

Norwegian Finans Holding ASA

Second quarter 2015 results

Second quarter 2015 earnings were 128.8 MNOK, an increase of 15.5 MNOK compared with the first quarter

Norwegian Finans Holding Group

<i>MNOK</i>	Q2 2015	Q1 2015	Change	
Interest income	408.8	379.8	29.0	8 %
Interest expenses	73.7	78.2	-4.5	-6 %
Net interest income	335.1	301.6	33.5	11 %
Commission and bank services income	42.7	39.1	3.6	9 %
Commission and bank services expenses	19.5	16.2	3.3	21 %
Net change in value on securities and currency	-1.4	-2.4	1.0	-41 %
Other income	0.0	0.0	0.0	0 %
Net other operating income	21.7	20.5	1.2	6 %
Total income	356.8	322.1	34.7	11 %
Personnel expenses	11.5	14.5	-3.0	-21 %
General administrative expenses	115.2	103.0	12.1	12 %
Ordinary depreciation	3.2	5.8	-2.6	-44 %
Other operating expenses	4.5	4.2	0.3	7 %
Total operating expenses	134.4	127.5	6.8	5 %
Provision for loan losses	46.0	39.3	6.7	17 %
Profit before tax	176.4	155.2	21.2	14 %
Tax charge	47.6	41.9	5.7	14 %
Profit after tax	128.8	113.3	15.5	14 %
Earnings per share NOK (annualized)	2.98	2.62		

- Net interest income driven by strong loan growth and lower funding costs.
- Higher fee income despite one-off related to profit sharing on ancillary services in the first quarter.
- Net loss on securities in the Norwegian portfolio.
- Increased administrative expenses due to higher marketing costs.
- Stable provision levels.
- ROE stable at 39.6 %*.

* Bank Norwegian AS

Earnings in Norway were 118.0 MNOK, compared with 108.9 MNOK in the first quarter

Norwegian Finans Holding Group

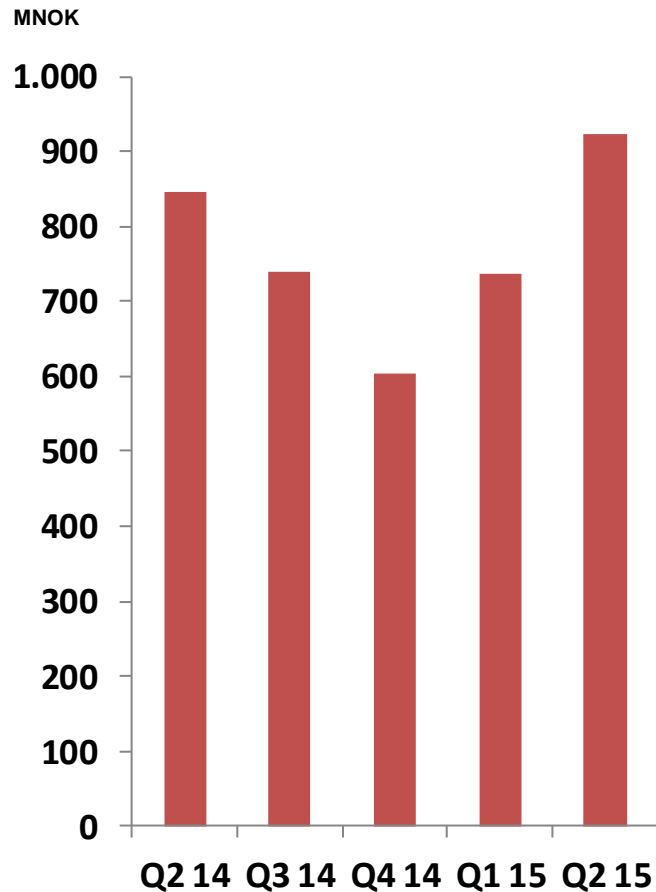
Key figures	Norway			Sweden*		
	Q2 15	Q1 15	Δ	Q2 15	Q1 15	Δ
<i>MNOK</i>						
Net interest income	268.0	247.2	20.9	67.1	54.5	12.6
Net fee income	18.0	18.5	-0.5	5.1	4.4	0.7
Gain/-loss on securities and currency	-2.7	-2.7	0.0	1.3	0.4	1.0
Sales and marketing expenses	59.5	52.9	6.6	34.0	27.9	6.0
Other operating expenses	33.2	36.1	-2.9	7.7	10.6	-2.9
Provision for loan losses	29.0	24.8	4.2	17.0	14.5	2.5
Profit after tax	118.0	108.9	9.1	10.8	4.5	6.4
Liquid assets	3,062	3,119	-58	251	241	10
Net loans to customers	8,631	8,116	515	2,372	1,998	374
Intangible assets	23	22	1	18	16	2
Deposits from customers	8,590	8,029	561	2,283	1,927	357

- Earnings in Norway driven by loan growth and lower funding cost.
- Earnings in Sweden driven by loan growth.
- Lower other operating expenses due to non-recurring items in the first and second quarter.
- Mainly group provisions in Sweden.

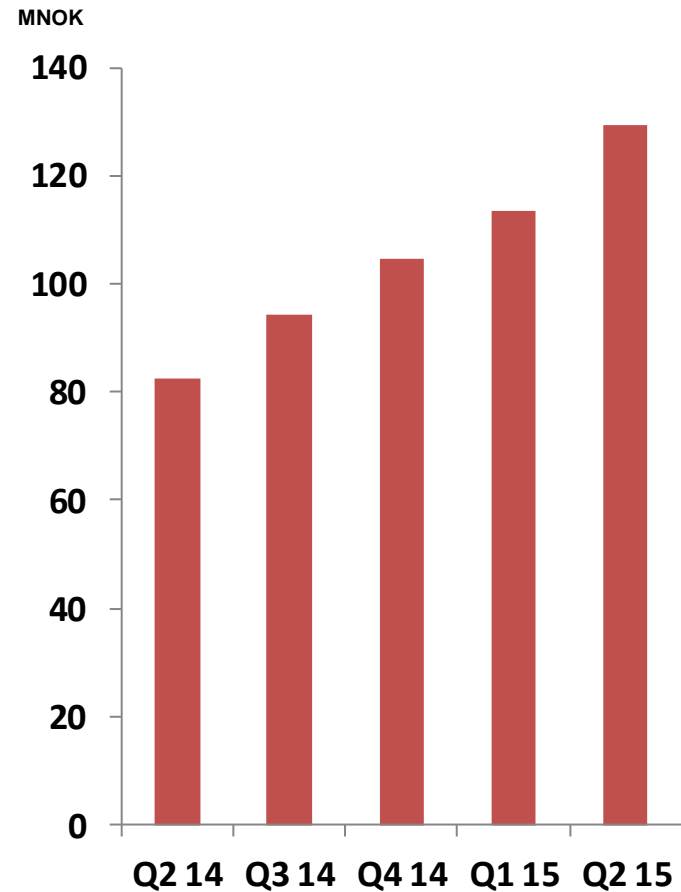
* No allocation of overhead expenses.

