

# Norwegian Finans Holding ASA

---

DNB Small & Medium Enterprises Conference 2019

4. april 2019

Tine Wollebekk, CEO

**banknorwegian** 

# Leading digital consumer bank in the Nordics

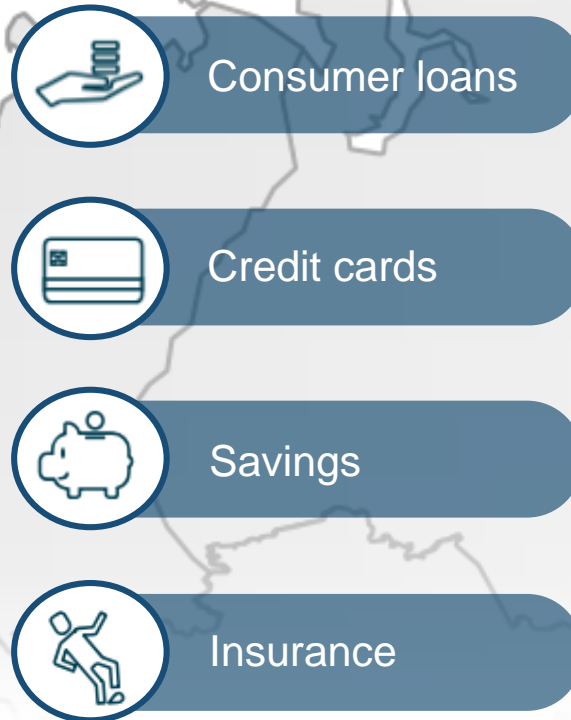
Fully digital bank...

...with a focused product portfolio...

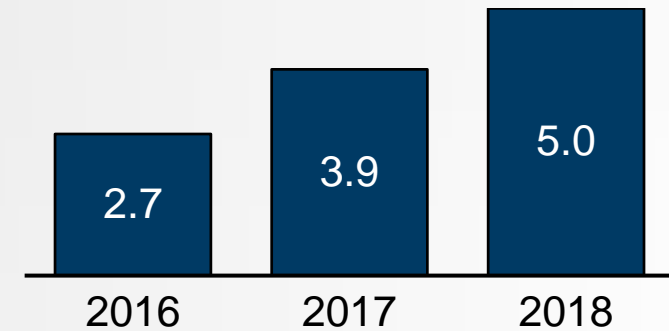
...and an attractive growth profile



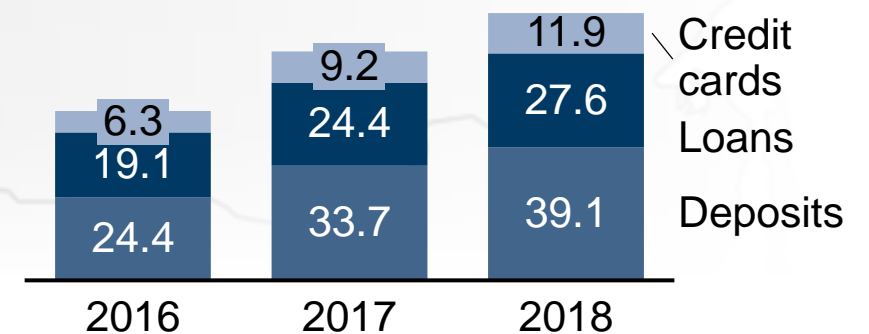
- 1.5 million customers
- 50 BNOK total assets
- 18.9% CET1
- S&P BBB/neg rating



Total income, BNOK



Key products, BNOK



# Fourth quarter 2018 highlights

## Strong profitability

- Earnings MNOK 469 in Q4 and MNOK 1,797 full year 2018
- Stable net interest margin and cost income ratio
- Marginal effect of NPL sale

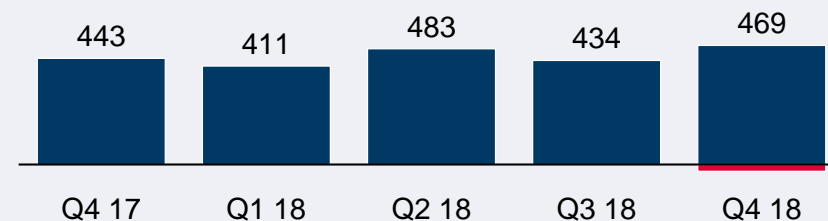
## Resilient balance sheet

- Strong loan growth BNOK 2.5 in Q4 and BNOK 7.4 full year 2018
- Strong internal capital generation
- CET1 18.9% bank and 19.4% consolidated

