

Norwegian Finans Holding ASA

Third quarter 2015 results

Third quarter 2015 earnings were 127.9 MNOK, compared with 128.8 MNOK in the second quarter

Norwegian Finans Holding Group

<i>MNOK</i>	Q3 2015	Q2 2015	Change	
Interest income	442.7	408.8	33.9	8 %
Interest expenses	70.0	73.7	-3.7	-5 %
Net interest income	372.7	335.1	37.6	11 %
Commission and bank services income	49.0	42.7	6.3	15 %
Commission and bank services expenses	19.0	19.5	-0.6	-3 %
Net change in value on securities and currency	-21.2	-1.4	-19.8	n/m
Net other operating income	8.8	21.7	-12.9	-59 %
Total income	381.5	356.8	24.7	7 %
Personnel expenses	15.5	11.5	4.0	35 %
General administrative expenses	127.3	115.2	12.2	11 %
Ordinary depreciation	3.2	3.2	-0.0	-1 %
Other operating expenses	6.4	4.5	1.9	43 %
Total operating expenses	152.4	134.4	18.1	13 %
Provision for loan losses	53.9	46.0	7.9	17 %
Profit before tax	175.2	176.4	-1.3	-1 %
Tax charge	47.3	47.6	-0.3	-1 %
Profit after tax	127.9	128.8	-0.9	-1 %
Earnings per share NOK (annualized)	2.95	2.98		

- Net interest income driven by strong loan growth and lower funding costs.
- Net fee income boosted by increased credit card activity.
- 19.5 MNOK in unrealized securities losses due to sharply higher credit spreads. Partial reversal seen in the fourth quarter.
- Increase in personnel expenses due to seasonal accrual effect in the second quarter.
- Increased administrative expenses mainly due to higher marketing costs.
- Stable provision levels.
- ROE at 35.6 %*.

* Bank Norwegian AS

Earnings in Sweden were 14.5 MNOK, an increase of 3.7 MNOK compared with the second quarter

Norwegian Finans Holding Group

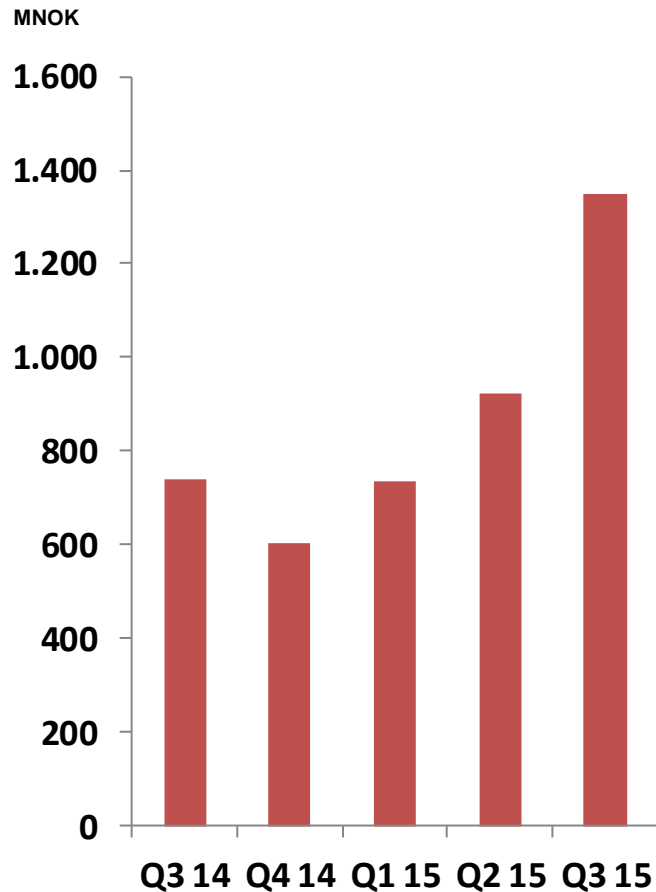
Key figures	Norway			Sweden*		
	Q3 15	Q2 15	Δ	Q3 15	Q2 15	Δ
<i>MNOK</i>						
Net interest income	290.0	268.0	21.9	82.7	67.1	15.6
Net fee income	24.5	18.0	6.4	5.6	5.1	0.6
Gain/-loss on securities and currency	-21.4	-2.7	-18.6	0.2	1.3	-1.2
Sales and marketing expenses	63.1	59.5	3.6	39.4	34.0	5.5
Other operating expenses	41.3	33.2	8.1	8.6	7.7	0.9
Provision for loan losses	33.3	29.0	4.3	20.6	17.0	3.6
Profit after tax	113.3	118.0	-4.6	14.5	10.8	3.7
Liquid assets	2,740	3,062	-322	301	251	50
Net loans to customers	9,377	8,631	747	2,935	2,372	564
Intangible assets	25	23	1	18	18	-0
Deposits from customers	8,957	8,590	367	2,729	2,283	446

- Strong underlying earnings growth in Norway
- Earnings in Sweden driven by loan growth.
- Mainly group provisions in Sweden.

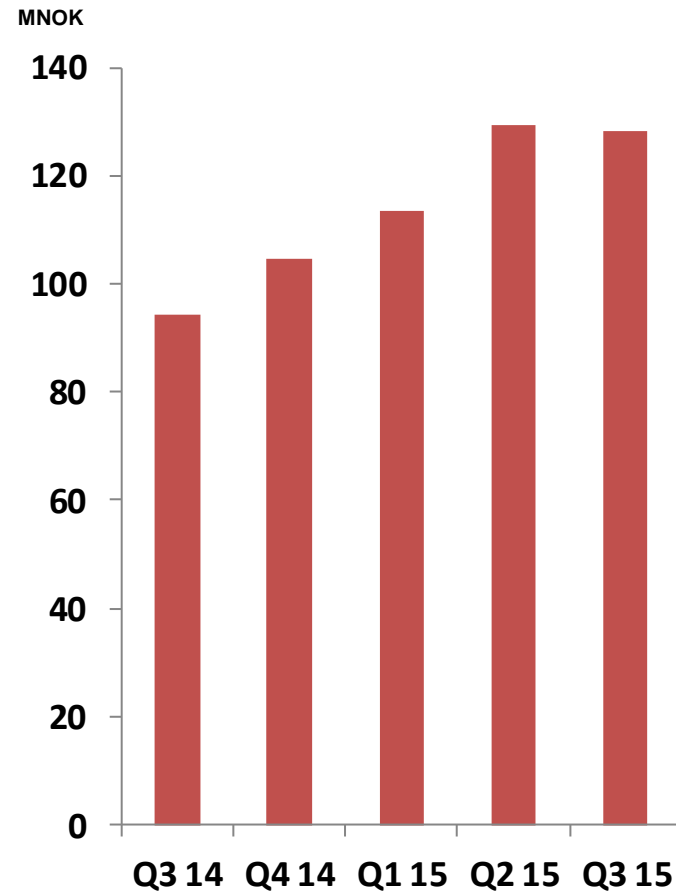
* No allocation of overhead expenses.