Strong loan and earnings growth

Quarterly loan growth

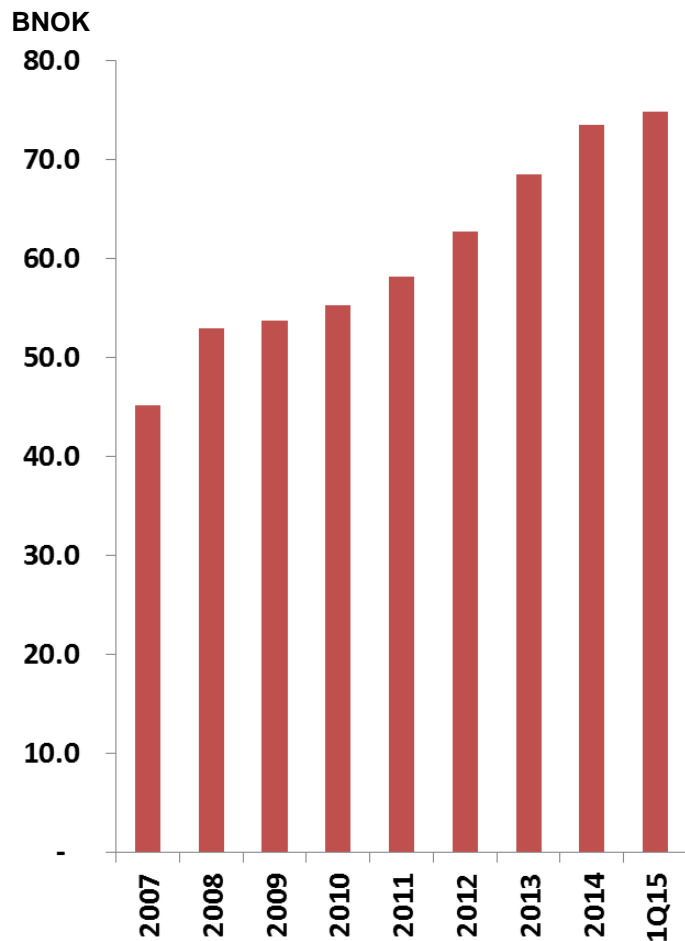


Quarterly earnings

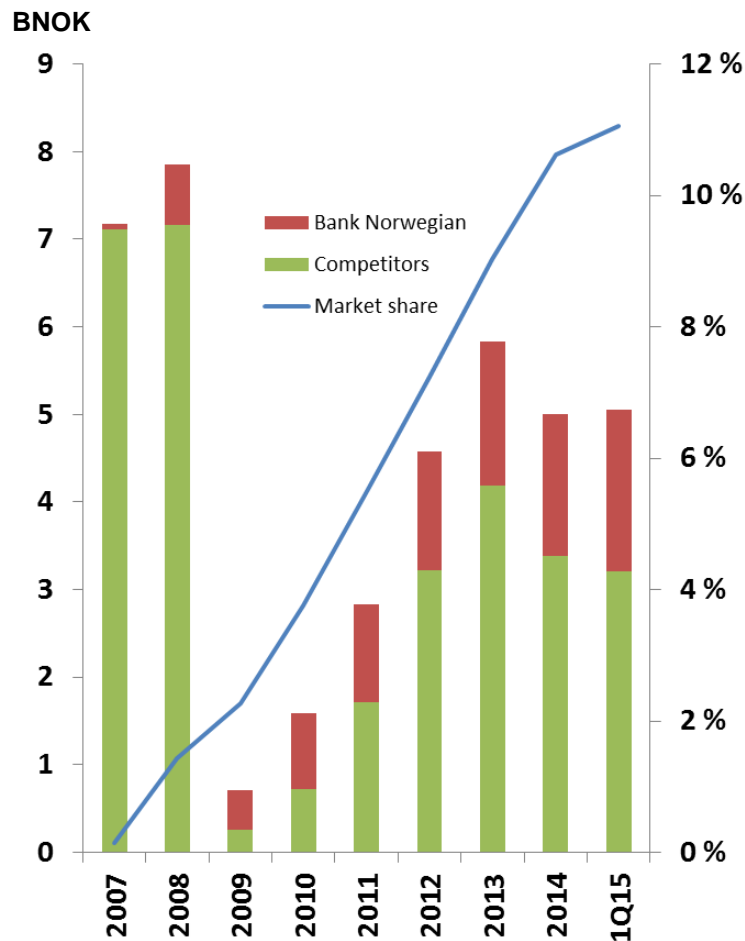


Rising market share in Norway

Total unsecured loans

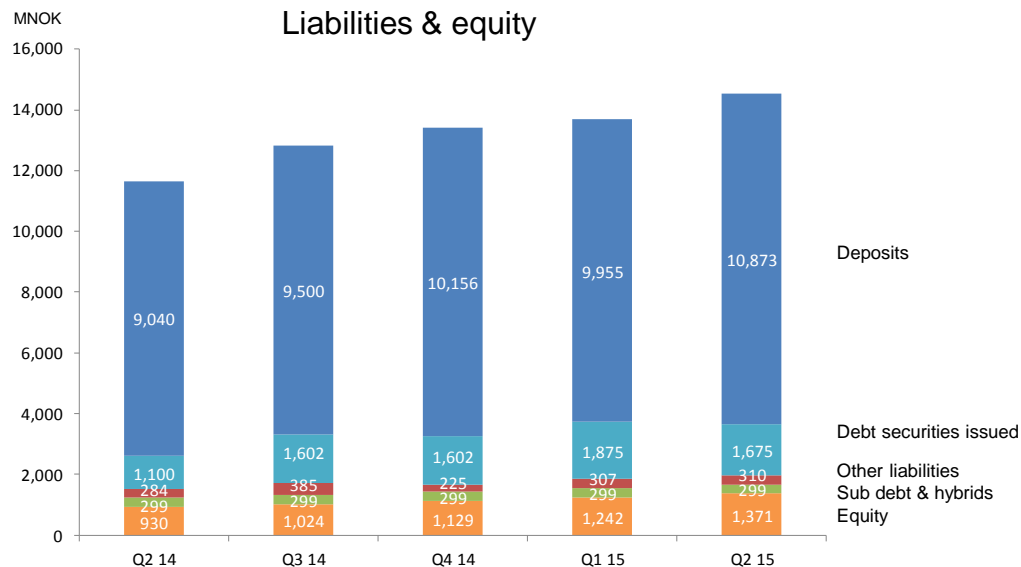
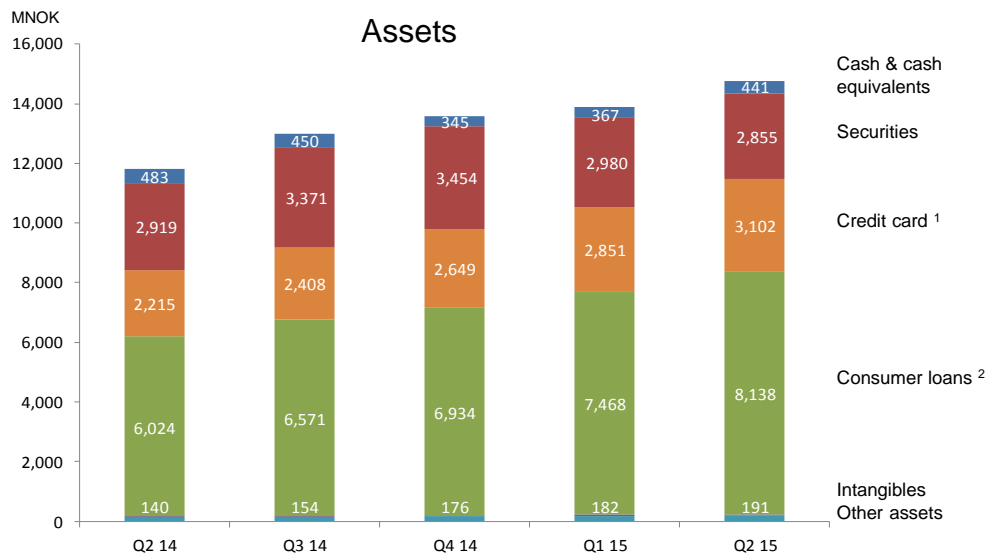


Market growth and market share



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

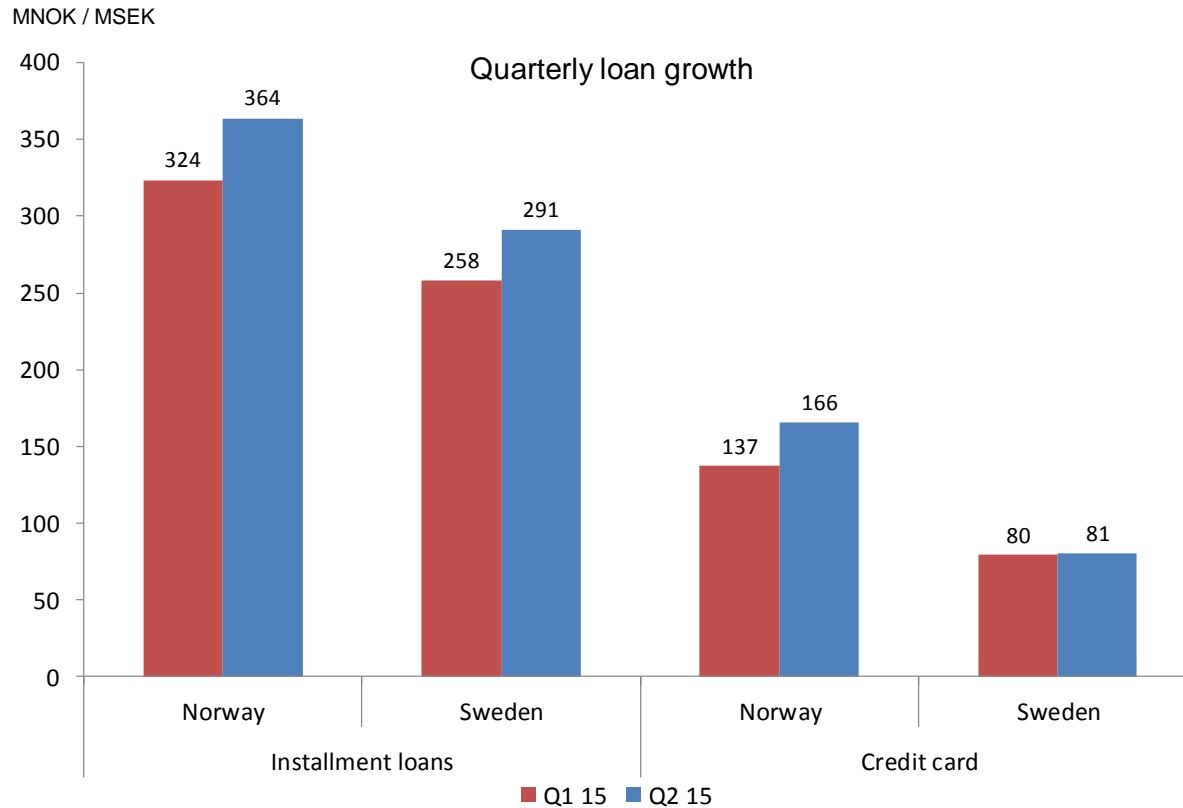
Strong balance sheet



- Total gross loans increased 922 MNOK, compared with 735 MNOK in the first quarter.
- Installment loans rose 670 MNOK and credit card loans grew 252 MNOK.
- Installment loan run-off 591 MNOK, compared with 547 MNOK in the first quarter.
- Liquid assets comprise 23 % of total assets.
- Deposits up 918 MNOK.
- Redemption of 200 MNOK senior debt securities.
- Deposits to loans ratio 0.99.
- LCR 312%
- NSFR 139%

