

Norwegian Finans Holding ASA

First quarter 2015 results

First quarter 2015 earnings were 113.3 MNOK, an increase of 9.0 MNOK compared with the fourth quarter

Norwegian Finans Holding Group

| <i>MNOK</i> | Q1 2015 | Q4 2014 | Change | |
|--|--------------|--------------|-------------|-------------|
| Interest income | 379.8 | 368.4 | 11.4 | 3 % |
| Interest expenses | 78.2 | 81.9 | -3.7 | -5 % |
| Net interest income | 301.6 | 286.5 | 15.1 | 5 % |
| Commission and bank services income | 39.1 | 35.1 | 4.0 | 11 % |
| Commission and bank services expenses | 16.2 | 15.0 | 1.2 | 8 % |
| Net change in value on securities and currency | -2.4 | -3.4 | 1.0 | -30 % |
| Other income | 0.0 | 0.0 | 0.0 | 0 % |
| Net other operating income | 20.5 | 16.7 | 3.8 | 23 % |
| Total income | 322.1 | 303.2 | 18.9 | 6 % |
| Personnel expenses | 14.5 | 14.2 | 0.3 | 2 % |
| General administrative expenses | 103.0 | 94.4 | 8.6 | 9 % |
| Ordinary depreciation | 5.8 | 2.7 | 3.0 | 111 % |
| Other operating expenses | 4.2 | 3.9 | 0.3 | 9 % |
| Total operating expenses | 127.5 | 115.2 | 12.3 | 11 % |
| Provision for loan losses | 39.3 | 43.3 | -4.0 | -9 % |
| Profit before tax | 155.2 | 144.6 | 10.6 | 7 % |
| Tax charge | 41.9 | 40.3 | 1.6 | 4 % |
| Profit after tax | 113.3 | 104.4 | 9.0 | 9 % |
| Earnings per share NOK (annualized) | 2.62 | 2.41 | | |

- Net interest income impacted by fewer interest days and loan portfolio sale in the fourth quarter.
- Fee income augmented by profit sharing on ancillary services.
- Net loss on securities and currency.
- Increased operating expenses due to higher marketing and system conversion costs.
- Stable provision levels.
- ROE stable at 38.4 %*.

* Bank Norwegian AS

Earnings in Norway were 108.9 MNOK, compared with 100.7 MNOK in the fourth quarter

Norwegian Finans Holding Group

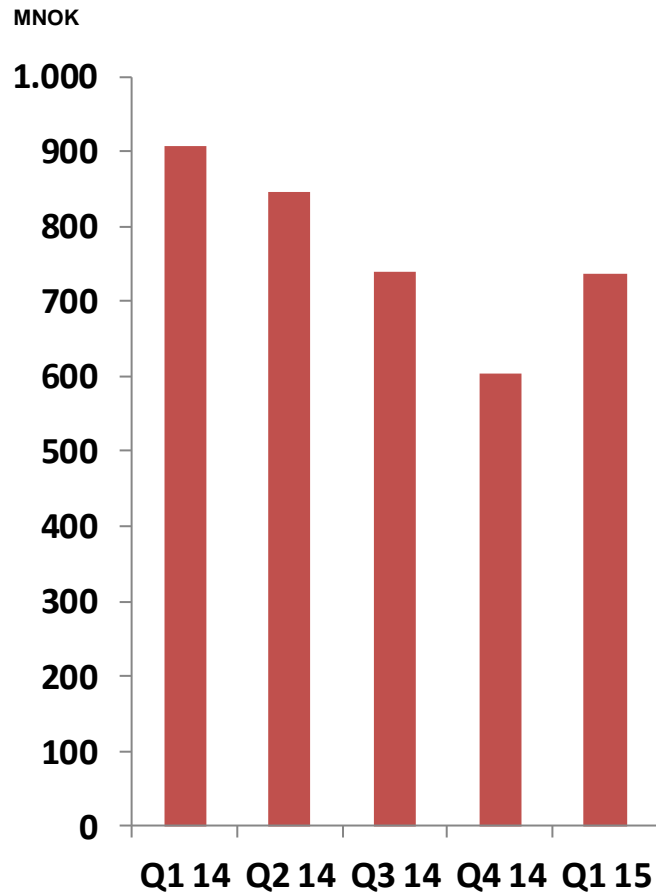
| Key figures | Norway | | | Sweden* | | |
|---------------------------------------|--------|-------|------|---------|-------|------|
| | Q1 15 | Q4 14 | Δ | Q1 15 | Q4 14 | Δ |
| <i>MNOK</i> | | | | | | |
| Net interest income | 247.2 | 241.8 | 5.4 | 54.5 | 44.7 | 9.7 |
| Net fee income | 18.5 | 16.2 | 2.3 | 4.4 | 3.9 | 0.4 |
| Gain/-loss on securities and currency | -2.7 | -4.2 | 1.5 | 0.4 | 0.9 | -0.5 |
| Sales and marketing expenses | 52.9 | 47.6 | 5.2 | 27.9 | 26.3 | 1.6 |
| Other operating expenses | 36.1 | 34.2 | 1.9 | 10.6 | 7.1 | 3.5 |
| Provision for loan losses | 24.8 | 32.3 | -7.5 | 14.5 | 11.0 | 3.5 |
| Profit after tax | 108.9 | 100.7 | 8.2 | 4.5 | 3.7 | 0.8 |
| Liquid assets | 3,119 | 3,325 | -205 | 241 | 488 | -248 |
| Net loans to customers | 8,116 | 7,664 | 452 | 1,998 | 1,737 | 261 |
| Intangible assets | 22 | 19 | 3 | 16 | 16 | 0 |
| Deposits from customers | 8,029 | 7,926 | 103 | 1,927 | 2,230 | -303 |