Strong loan and core earnings growth

Quarterly loan growth

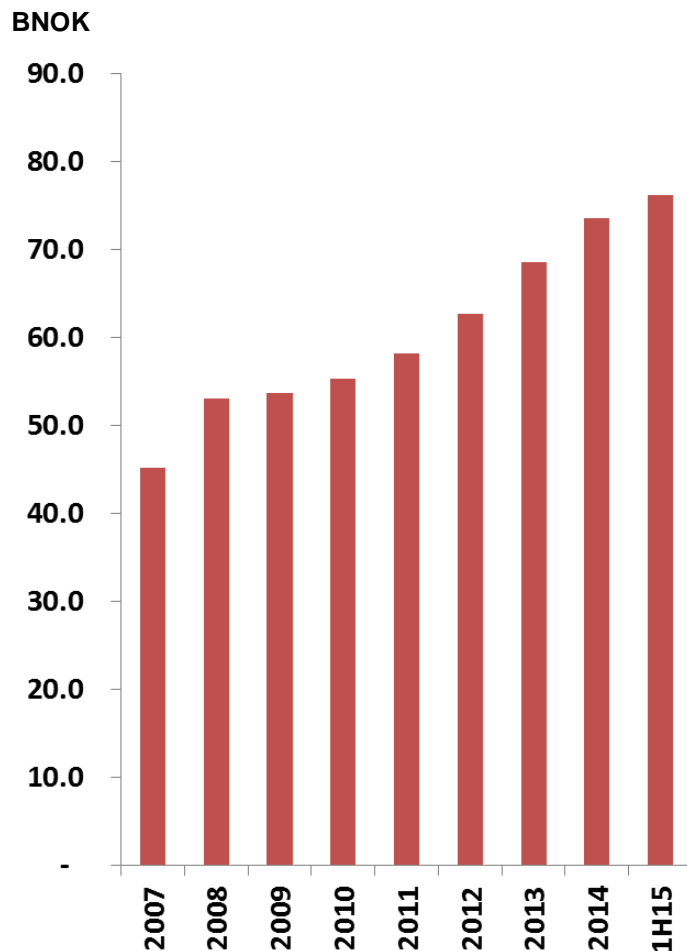


Quarterly earnings

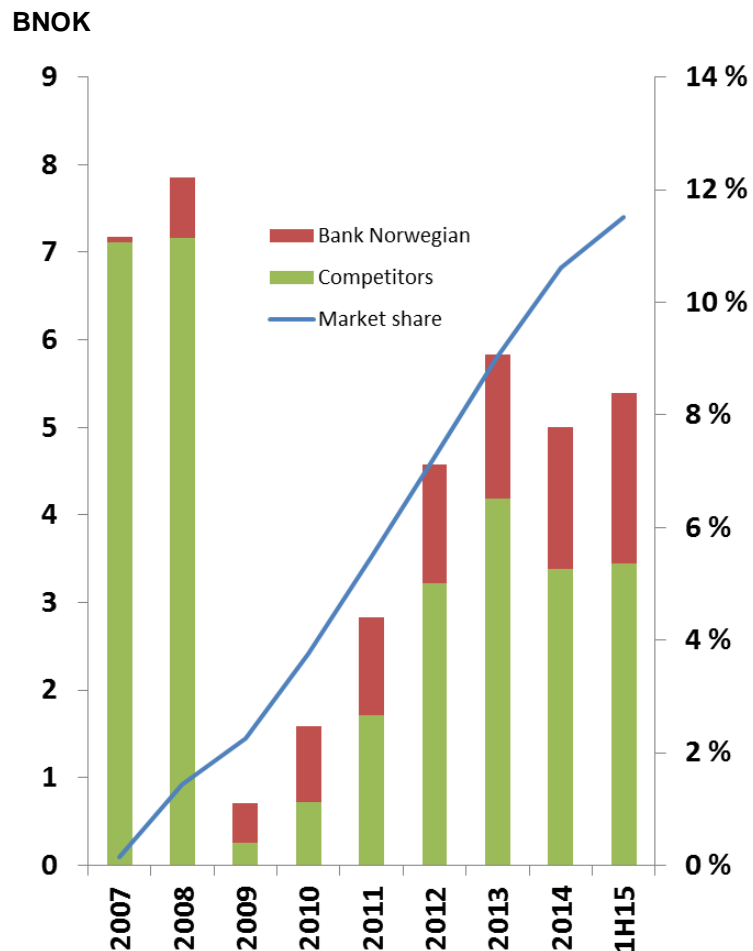


Rising market share in Norway

Total unsecured loans

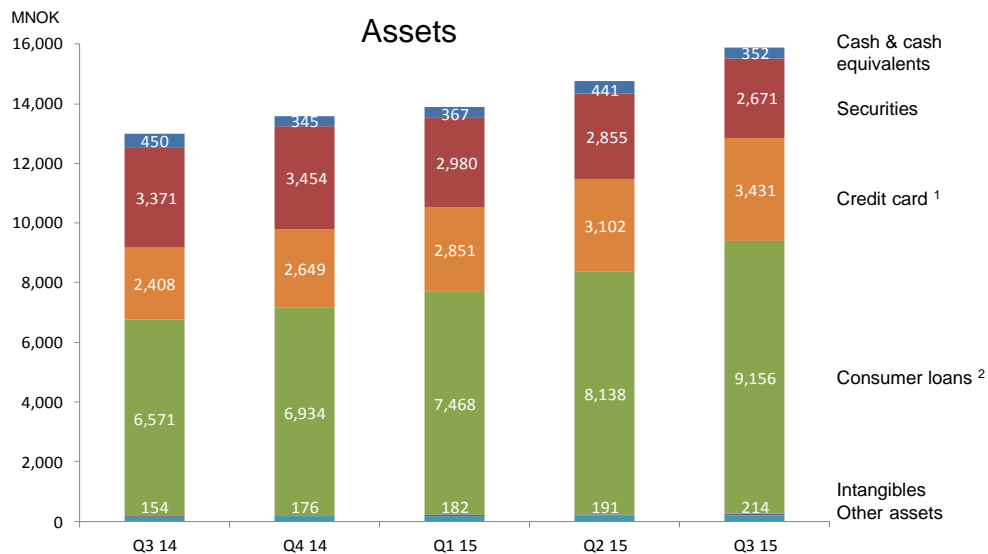


Market growth and market share

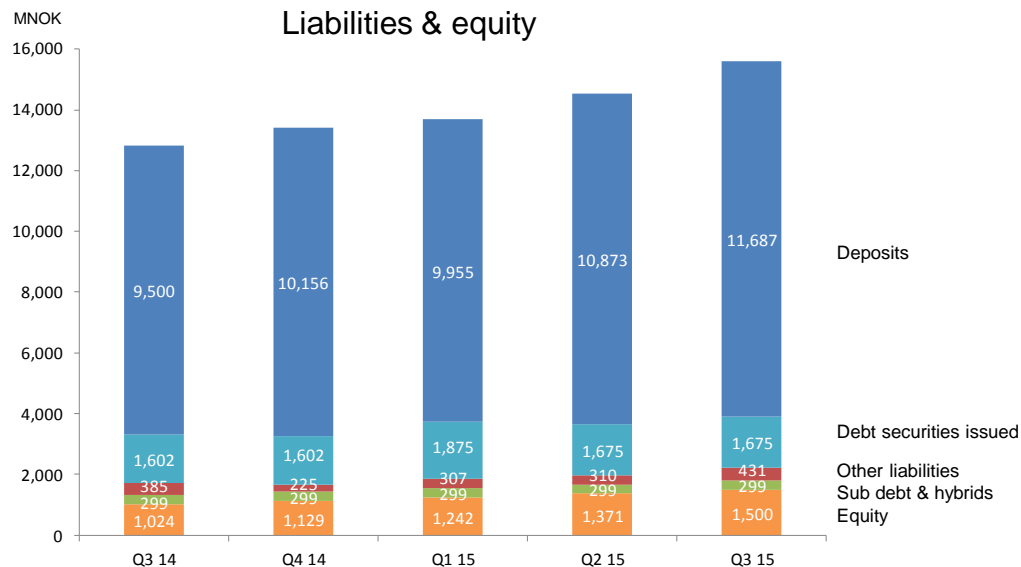


Source: The financial supervisory authority of Norway, adjusted