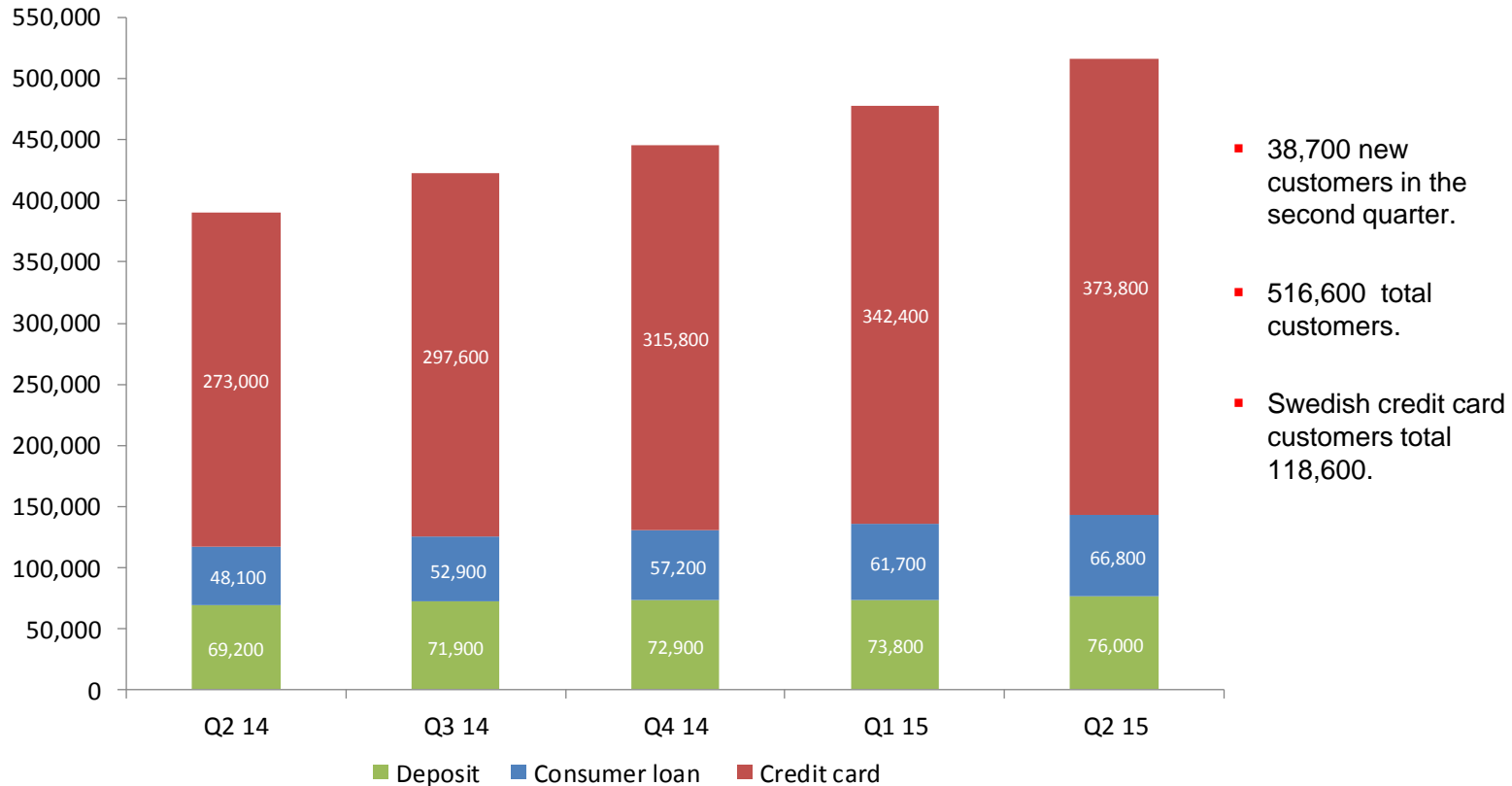
¹ Includes sales financing
² Includes personal lines of credit

Strong loan growth



Rapid customer growth

Number of customers



Quarterly balance sheet

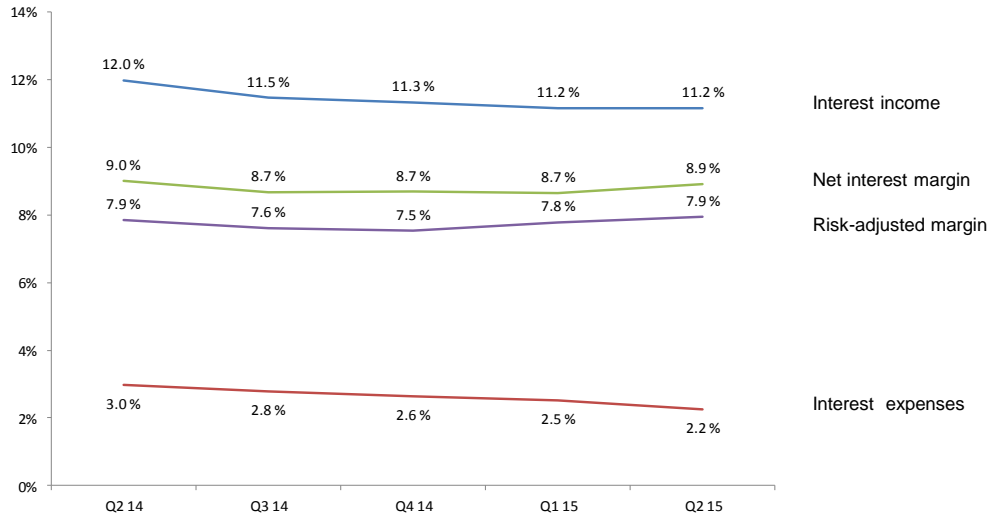
Norwegian Finans Holding Group

<i>MNOK</i>	30.6.15		31.3.15		Change	
Assets						
Deposits with Norges Bank	56	0 %	59	0 %	-3	-5 %
Loans and deposits with credit institutions	402	3 %	321	2 %	81	25 %
Loans to customers	11,002	76 %	10,113	74 %	889	9 %
Certificates and bonds	2,855	20 %	2,980	22 %	-125	-4 %
Shares and other securities	0	0 %	0	0 %	-	0 %
Other intangible assets	40	0 %	37	0 %	3	8 %
Deferred tax asset	2	0 %	1	0 %	0	9 %
Fixed assets	1	0 %	1	0 %	-0	-10 %
Other assets	189	1 %	180	1 %	9	5 %
Total assets	14,547	100 %	13,694	100 %	854	6 %
Liabilities and equity						
Deposits from customers	10,873	75 %	9,955	73 %	918	9 %
Debt securities issued	1,675	12 %	1,875	14 %	-200	-11 %
Taxes payable	89	1 %	127	1 %	-37	-29 %
Other liabilities	25	0 %	23	0 %	2	9 %
Accrued expenses and unearned income received	196	1 %	160	1 %	37	23 %
Subordinated debt	299	2 %	299	2 %	0	0 %
Total liabilities	13,158	90 %	12,438	91 %	719	6 %
Share capital	173	1 %	173	1 %	0	0 %
Share premium	150	1 %	145	1 %	5	4 %
Retained earnings	1,066	7 %	937	7 %	129	14 %
Total equity	1,389	10 %	1,255	9 %	134	11 %
Total liabilities and equity	14,547	100 %	13,694	100 %	854	6 %