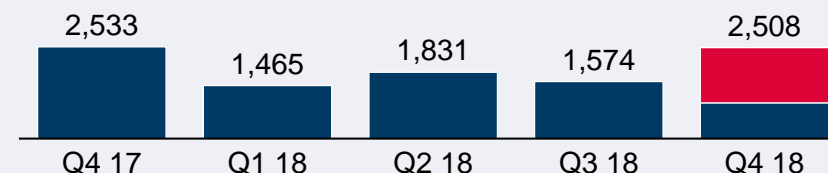
## Events

- Agreement for geographical expansion
- Planned share buy back in 2019
- New agreement for credit card processing services yielding substantial cost savings

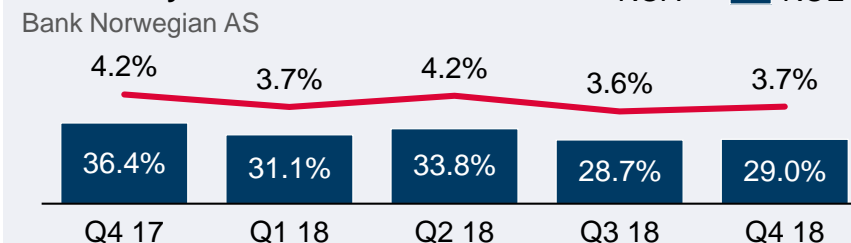
Earnings, MNOK ■ Portfolio sale adjustment



