory changes (systemic risk buffer) published 16 December 2022, the Bank's capital ratio unexpectedly increased by 1%-point versus the previous guidance
- As scale is required to deliver adequate returns in the mid-term, the Bank is contemplating an equity issue to enable continued profitable growth
- Raising MNOK ~100 in equity would increase the Bank's CET 1 ratio to 20.7% from 19.7% on 1 January 2023
- This will allow for ~20% growth in 2023
- Without a capital raise, the Bank's capital position would allow for only marginal loan growth in 2023
- The bank will continue to optimise its capital structure on an ongoing basis



# Ahead of improvement schedule, accelerating growth and cost efficiency targets

Gross loans (MNOK) and cost/income ratio (%)



21Q3:  
NPL ratio ~23%

NPL ratio <3%

Q4 2023 estimates

- 2023 Loan balance growth  
**~ 20%**
- Cost/income ratio  
**~ 30%**
- Return on target equity  
**~ 10%**



# Key investment highlights

Contemplating capital raise to enable continued profitable growth



## Attractive market opportunity

- A growing BNOK 600 Nordic consumer finance market
- Resilient region during times with global macro-economic challenges

## Strong loan growth

- Gross loan book of BNOK 10, up ~30% since Q2 2022
- New sales volume run-rate at 4x January 2022 level

## Clean balance sheet

- Legacy non-performing loans sold off in Q4 2021 and Q2 2022
- Non-Performing Loan (NPL) ratio reduced from 23% to below 3%
- Lower Probability of Default (PD) and Forward Flow agreements in place

## Right-sized platform

- New and experienced management in place driving the transformation
- Organisational restructuring executed: # FTEs down by ~40% y-o-y
- IT transformation initiated: targeting 40% cost reduction mid-term

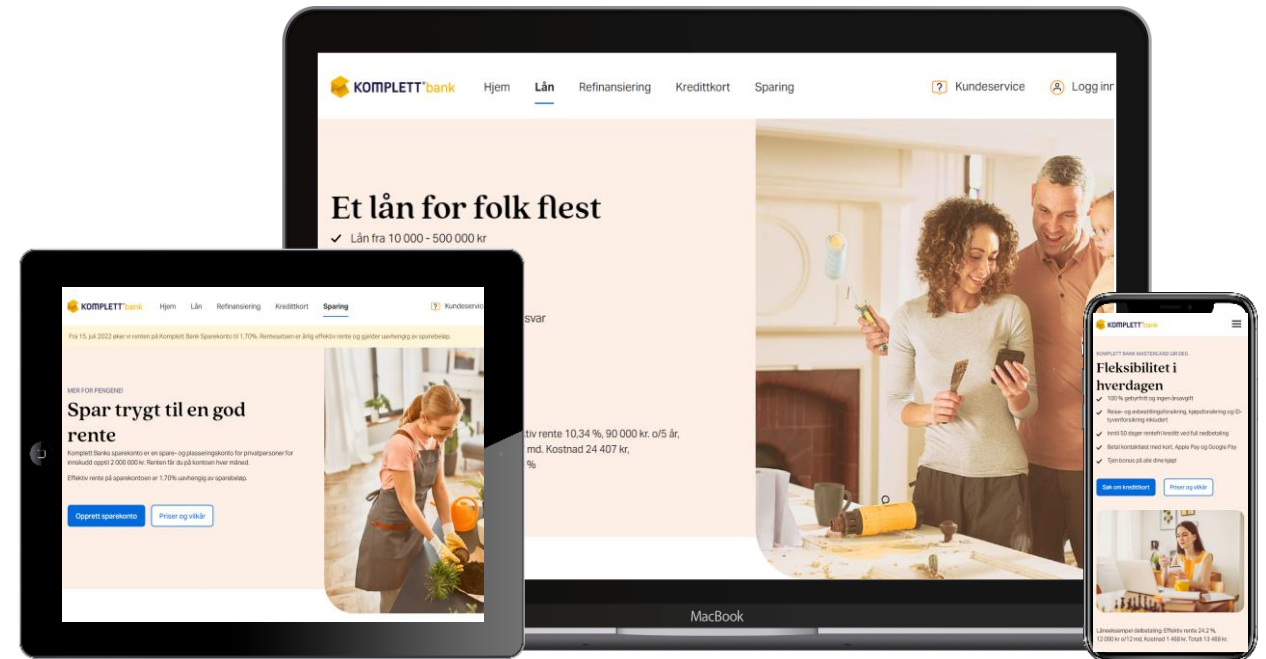
## On track to improve returns

- Ahead of communicated growth and efficiency ambitions for 2024
- Targeting ~20% gross loan growth, Cost/Income ratio of ~30% and return on target equity of ~10% in Q4 2023