for Bank Norwegian's Swedish loan portfolio. First half 2015 annualized growth figures.

Strong balance sheet

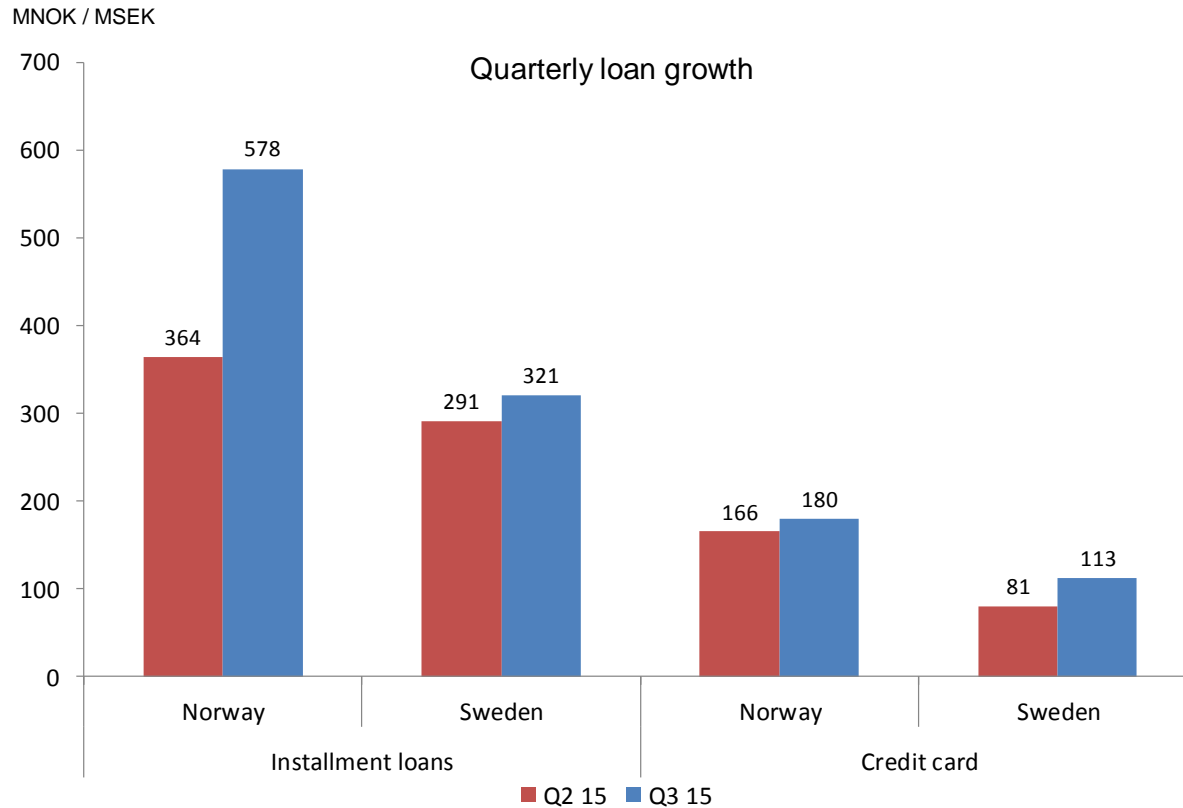


- Total gross loans increased 1,347 MNOK, compared with 922 MNOK in the second quarter.
- Installment loans rose 1,018 MNOK and credit card loans grew 329 MNOK.
- Installment loan run-off 632 MNOK, compared with 591 MNOK in the second quarter.