Loan growth, MNOK ■ Portfolio sale adjustment

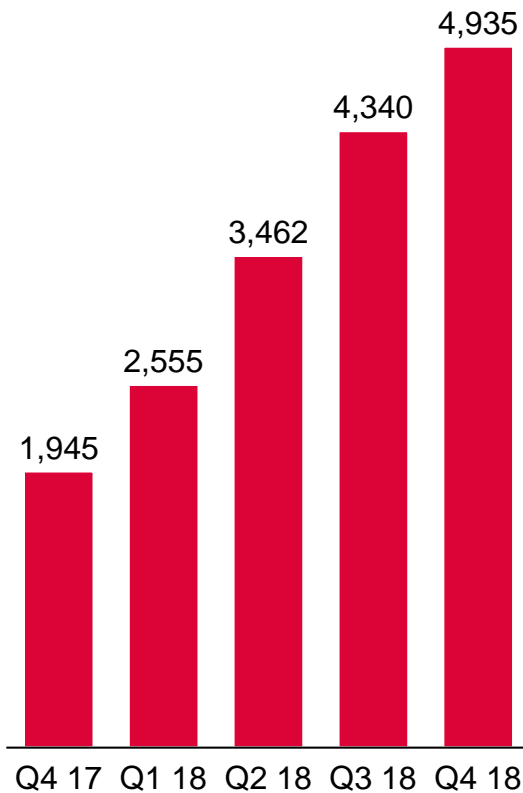


Profitability — ROA ■ ROE

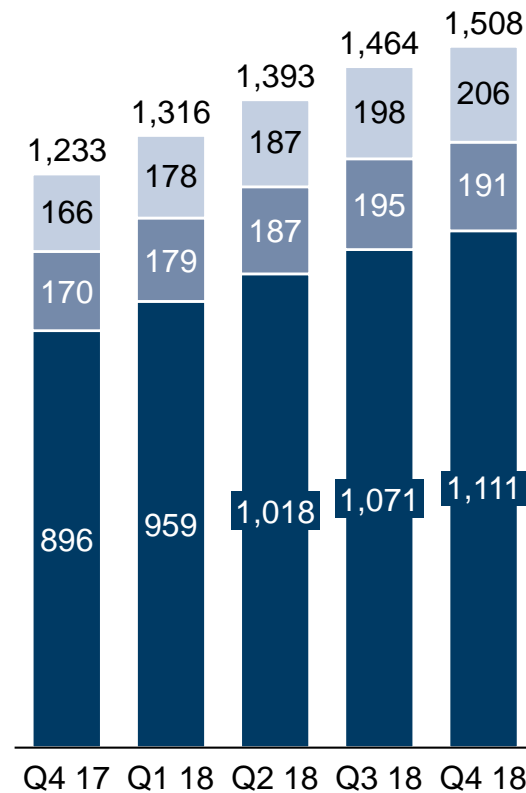


# 275,000 new customers in 2018

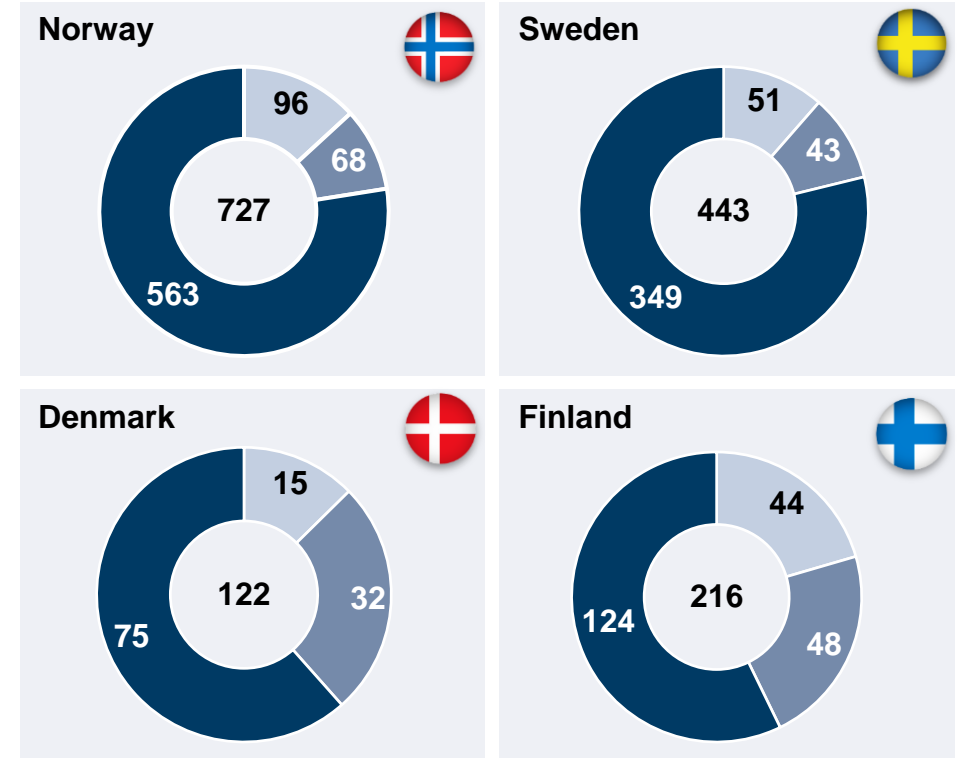
App usage, thousand



Customers, thousand\*



Customers, thousand



App logins

Credit card Instalment loan Deposit

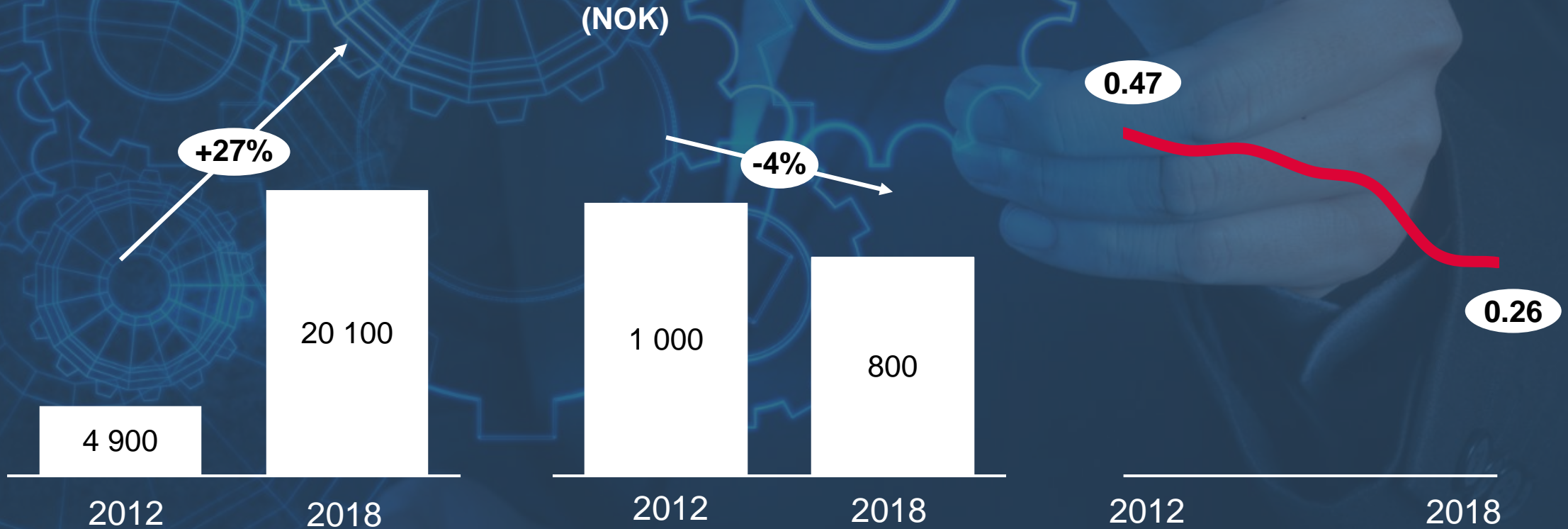
\* Number of customers reduced by approximately 18,000 from NPL portfolio sale in Finland