- Earnings in Norway driven by loan growth, lower funding cost, higher fee income and lower provisions.
- Lower provisions in Norway due to sale of non-performing loans in the fourth quarter.
- Earnings in Sweden impacted by system conversion.
- Mainly group provisions in Sweden.

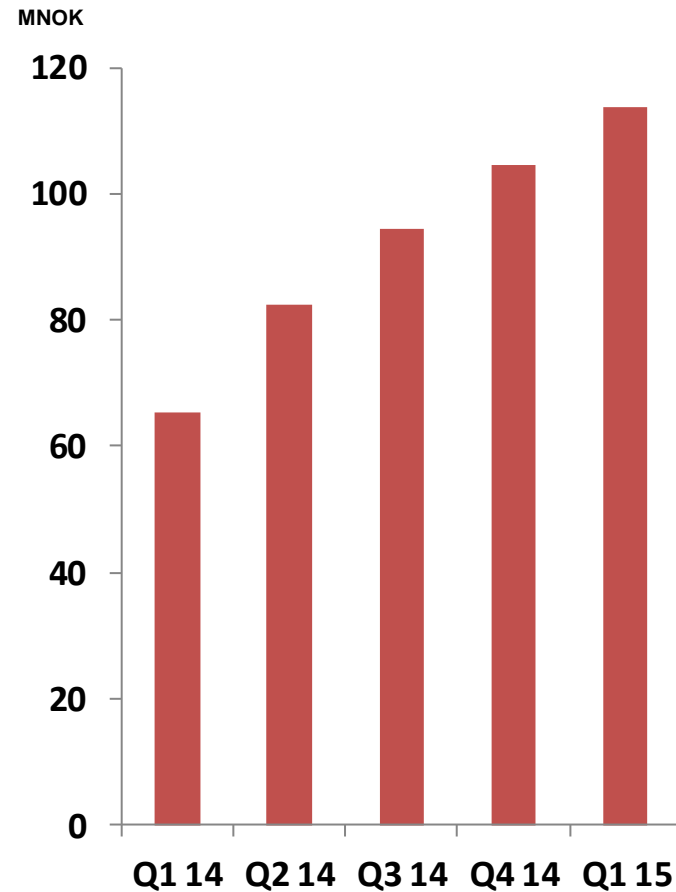
* No allocation of overhead expenses.