# Management team

## Board of Directors

## Shareholders



# Experienced, new management team – in place since Q1 2022

## Øyvind Oanes | CEO



Mr. Oanes joined Komplett Bank as CEO in October 2021. Prior to joining the Bank, he was a partner at Exton Consulting, a strategy consulting firm specializing in banking. He has extensive experience from the sector and has held the positions of Group CEO of 4finance, CEO of Swiss fintech firm Numbrs and CEO of Raiffeisen International's multi-country digital bank ZUNO. He was a Managing Director at Austria's Bawag Group and spent several years working for GE Capital. In addition, he has broad experience from various board positions in Austria, Switzerland and Norway. Mr. Oanes holds a bachelor degree in business administration from BI Norwegian Business School and a MSc degree in marketing from the University of Paisley (UK).

## Eirik Holtedahl | CFO



Mr. Holtedahl was appointed as CFO in January 2022. He has previously also held the position as interim CEO (June 2021-September 2021) and director of credit card (2018-2021) in Komplett Bank ASA. Mr. Holtedahl has more than 20 years of experience in consumer finance, credit cards and financial services. Previous positions include Co-Founder, CFO and Deputy CEO in Advanzia Bank, Luxembourg, Co-Founder and VP of Treasury in Bankia Bank ASA and Deputy Director General in the Norwegian Ministry of Finance. Mr. Holtedahl holds a Bachelor of Commerce, Economics and Accountancy from Concordia University (Canada) and an MSc. studies in Economics from the University of Oslo.

## Martin Valland | CTO



Mr. Valland joined the Bank in March 2022. He has an extensive background in the financial services industry. Previous experience includes co-founder and CTO of Monobank/BRABank (now Lea bank) and Chief Software Architect at Skandiabanken (now Sbanken). Mr. Valland holds an MSc in Computer Science from NTNU.

## Wilhelm Thomassen | COO



Thomassen served as Chief Compliance officer from May 2015 until May 2019, at which time he was made Director of Legal and HR. In December 2021 he was appointed as COO. He also served as a board member from December 2012 to May 2015. Previous positions include Director Lean & Business Development at Statoil Fuel and Retail and Department Director of Cards at Santander Consumer Bank. He holds a master's degree in European Business from Royal Holloway University of London and an Executive MBA from the Norwegian School of Economics.

## Annika Ramstedt | CCRO

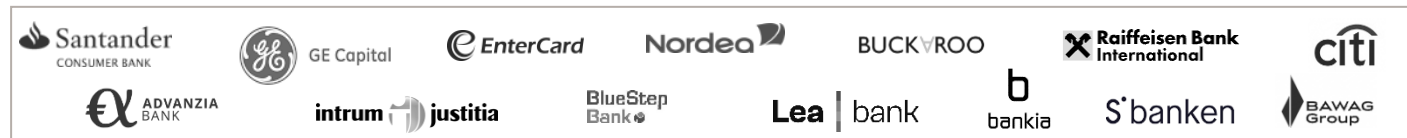


Ramstedt has been with Komplett Bank since early 2017. Before being appointed Director Credit Risk and Collections in June 2019, she worked for a period as Project Director followed by Director Loans Sweden & Finland. She has an extensive background in the Consumer Finance sector in roles such as Head of Personal Loans in Bluestep and Head of Credit Risk Sweden at EnterCard. She holds a BA in Statistics from the University of Stockholm.

## Enok Hanssen | CCO



Mr. Hanssen has been with the company since early 2017 as Director of POS and in June 2019, his responsibilities were expanded to include overseeing consumer loans. He was made CCO in January 2022. Before joining Komplett Bank Hanssen held a number of positions with Intrum Justitia, including Group IT Director Western Europe, Managing Director for Intrum Justitia Italy and Business Development Manager Central Europe. He also held the position of CIO/COO for Buckaroo. Mr. Hanssen holds a BBA from the University of Gothenburg.