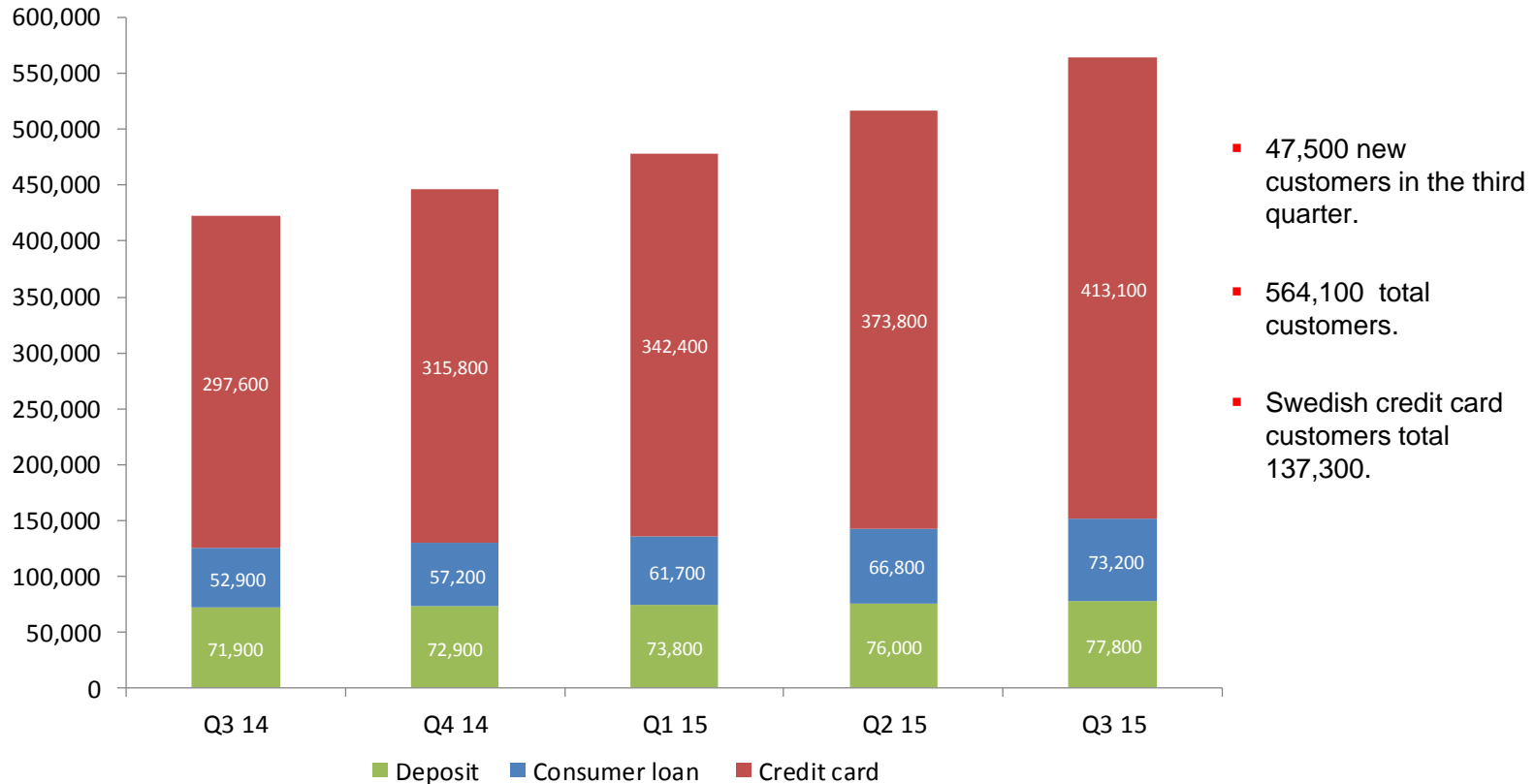
- Liquid assets comprise 19 % of total assets.
- Deposits up 813 MNOK.
- Deposits to loans ratio 0.95.
- LCR 248%.
- NSFR 136%.

Strong loan growth



Rapid customer growth

Number of customers



Quarterly balance sheet

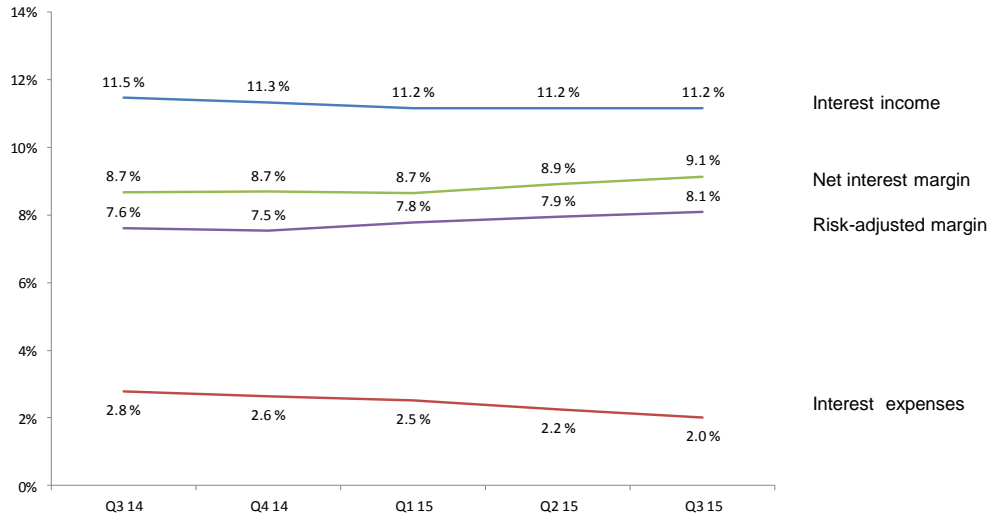
Norwegian Finans Holding Group

<i>MNOK</i>	30.9.15		30.6.15		Change	
Assets						
Deposits with Norges Bank	56	0 %	56	0 %	0	0 %
Loans and deposits with credit institutions	313	2 %	402	3 %	-89	-22 %
Loans to customers	12,313	79 %	11,002	76 %	1,310	12 %
Certificates and bonds	2,671	17 %	2,855	20 %	-183	-6 %
Shares and other securities	0	0 %	0	0 %	-	0 %
Other intangible assets	41	0 %	40	0 %	1	2 %
Deferred tax asset	2	0 %	2	0 %	0	7 %
Fixed assets	1	0 %	1	0 %	-0	-11 %
Other assets	213	1 %	189	1 %	24	13 %
Total assets	15,610	100 %	14,547	100 %	1,063	7 %
Liabilities and equity						
Deposits from customers	11,687	75 %	10,873	75 %	813	7 %
Debt securities issued	1,675	11 %	1,675	12 %	-0	0 %
Taxes payable	137	1 %	89	1 %	47	53 %
Other liabilities	34	0 %	25	0 %	9	38 %
Accrued expenses and unearned income received	262	2 %	196	1 %	65	33 %
Subordinated debt	299	2 %	299	2 %	0	0 %
Total liabilities	14,093	90 %	13,158	90 %	935	7 %
Share capital	173	1 %	173	1 %	0	0 %
Share premium	150	1 %	150	1 %	0	0 %
Retained earnings	1,194	8 %	1,066	7 %	128	12 %
Total equity	1,517	10 %	1,389	10 %	128	9 %
Total liabilities and equity	15,610	100 %	14,547	100 %	1,063	7 %