Strong loan and earnings growth

Quarterly loan growth

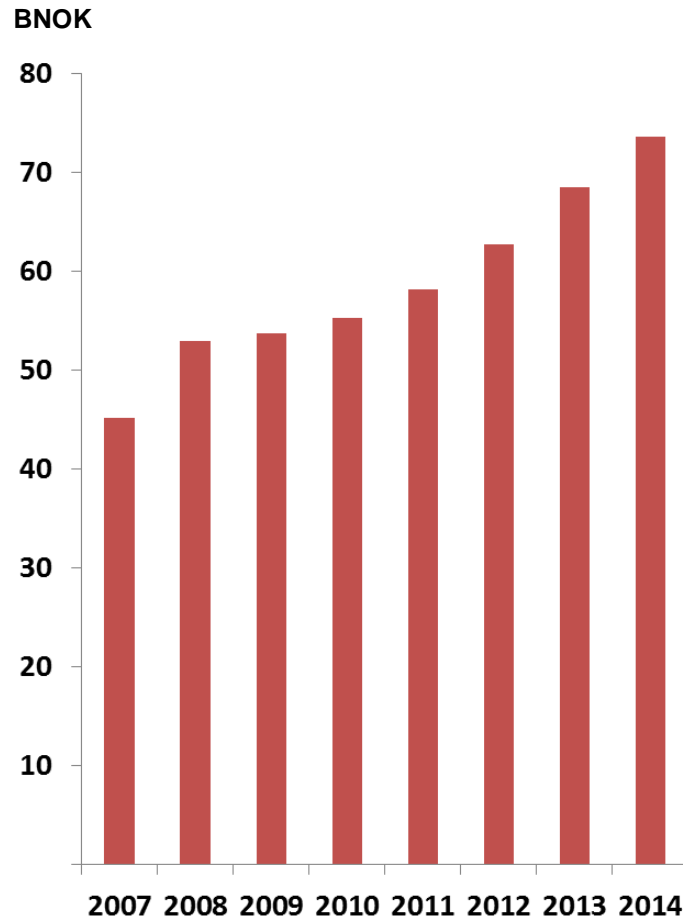


Quarterly earnings

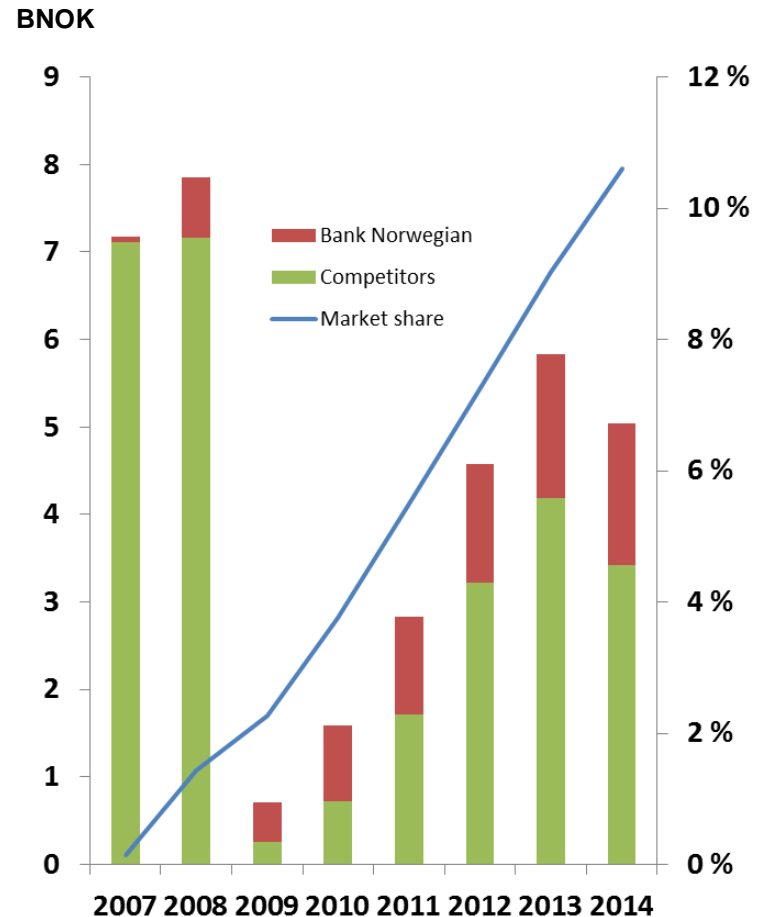


Rising market share in Norway

Total unsecured loans