Stable yields and margins

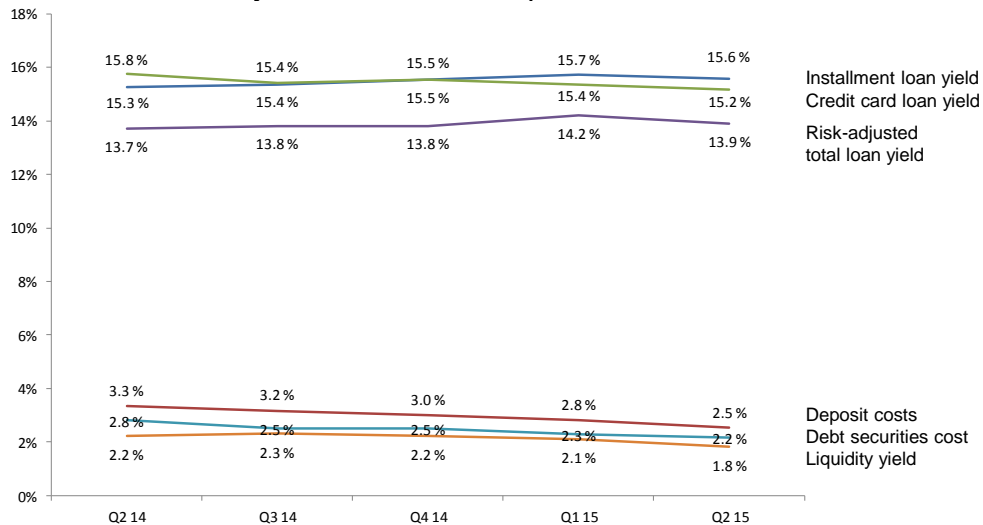
Norway

Margins as a % of average assets



- Deposit rates lowered at the end of the first quarter.
- Further rate reductions in the third quarter.