# Competent and diligent Board of Directors

## Stig Eide Sivertsen | Chairperson



Mr. Sivertsen has served as independent board member in Komplett Bank ASA since the general meeting of 2018. He was appointed Chairperson of the Board in August 2019. He has broad operational experience from technology, media and finance as well as extensive experience as a board member of listed companies. Sivertsen served as CFO in Schibsted and PGS, was the founder and CEO of Nettavisen and group CEO of Telenor Broadcast Holding AS, in addition to group CEO in Opplysningen (1881) AS. He holds a BA (Hons) Econ and an MSc. from University of Durham (UK) and supplementary Law degree from the University of Bergen.

## Bodil Palma Hollingsæter | Vice chairperson



Mrs. Hollingsæter was elected Vice Chairperson of the Bank in April 2015 and has served on the board since March 2014. Mrs. Hollingsæter currently works as Special Advisor at Innovation Norway and as Vice Chairperson of Teknika AS. She has an extensive banking background on an executive level from positions, such as Director at Innovation Norway, Regional General Manager at Sparebanken Møre and Bank Manager at Romsdals Fellesbank. She also has board experience from companies including Eksportfinans, Kommunekreditt and Kommunalbanken. She holds an MSc. in Business and Economics and an AFA (CEFA equiv.) from the Norwegian School of Economics.

## Anna-Karin Østlie | Board member



Anna-Karin Østlie has broad experience from both the financial and the technology sector. She has served as CEO of Mastercard Payment Services Norway and was part of the management team that sold Nets account to account business to Mastercard in 2019. Her experience includes executive positions in DNB Wealth Management and EY in the Nordics and in London. She has boardroom experience from IT companies Kantega, ShiftX and Norsk Pensjon as well as Advisory Board positions with NCE Finance Innovation and Askeladden & Co. Anna-Karin holds a Master of Science degree in Industrial Engineering and Management from the University of Linköping in Sweden and supplementary executive education from IMD in Lausanne, Switzerland and Stanford University in Palo Alto, United States.

## Nishant Fafalia | Board member



Board Member since February 2021. Mr. Fafalia is Investment Director in Kistefos AS and has worked in Kistefos for 10 years. During that period, he followed up the company's significant involvement as a shareholder in both Norwegian and international banks, and has, among other things, been a member of the board of Advanzia Bank based in Luxembourg and operating in a number of European countries, for the past 4 years. Fafalia also holds a number of board positions in other companies in significant growth.

## Thomas Bjørnstad | Board member



Board member since April 2022. Thomas is CFO in Aera, the payments and ID technology firm founded by tier 1 retailers Coop and NorgesGruppen. Thomas has worked within the financial services, technology, and payment industries for two decades both as a trusted advisor to many companies as managing partner and partner in PA Consulting Group and in executive positions in Nets. Thomas holds a MSc. (Siviløkonom) from the Norwegian School of Economics (NHH).

## Jonna Kyllönen | Board member



Employee elected board member since March 2020. Ms. Kyllönen has been employed in Komplett Bank ASA since November 2016 and currently holds the position as Operations Manager for Customer Service. She has broad experience from the banking sector in Finland and managing customer service operations. Before working in the bank, Kyllönen worked with both individual investments and lending. Ms. Kyllönen holds an MBA from Kajaani University of Applied Sciences and a BBA from Jyväskylä University of Applied Sciences.

# Shareholder overview

## Largest 20 shareholders

#	Shareholder	Shares (thousand)	%
1	Kistefos AS	35,747	19.1%
2	UBS AG	17,493	9.3%
3	Alfab I AS	9,111	4.9%
4	Sparebank 1 Markets AS	8,960	4.8%
5	Skandinaviska Enskilda Banken AB	6,400	3.4%
6	RBC Investor Services Bank S.A.	5,066	2.7%
7	The Bank Of New York Mellon SA/NV	4,946	2.6%
8	BNP Paribas Arbitrage SNC	4,731	2.5%
9	OM Holding AS	4,209	2.2%
10	Melesio Invest AS	3,485	1.9%
11	Directmarketing Invest AS	3,415	1.8%
12	Christiania Skibs AS	3,101	1.7%
13	DNB Bank ASA	2,720	1.5%
14	Obligasjon 2 AS	2,580	1.4%
15	Khaya AS	2,371	1.3%
16	The Bank Of New York Mellon SA/NV	2,012	1.1%
17	Dingja Holding AS	1,860	1.0%
18	Contribute AS	1,621	0.9%
19	Stiftelsen Kistefos-Museets Driftsfond	1,500	0.8%
20	Ursulf AS	1,422	0.8%
<b>Sum top 20</b>		<b>122,753</b>	<b>65.4%</b>
Other shareholders		64,842	34.6%
<b>Total</b>		<b>187,594</b>	<b>100.0%</b>
Shares held by management and the members of the Board of Directors		3,551	1.9%