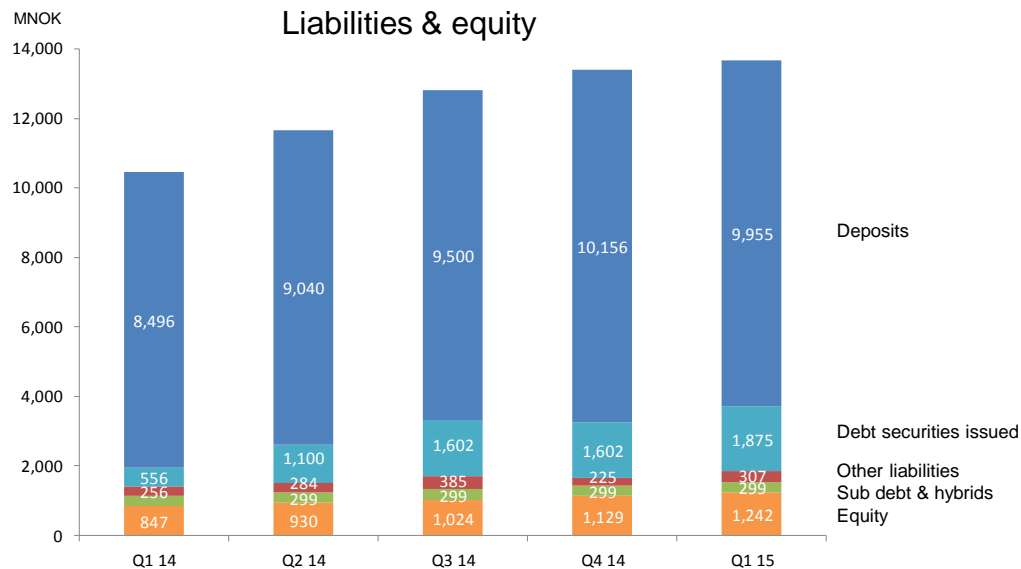
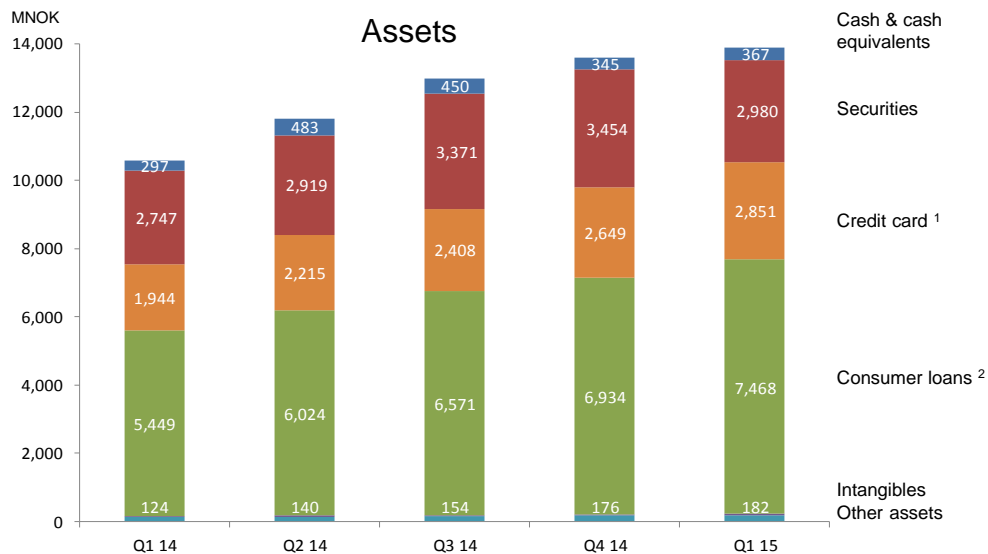


Market growth and market share



Source: The financial supervisory authority of Norway, adjusted for Bank Norwegian's Swedish loan portfolio.