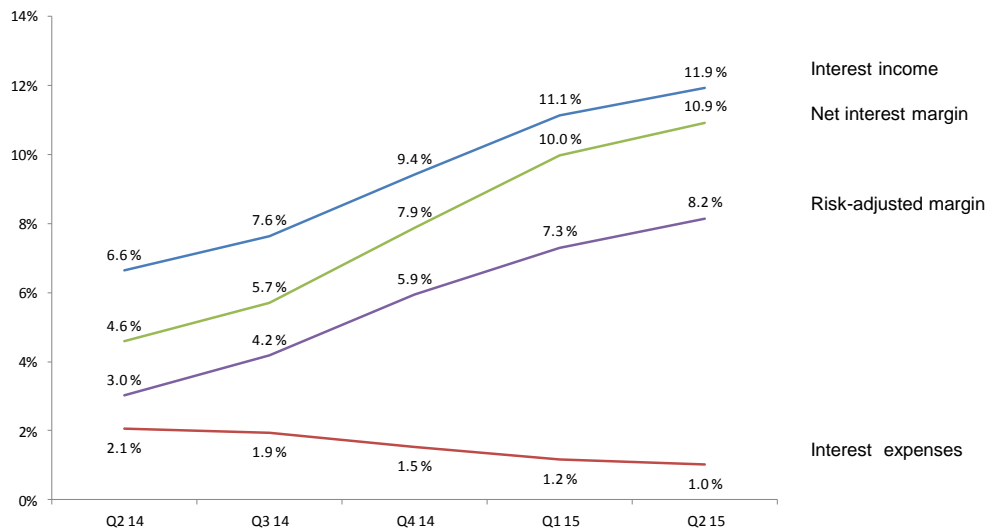
Asset yield and cost of deposits



Higher margins

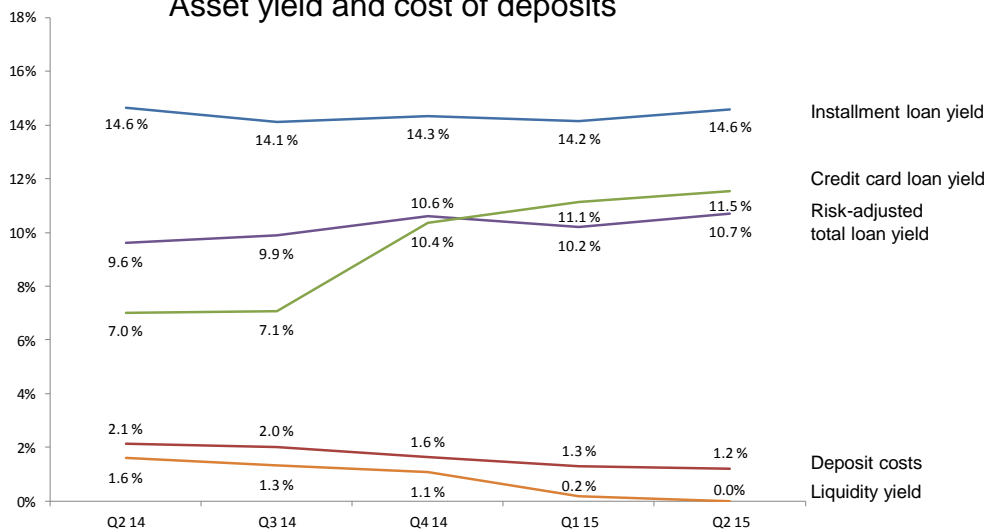
Sweden

Margins as a % of average assets

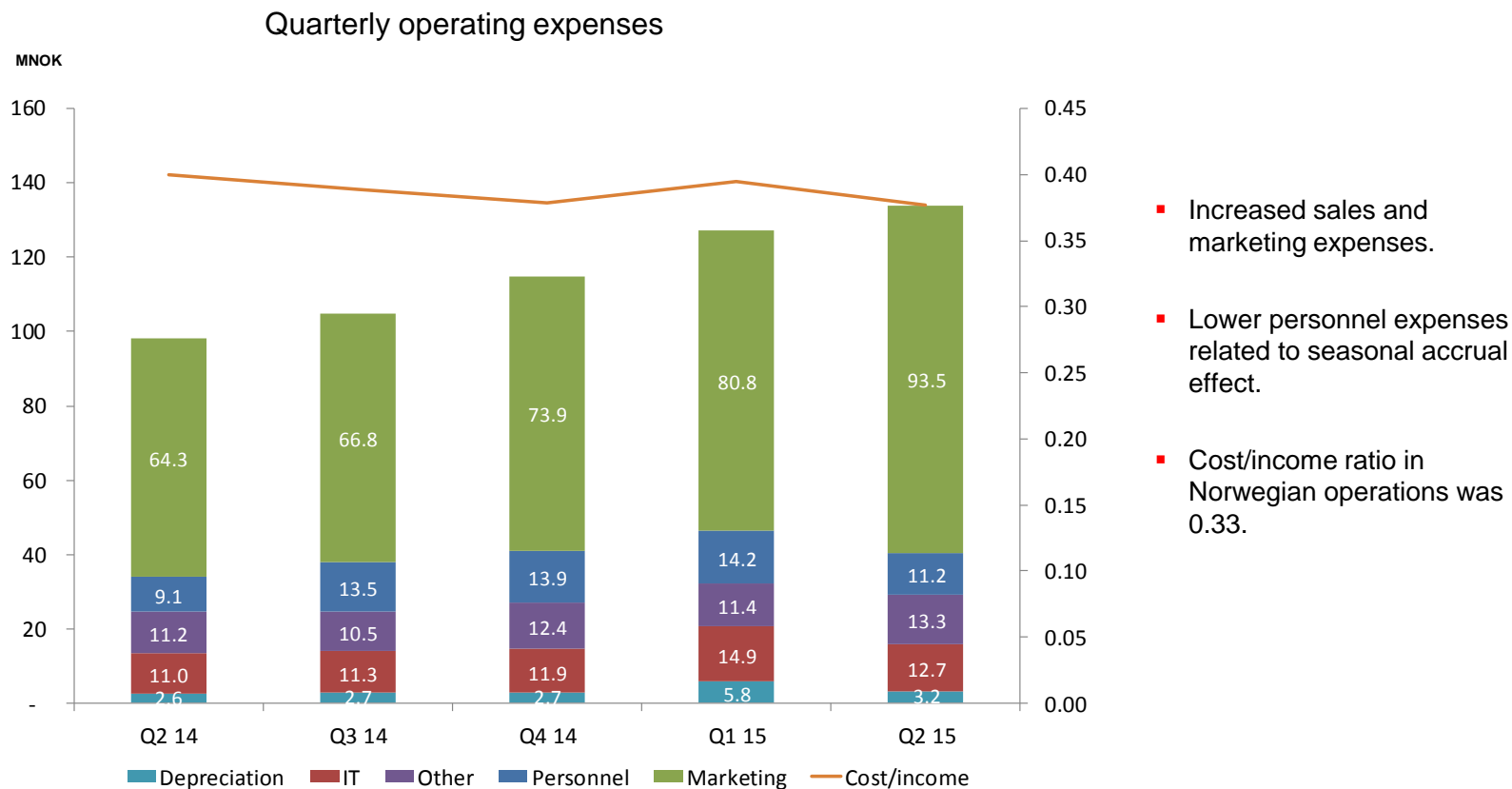


- Increased margins due to higher yields, improved asset utilization and lower interest expense.
- Deposit rates reduced in the second and third quarter.