Stable yields and margins

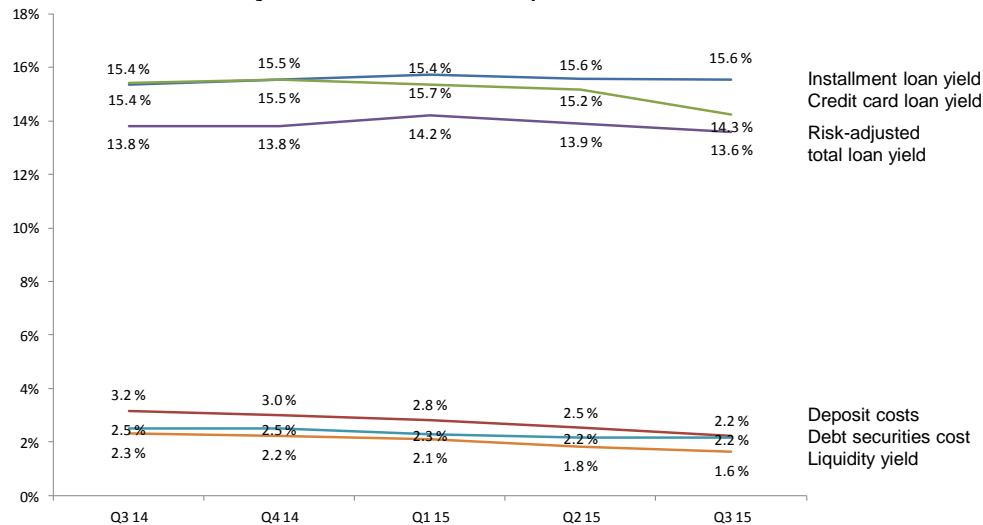
Norway

Margins as a % of average assets



- Higher margins driven by improved asset utilization and lower interest expense.
- Lower credit card yield driven by loan growth and higher payments.
- Deposit rates lowered twice in the third quarter.