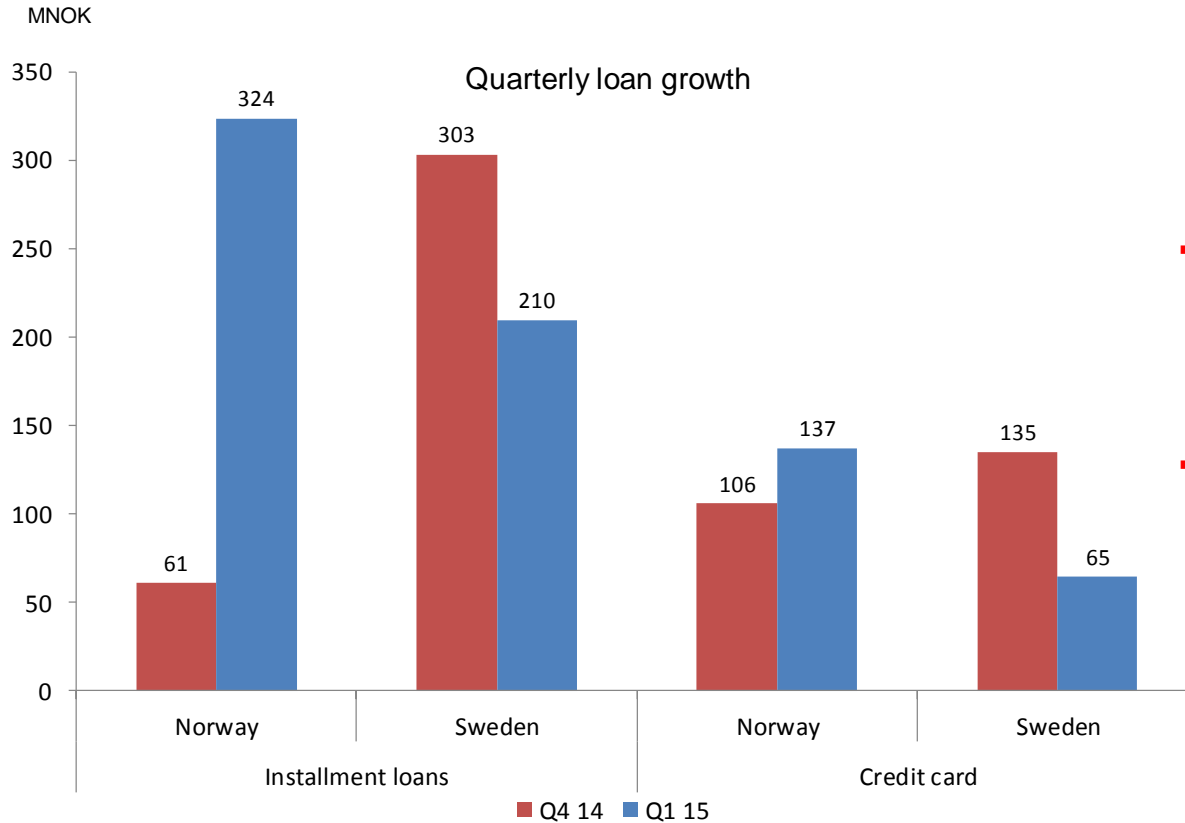
Strong balance sheet



- Total gross loans increased 735 MNOK, compared with 605 MNOK in the fourth quarter.
- Installment loans rose 533 MNOK and credit card loans grew 202 MNOK.
- Installment loan run-off 547 MNOK, compared with 491 MNOK in the fourth quarter.
- Liquid assets comprise 24 % of total assets.
- Net issuance of 274 MNOK in senior debt securities.
- Deposits to loans ratio 0.98.
- LCR 340%
- NSFR 140%

¹ Includes sales financing
² Includes personal lines of credit

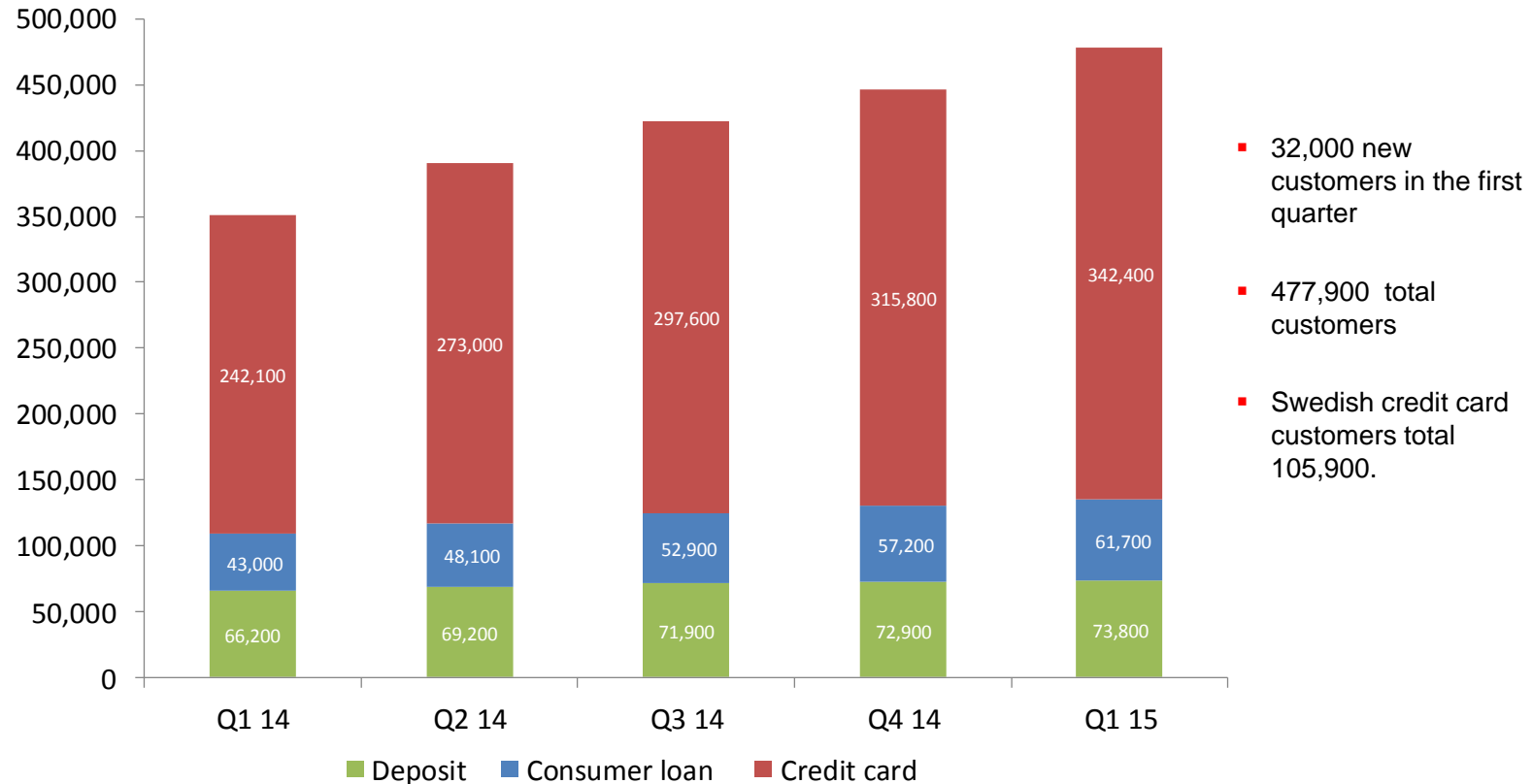
Strong loan growth



- Non-performing loans sold in Norway in the fourth quarter consisted predominantly of installment loans.
- NOK loan growth in Sweden negatively impacted by exchange rate movements.