Asset yield and cost of deposits



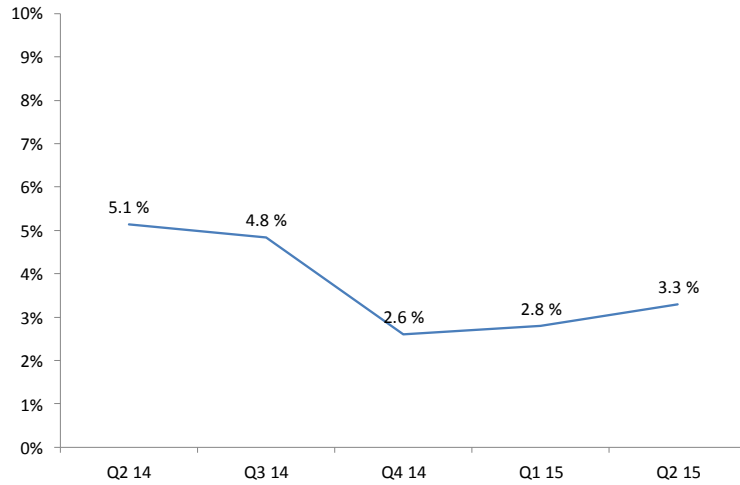
High operating efficiency



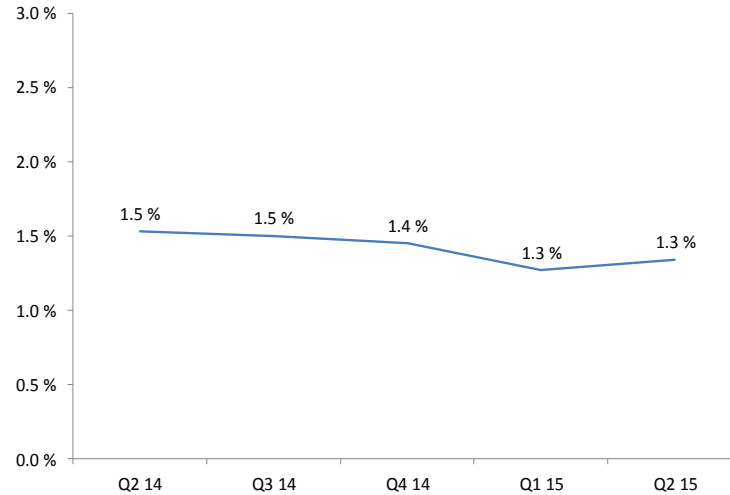
Strong credit metrics

Consumer loans

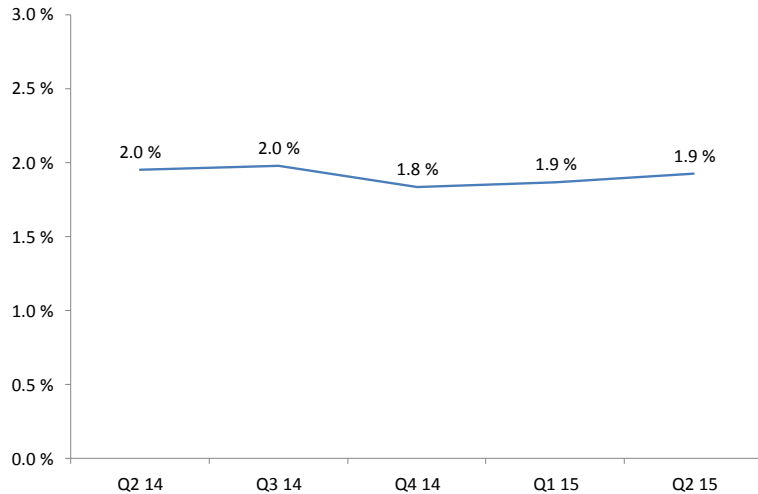
Non-performing loans to loans



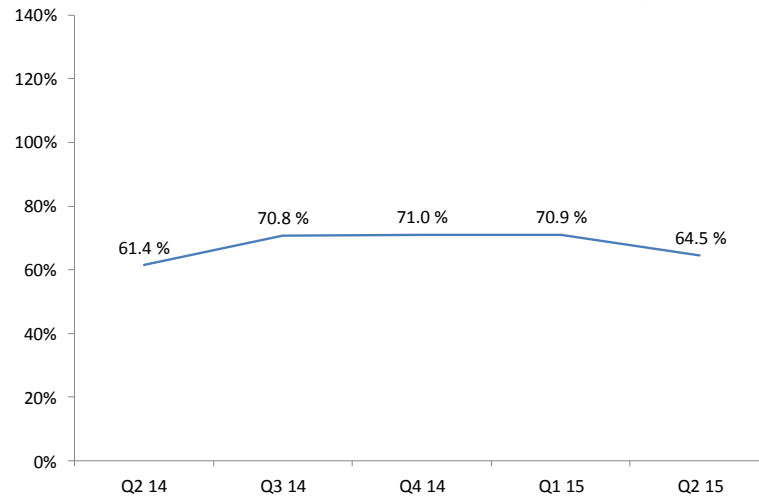
Loan loss provisions to average loans



Loan loss allowance to loans



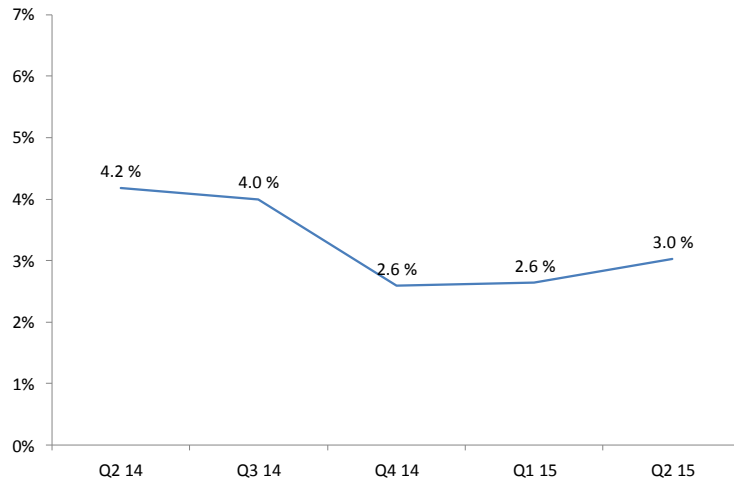
Loan loss allowance to non-performing loans *