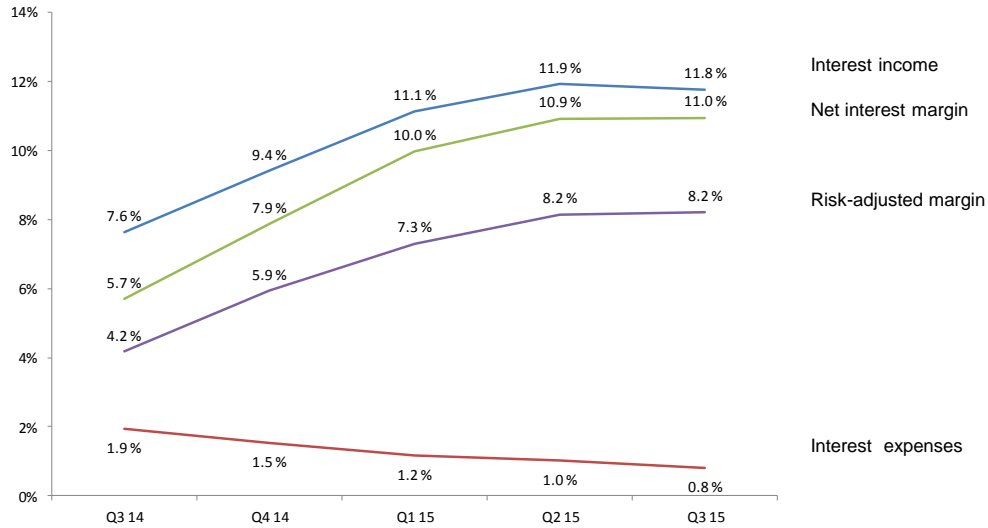
Asset yield and cost of deposits



Stable yields and margins

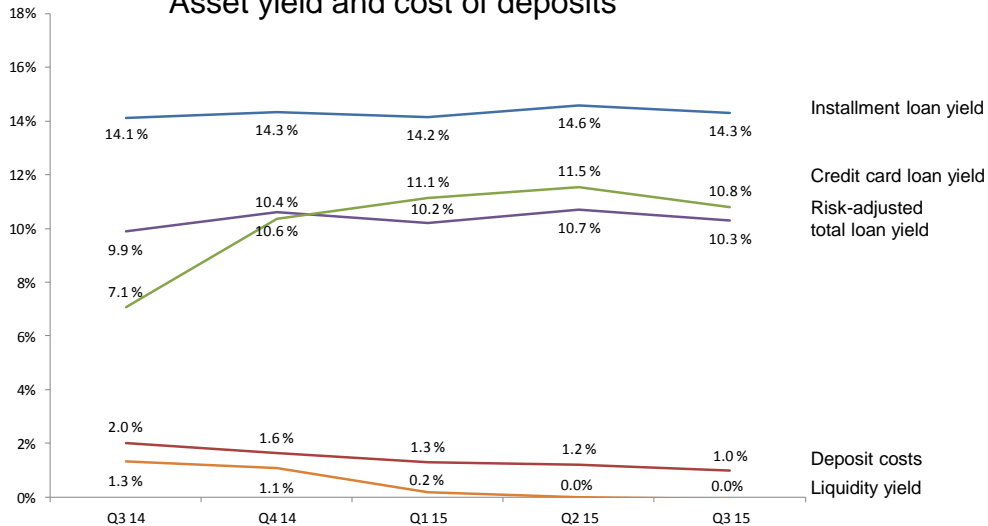
Sweden

Margins as a % of average assets

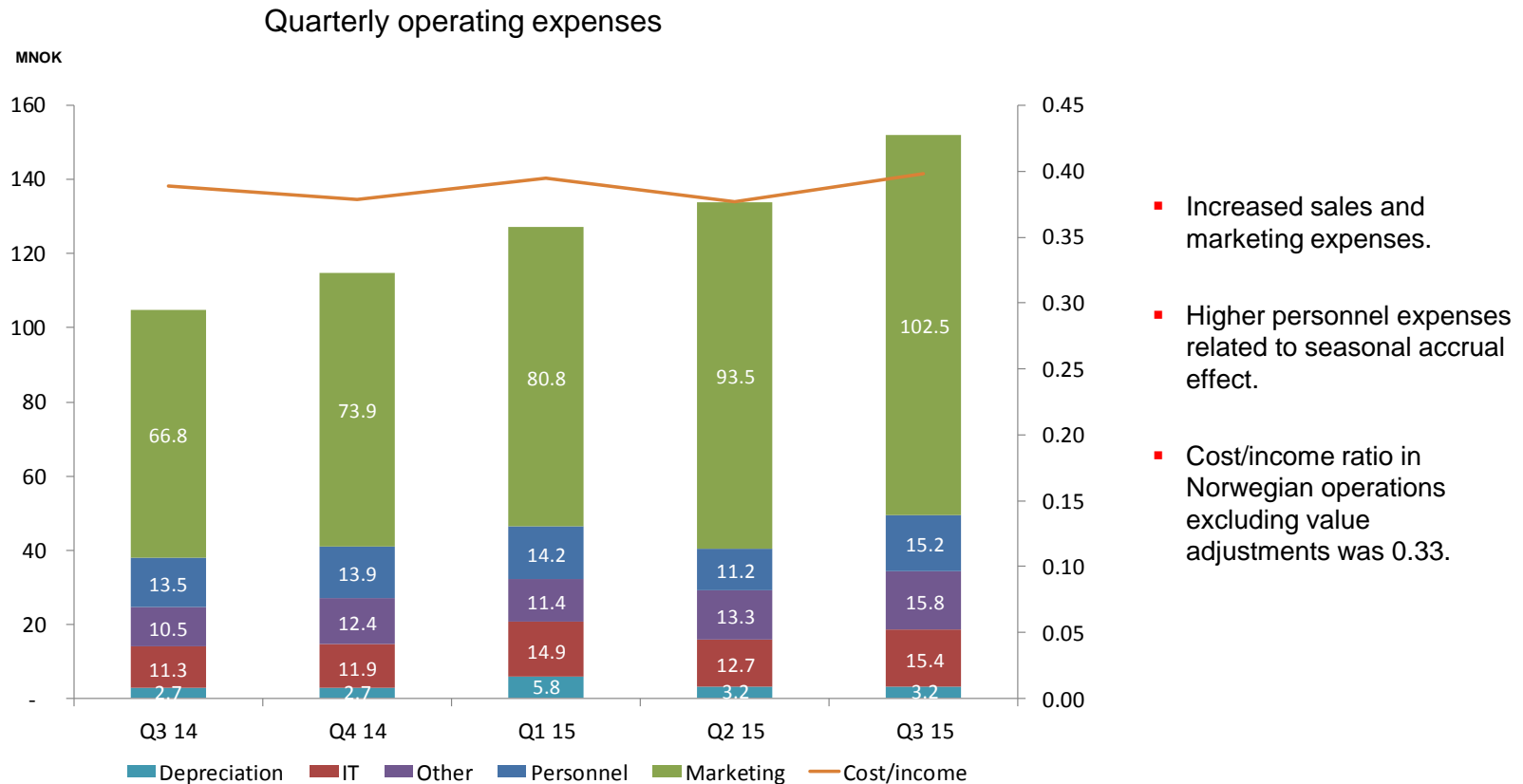


- Credit card yield impacted by interest free incentives.
- Deposit rates reduced in the third quarter.