Rapid customer growth

Number of customers



Quarterly balance sheet

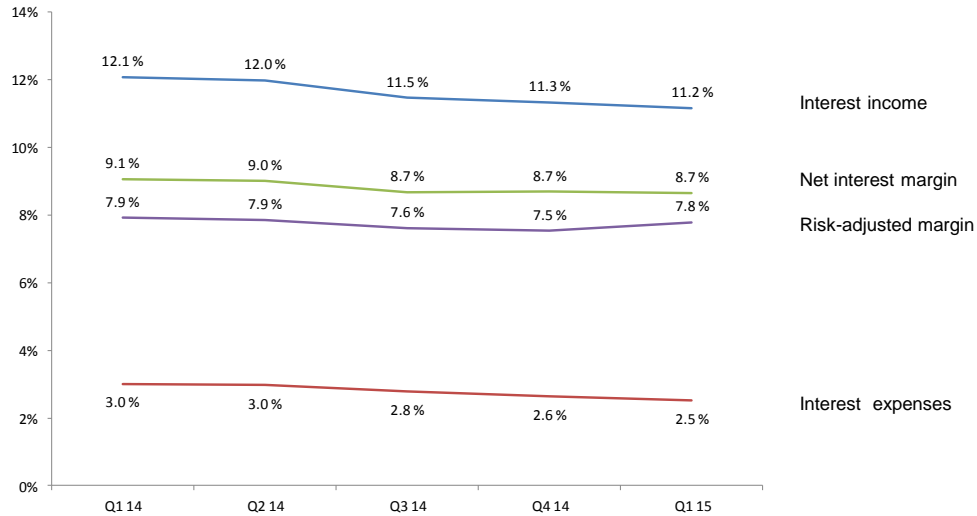
Norwegian Finans Holding Group

| <i>MNOK</i> | 31.3.15 | | 31.12.14 | | Change | |
|---|---------------|--------------|---------------|--------------|------------|-------------|
| Assets | | | | | | |
| Deposits with Norges Bank | 59 | 0 % | 59 | 0 % | 0 | 0 % |
| Loans and deposits with credit institutions | 321 | 2 % | 300 | 2 % | 22 | 7 % |
| Loans to customers | 10,113 | 74 % | 9,401 | 70 % | 712 | 8 % |
| Certificates and bonds | 2,980 | 22 % | 3,454 | 26 % | -475 | -14 % |
| Shares and other securities | 0 | 0 % | 0 | 0 % | - | 0 % |
| Other intangible assets | 37 | 0 % | 34 | 0 % | 3 | 9 % |
| Deferred tax asset | 1 | 0 % | 1 | 0 % | 0 | 9 % |
| Fixed assets | 1 | 0 % | 1 | 0 % | -0 | -9 % |
| Other assets | 180 | 1 % | 174 | 1 % | 6 | 3 % |
| Total assets | 13,694 | 100 % | 13,425 | 100 % | 269 | 2 % |
| Liabilities and equity | | | | | | |
| Deposits from customers | 9,955 | 73 % | 10,156 | 76 % | -200 | -2 % |
| Debt securities issued | 1,875 | 14 % | 1,602 | 12 % | 274 | 17 % |
| Taxes payable | 127 | 1 % | 130 | 1 % | -3 | -2 % |
| Other liabilities | 23 | 0 % | 22 | 0 % | 1 | 4 % |
| Accrued expenses and unearned income received | 160 | 1 % | 75 | 1 % | 84 | 111 % |
| Subordinated debt | 299 | 2 % | 299 | 2 % | 0 | 0 % |
| Total liabilities | 12,438 | 91 % | 12,283 | 91 % | 155 | 1 % |
| Share capital | 173 | 1 % | 173 | 1 % | - | 0 % |
| Share premium | 145 | 1 % | 145 | 1 % | - | 0 % |
| Retained earnings | 937 | 7 % | 824 | 6 % | 113 | 14 % |
| Total equity | 1,255 | 9 % | 1,142 | 9 % | 113 | 10 % |
| Total liabilities and equity | 13,694 | 100 % | 13,425 | 100 % | 269 | 2 % |