# Future proof, highly scalable business model

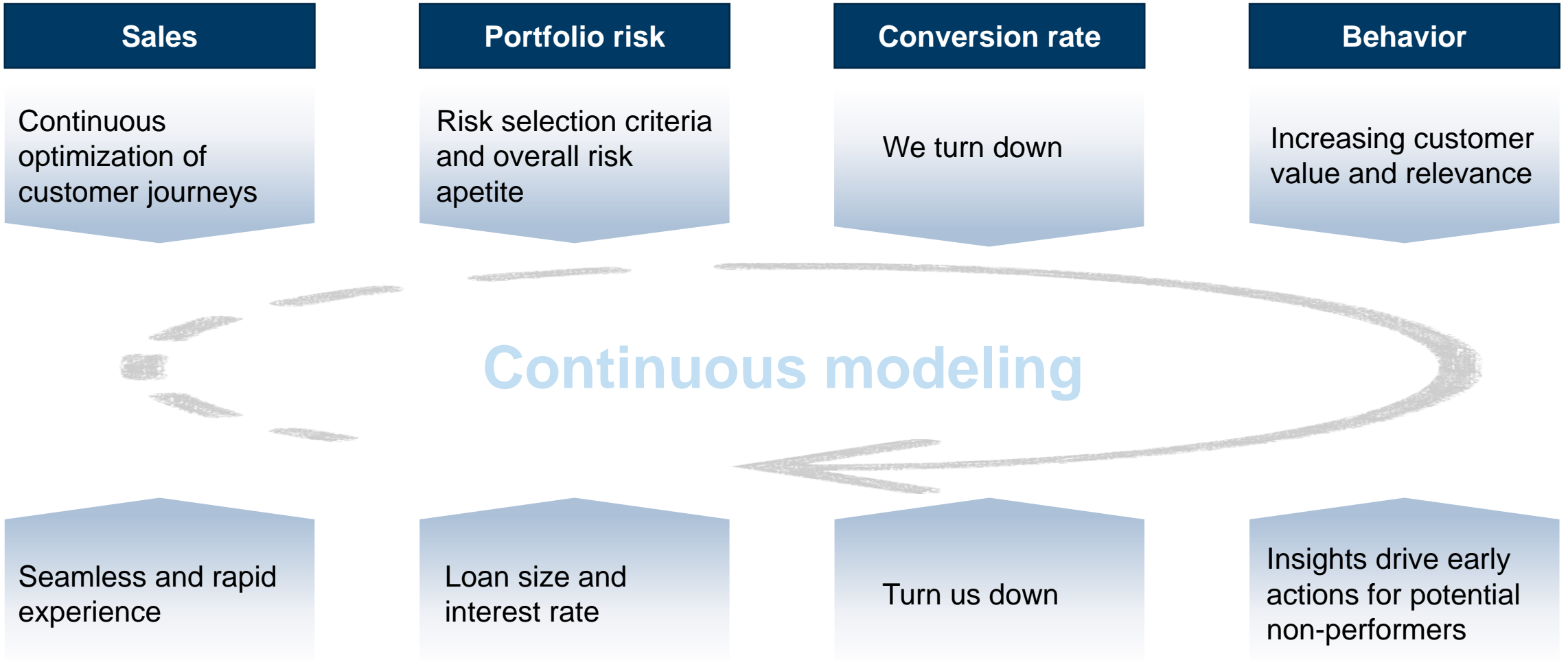
Customers served per FTE has increased...