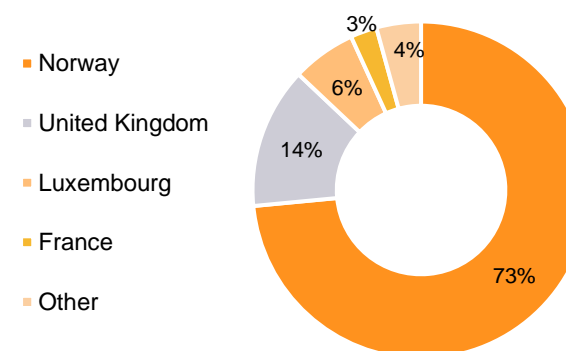
\* Kistefos including ownership through nominees and related parties hold 23.8% of the shares.

Updated as at 10 February 2023

## Management and members of the Board of Directors

Role	Name	Shares (thousand)	Share options (thousand)
COO	Wilhelm B. Thomassen	1,882	358
CFO	Eirik Holtedahl	961	110
CEO	Øyvind Oanes	230	-
CCRO	Annika Ramstedt	128	327
CCO	Enok Hanssen	100	394
Members of the Board of Directors		250	20
<b>Total</b>		<b>3,551</b>	<b>1,209</b>

## Shareholders geographical distribution





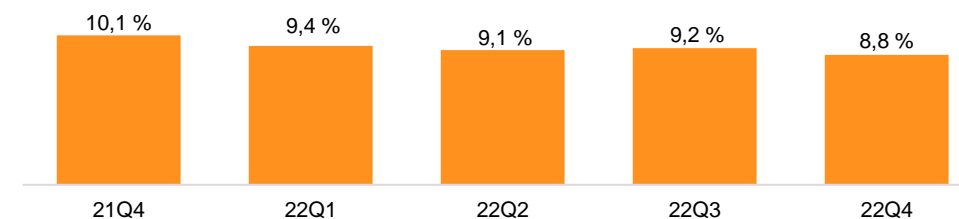
# APPENDIX



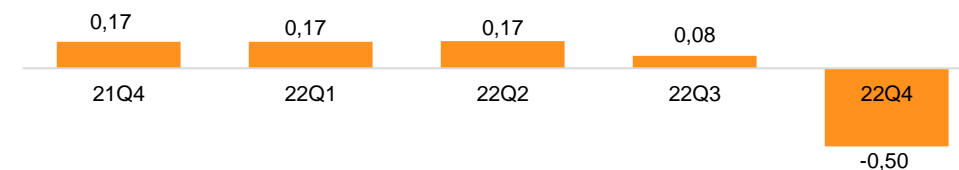
# Profit and loss

<i>Amounts in MNOK</i>	Q4 2022	Q4 2021	2022	2021
Interest income	254.0	239.3	907.0	965.5
Interest expenses	-45.9	-16.9	-113.7	-81.8
<b>Net interest income</b>	<b>208.1</b>	<b>222.4</b>	<b>793.3</b>	<b>883.7</b>
Commission income and fees	15.7	10.9	53.0	51.6
Commission expenses and fees	-12.2	-14.0	-43.3	-62.9
<b>Net commissions and fees</b>	<b>3.5</b>	<b>-3.1</b>	<b>9.8</b>	<b>-11.3</b>
Net gains / losses (-) on certificates and bonds, and currency	8.8	-0.8	-2.1	4.0
<b>Total income</b>	<b>220.3</b>	<b>218.4</b>	<b>800.9</b>	<b>876.4</b>
Personnel expenses	-31.4	-39.0	-133.4	-162.0
General and administrative expenses	-48.3	-35.8	-159.0	-141.2
Other expenses	-10.7	-9.0	-43.1	-34.8
Depreciation	-112.1	-19.4	-171.8	-77.3
<b>Total operating expenses</b>	<b>-202.5</b>	<b>-103.2</b>	<b>-507.3</b>	<b>-415.4</b>
Losses on loans	-135.8	-70.3	-292.1	-739.1
<b>Profit/(loss) before tax</b>	<b>-118.0</b>	<b>45.0</b>	<b>1.6</b>	<b>-278.1</b>
Tax expenses	29.3	-10.7	-0.6	69.4
<b>Profit/(loss) after tax</b>	<b>-88.7</b>	<b>34.3</b>	<b>0.9</b>	<b>-208.7</b>
<b>Earnings per share (NOK)</b>	<b>-0.50</b>	<b>0.17</b>	<b>-0.07</b>	<b>-1.19</b>