Asset yield and cost of deposits



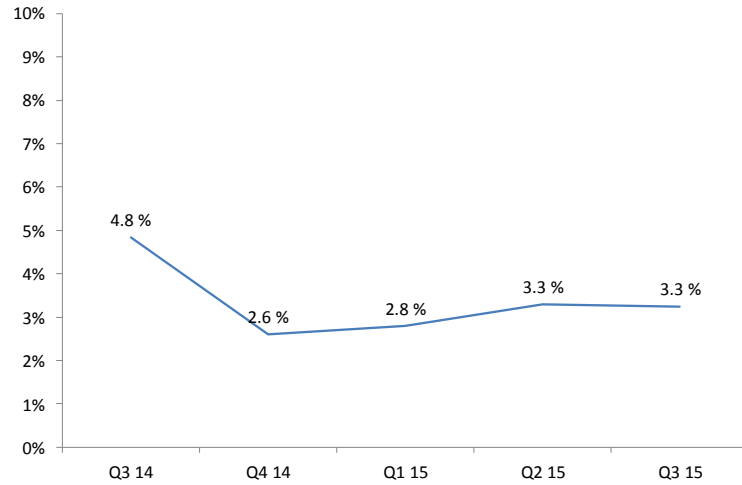
High operating efficiency



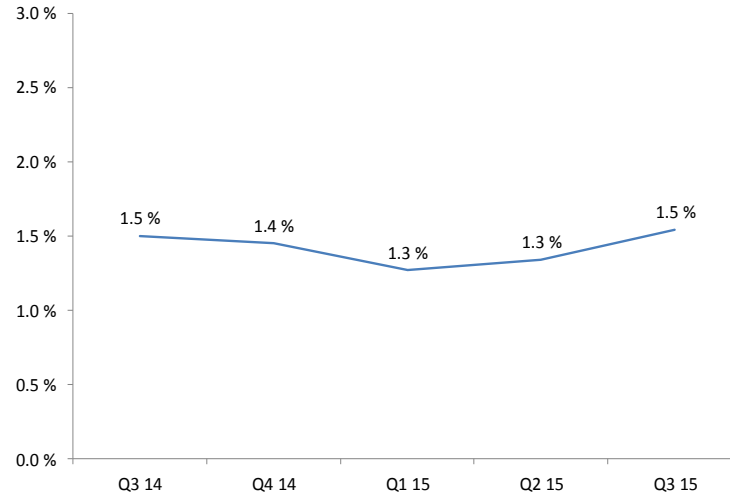
Strong credit metrics

Consumer loans

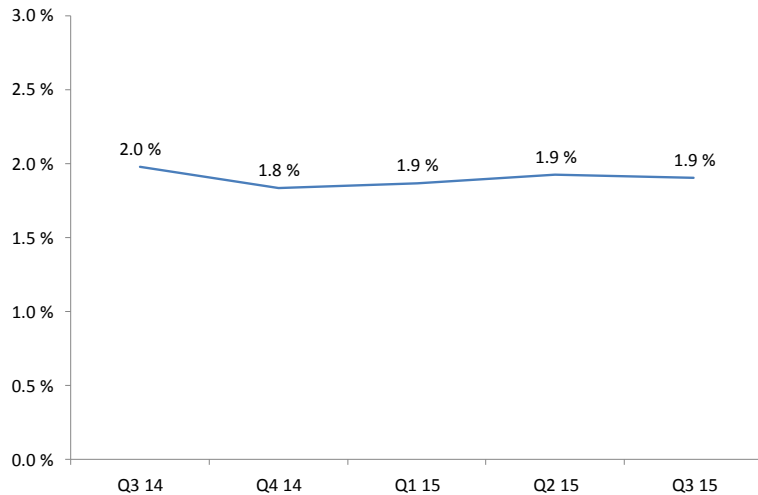
Non-performing loans to loans



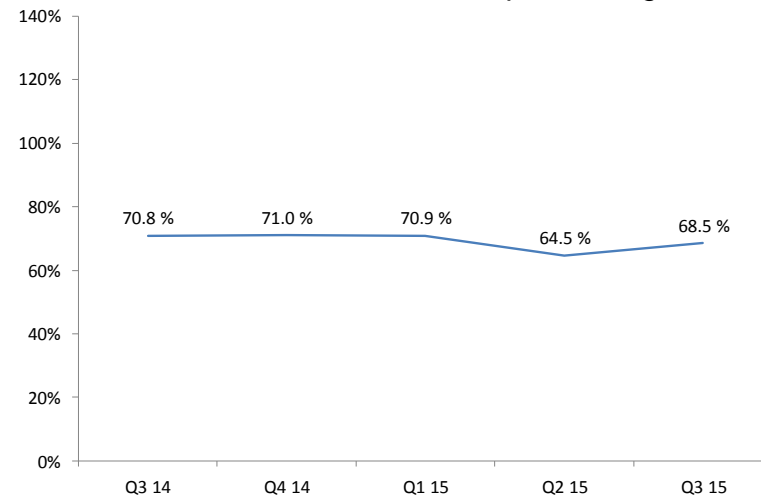
Loan loss provisions to average loans



Loan loss allowance to loans



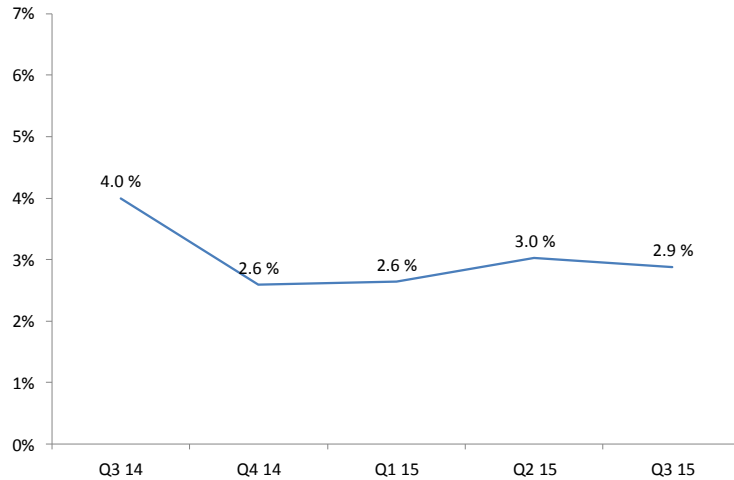
Loan loss allowance to non-performing loans