...cost per customer served has declined...

...resulting in a declining cost/income ratio

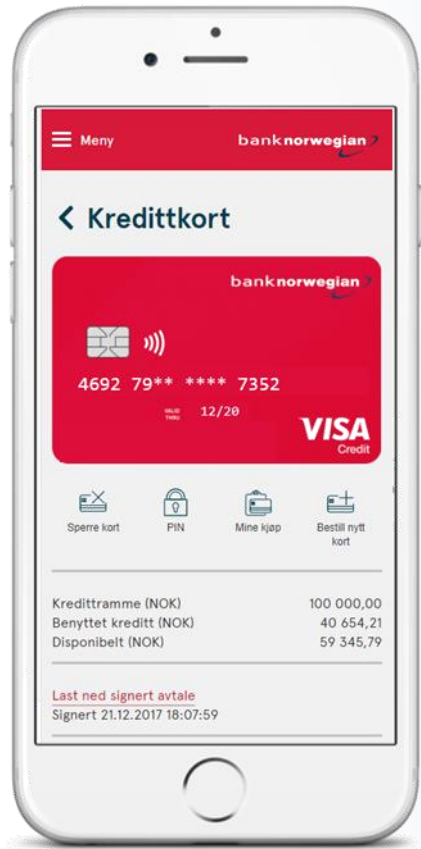


# Deep analytics driving sustainable growth



# Excellent customer journey is an attractive platform for a future position

## Attractive current position



- Best in class customer journeys
- Strong customer engagement
- Webpage ranked #1 on Google EMEA survey



## Highly attractive PSD 2 potential

Significant customer base with strong engagement

Digitally 'native' customers

Good fit for Bank Norwegian's focused product portfolio

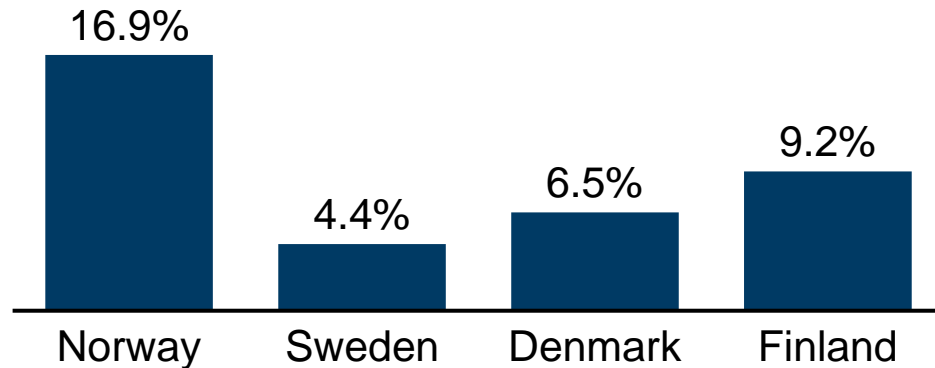
Capitalize on processes, customer insight and trust to become a hub

# Core business expansion

## Significant room for growth in key Nordic markets

## Potential for further expansion in Europe

Bank Norwegian market share



Market size

113 BNOK

162 BSEK

70 BDKK

9.5 BEUR

Market growth '18

10%

8%

0%

7%





# Dividend program

---

## Overall structure

- Ambition to offer an attractive dividend program
- Planned distribution of capital in excess of applicable requirements
- Combination of share buy back and cash dividend

## 2019 plan

- Planned MNOK 160 share buy back based on regulatory approval for 2018
- Significant dividend capacity based on 2019 accounts

## Long term ambitions

- Annual distribution
- Targeting a minimum 40% payout ratio subject to growth, earnings and capital requirements

# Liquidity and funding position

---

## Bond issues

- Extensive bond issuing planned to diversify funding and prepare for MREL
- Issued 1,000 MNOK/550 MSEK unsecured bonds in Q1 19
- EMTN program in place

## Deposits

- High deposit cover
- Target deposit cover of 80%

## Liquidity profile

- Strong liquidity ratios
- LCR exceeding 200%
- NFSR at 150%

# Outlook

---

## Macro

- Stable unemployment
- Low interest rate environment
- Stable GDP growth

## Credit quality

- Credit quality developing as expected
- Advanced credit models and risk selection
- Strong risk absorption capacity

## Growth

- Potential for continued profitable growth
- Diversifying through markets and products