## Net interest margin\* (%)



## Earnings per share (NOK)



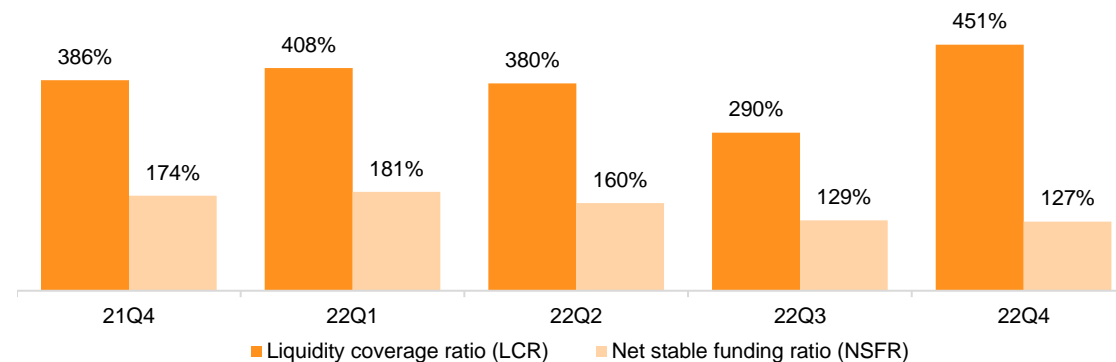
\* Net interest margin (NIM) = 4 \* (Net interest income / Average interest-bearing assets excl. certificates and bonds). Sales provision to agents presented as part of "Interest income" (earlier "Expense commissions and fees") NIM is adjusted for revision of loss model parameters in Q3 2021



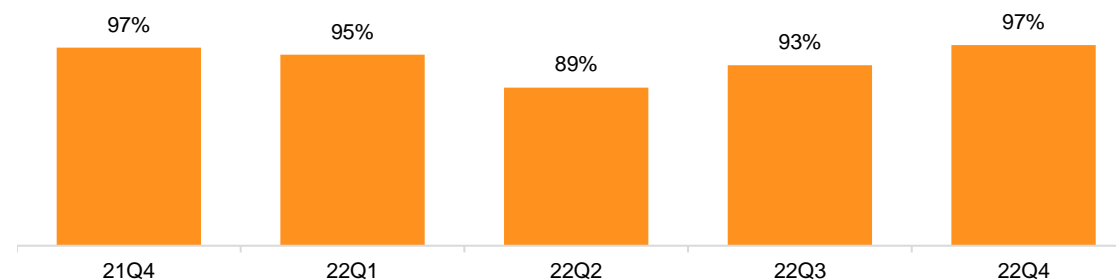
# Balance sheet

<i>Amounts in MNOK</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Assets</b>		
Loans and deposits with credit institutions	807.8	1,301.8
Net loans to customers	9,110.7	7,397.8
Certificates and bonds	1,453.5	882.2
Other intangible assets	45.3	153.5
Deferred tax assets	77.9	73.4
Fixed assets	3.5	9.1
Other receivables	29.2	286.8
<b>Total assets</b>	<b>11,528.0</b>	<b>10,105.5</b>
<b>Equity and liabilities</b>		
Deposits from and debt to customers	9,347.6	7,933.9
Other debt	162.1	142.4
Subordinated loans (Tier 2)	65.0	65.0
Tax payable	-	0.1
<b>Total liabilities</b>	<b>9,574.8</b>	<b>8,141.4</b>
Share capital	187.6	187.1
Share premium reserve	786.7	786.7
Other paid-in equity	56.4	53.8
Retained earnings	723.0	736.9
Additional Tier 1 capital	199.6	199.6
<b>Total equity</b>	<b>1,953.3</b>	<b>1,964.0</b>
<b>Total equity and liabilities</b>	<b>11,528.0</b>	<b>10,105.5</b>

## Liquidity and funding



## Deposit coverage\* (%)



\*Deposit coverage = Deposits from and debt to customers / gross loans to customers