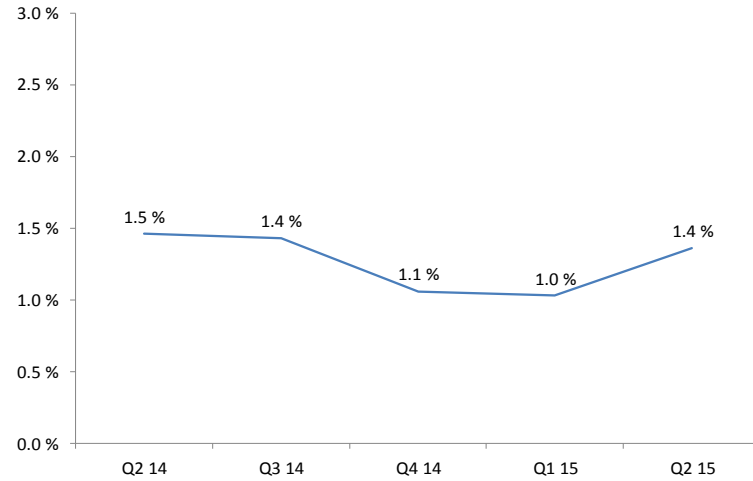
Strong credit metrics

Credit card loans

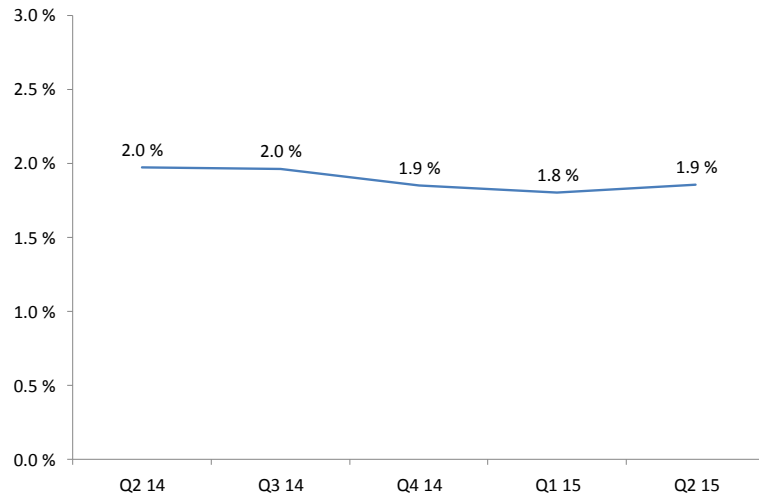
Non-performing loans to loans



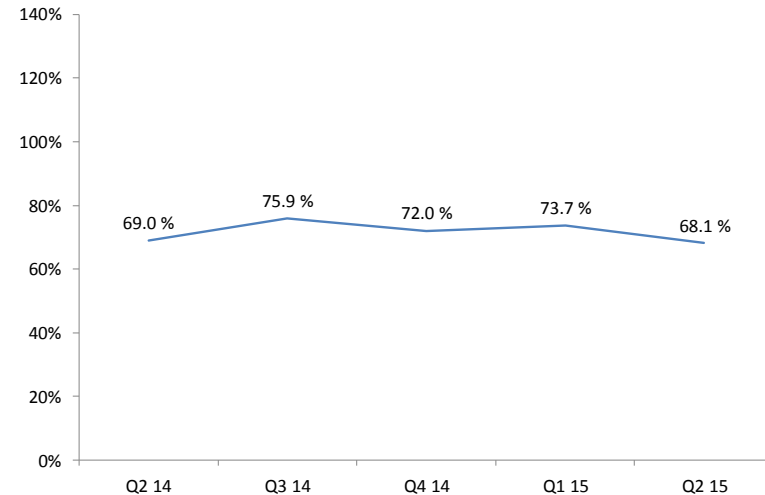
Loan loss provisions to average loans



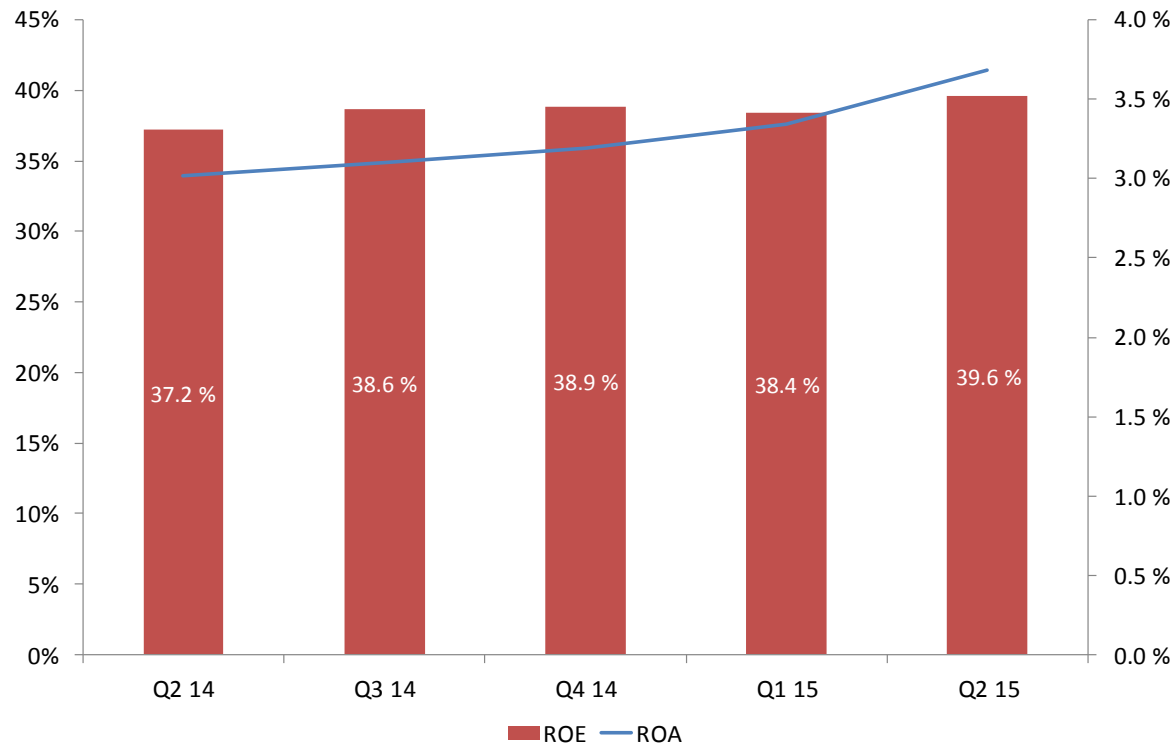
Loan loss allowance to loans



Loan loss allowance to non-performing loans *



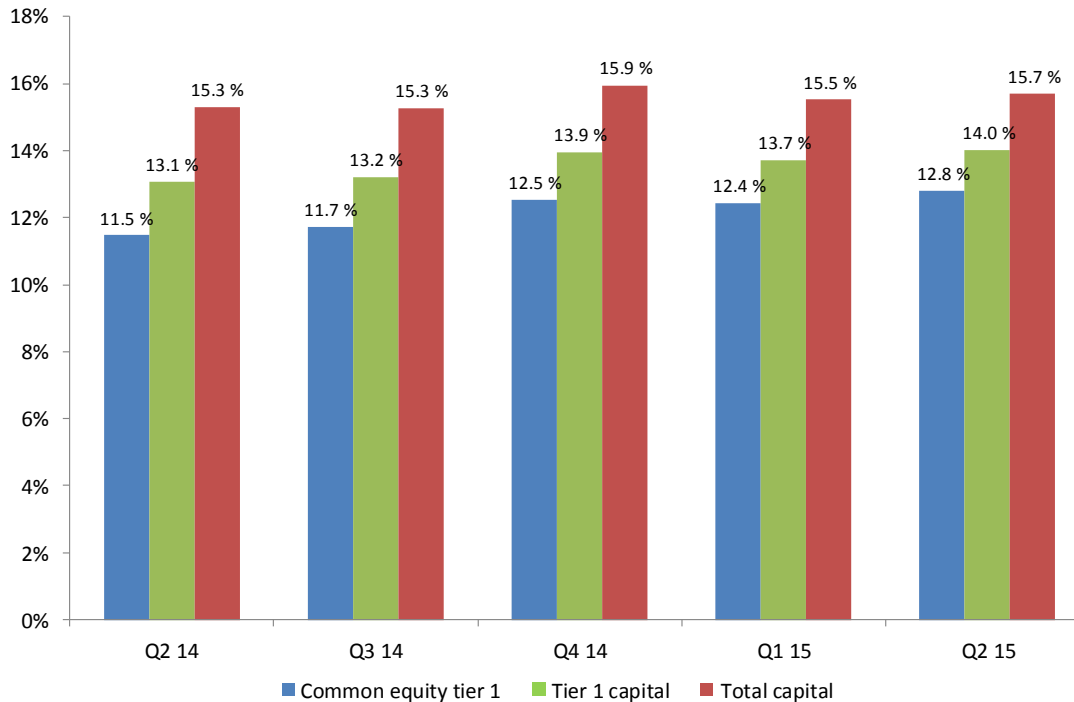
Improving profitability



- ROA Swedish operations at 1.75% compared to 0.80% in the first quarter.

High risk absorption capacity

Capital ratios



- Strong common equity tier 1 ratio of 12.8%.
- Leverage ratio equals 9.2%.
- 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
- The bank aims to launch operations in Denmark and Finland in the first quarter of 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 SOCIETE GENERALE - NOM	8,000,000	4.62 %
6 STENSHAGEN INVEST AS	7,420,379	4.28 %
7 MP PENSJON PK	6,796,800	3.92 %
8 SPENCER TRADING INC	6,038,450	3.49 %
9 PROTECTOR FORSIKRING	4,510,000	2.60 %
10 SNEISUNGEN AS	3,720,333	2.15 %
11 HANDELSBANKEN NORGE	3,700,000	2.14 %
12 TORSTEIN TVENGE	3,500,000	2.02 %
13 SWEDBANK ROBUR NORDENFOND	3,124,000	1.80 %
14 SWEDBANK ROBUR SMÅBOLAGSFOND	3,124,000	1.80 %
15 SONGA AS	2,000,000	1.15 %
16 ERIK JENSEN	1,669,054	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 KLP AKSJE NORGE	1,240,568	0.72 %
Top 20	130,220,612	75.19 %
Total	173,194,708	

- Norwegian Finans Holding ASA registered on the NOTC-list with ticker code BANK.
- 194,506 shares issued related to incentive compensation scheme.
- Management holds 3.41 % of shares outstanding.

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