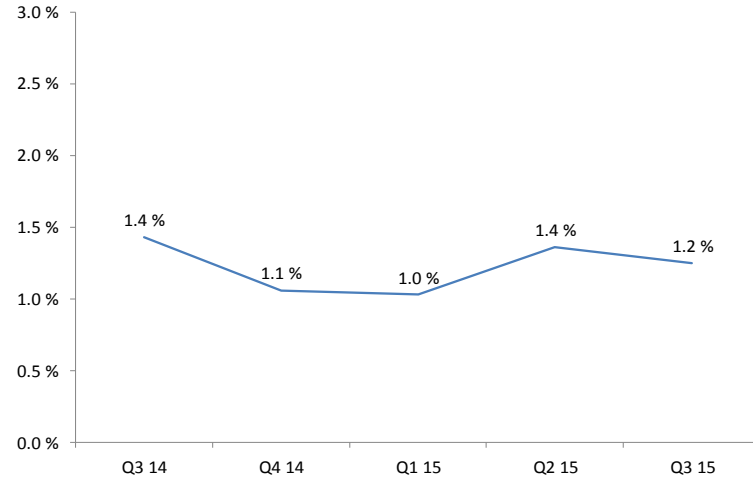
Strong credit metrics

Credit card loans

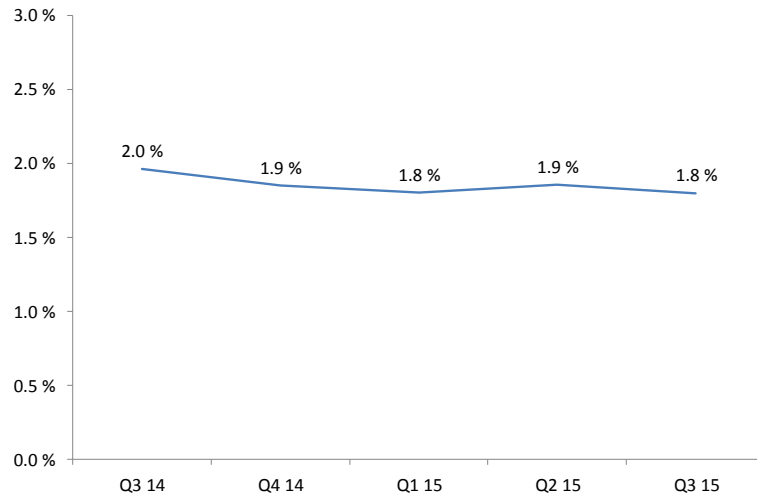
Non-performing loans to loans



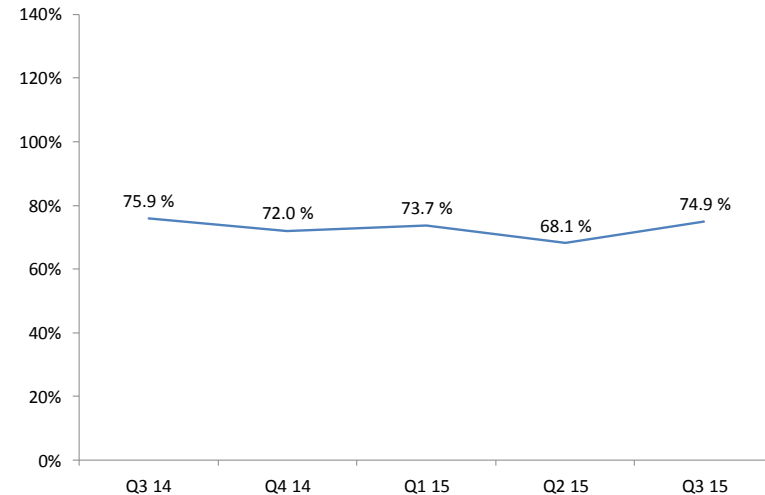
Loan loss provisions to average loans



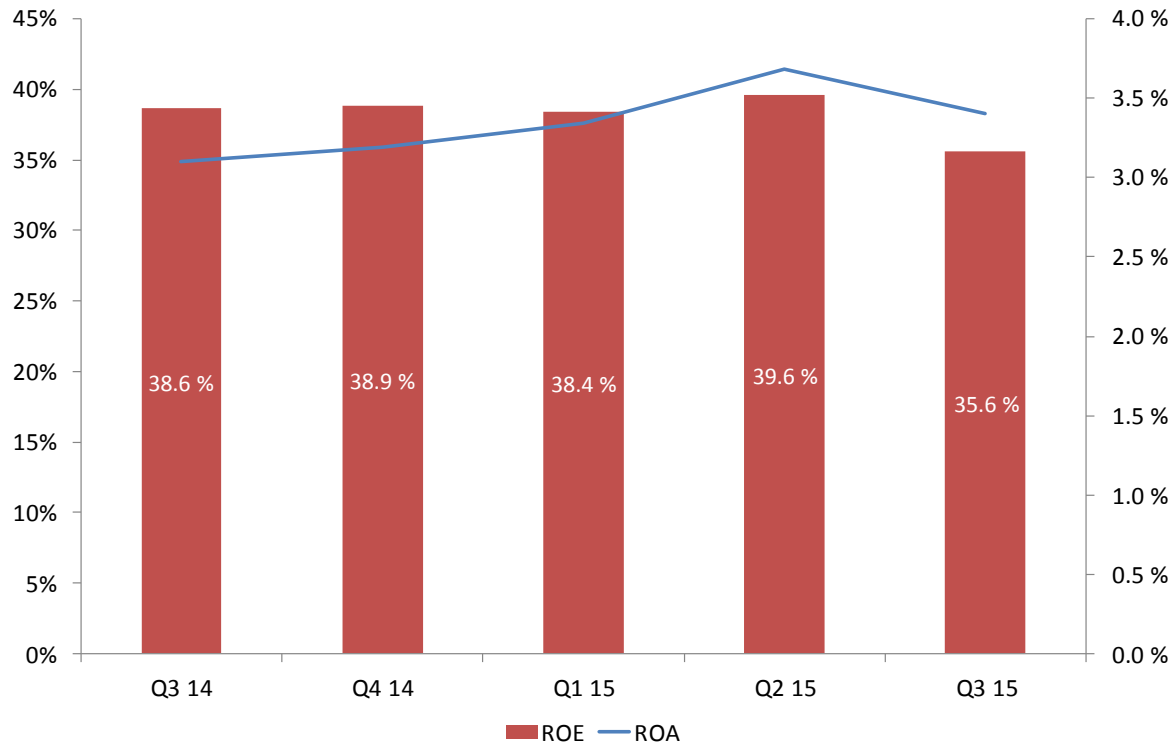
Loan loss allowance to loans



Loan loss allowance to non-performing loans



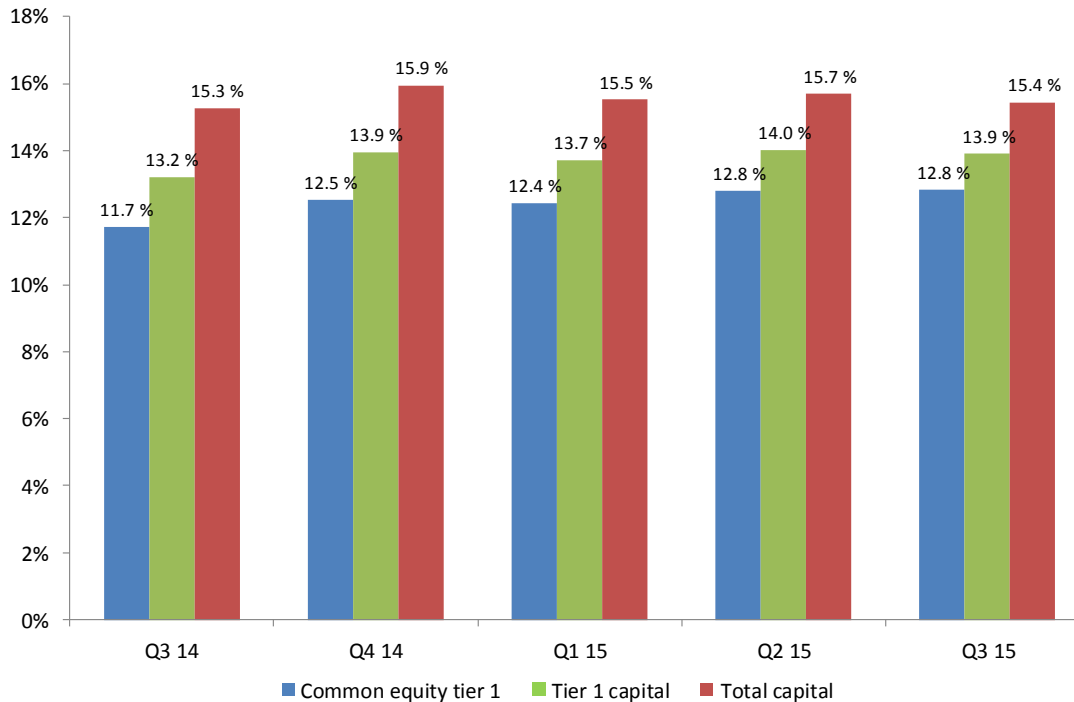
High profitability



- ROE excluding value adjustments was 39.9%.
- ROA Swedish operations at 1.93% compared to 1.75% in the second quarter.

High risk absorption capacity

Capital ratios



- Strong common equity tier 1 ratio of 12.8%.
- Leverage ratio equals 9.3%.
- Ample capital for growth.

Well positioned for continued earnings growth

Earnings growth and strong returns

- Continued strong loan growth
- Stable margins
- Cost-efficient operations
- Stable provisions
- Launch of operations in Denmark and Finland on track for the first quarter 2016

Stable credit quality

- Resilient economies in Norway and Sweden
- Enhanced credit models
- Stable portfolio risk

Strong and resilient balance sheet

- Strong liquidity position
- Diversification of funding base
- Strong capital generation and capital ratios
- Ample capital for growth

Top 20 shareholders

SHAREHOLDER	# OF SHARES	
1 NORWEGIAN AIR SHUTTLE	34,638,941	20.00 %
2 GOLDMAN SACHS & CO - NOM	14,999,999	8.66 %
3 LAGUAN AS	12,871,013	7.43 %
4 BORAK AS	8,580,454	4.95 %
5 STENSHAGEN INVEST AS	7,420,379	4.28 %
6 MP PENSJON PK	6,041,800	3.49 %
7 SPENCER TRADING INC	6,038,450	3.49 %
8 SOCIETE GENERALE - NOM	6,000,000	3.46 %
9 SWEDBANK ROBUR NORDENFOND	5,000,000	2.89 %
10 SWEDBANK ROBUR SMÅBOLAGSFOND	5,000,000	2.89 %
11 PROTECTOR FORSIKRING	4,510,000	2.60 %
12 SNEISUNGEN AS	3,720,333	2.15 %
13 TORSTEIN TVENGE	3,500,000	2.02 %
14 HANDELSBANKEN NORGE	3,396,418	1.96 %
15 SONGA AS	2,000,000	1.15 %
16 ERIK JENSEN	1,656,686	0.96 %
17 VEVLEN GÅRD AS	1,536,621	0.89 %
18 DIRECTMARKETING INVEST	1,500,000	0.87 %
19 LITHINON AS	1,250,000	0.72 %
20 PÅL SVENKERUD	1,190,381	0.69 %
Top 20	130,851,475	75.55 %
Total	173,194,710	

- Norwegian Finans Holding ASA registered on the NOTC-list with ticker code BANK.
- Management holds 3.4 % of shares outstanding.

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