Stable yields and margins

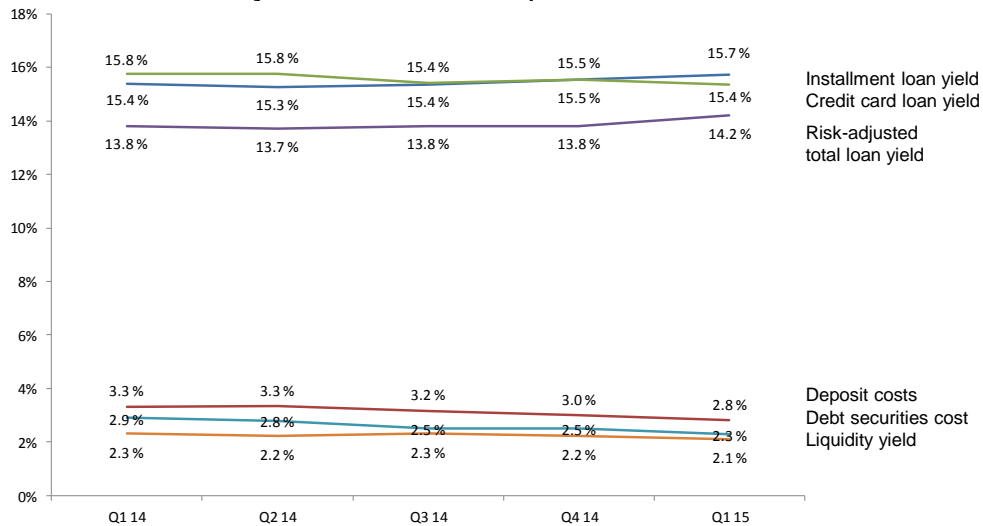
Norway

Margins as a % of average assets



- Deposit rates lowered in the fourth and first quarter.

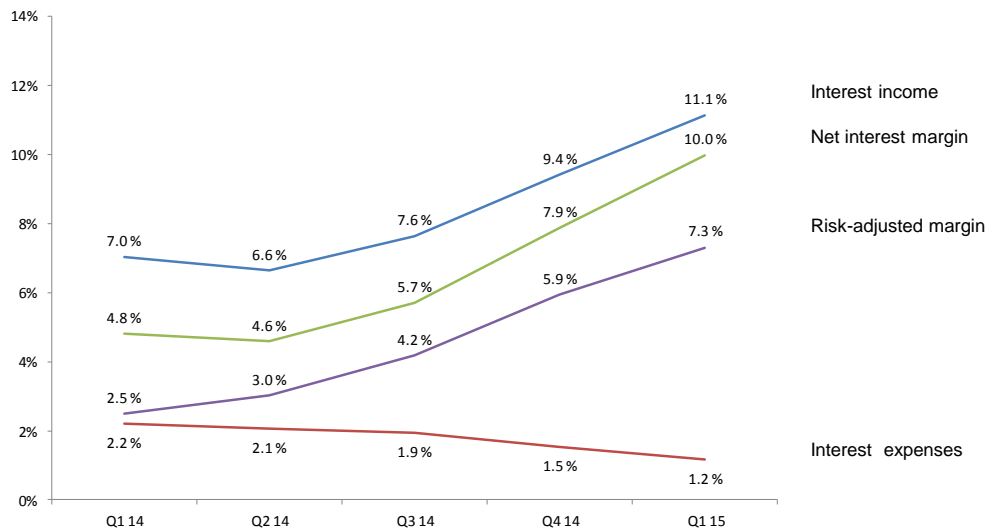
Asset yield and cost of deposits



Elevated margins

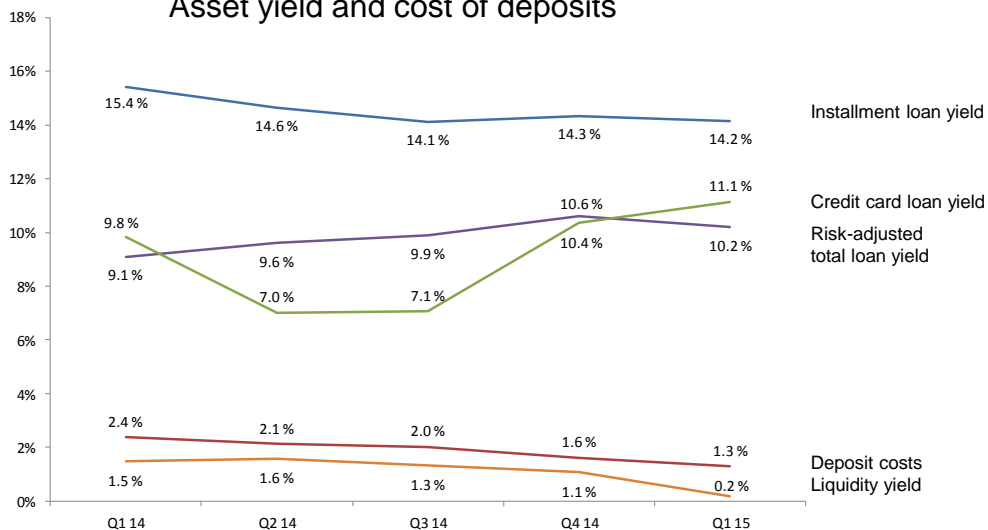
Sweden

Margins as a % of average assets

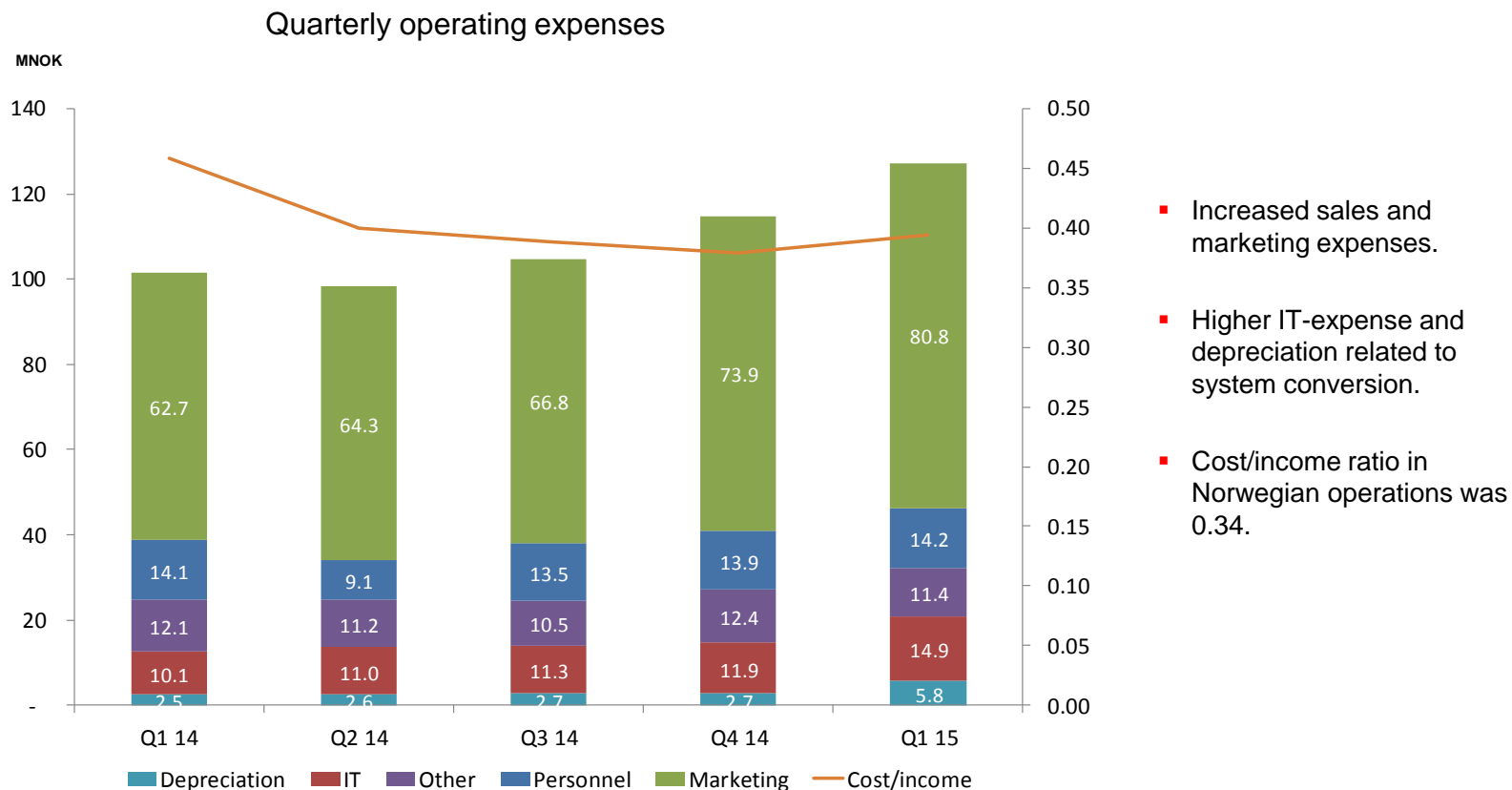


- Increased margins due to improved asset utilization, higher credit card yield and lower interest expense.

Asset yield and cost of deposits



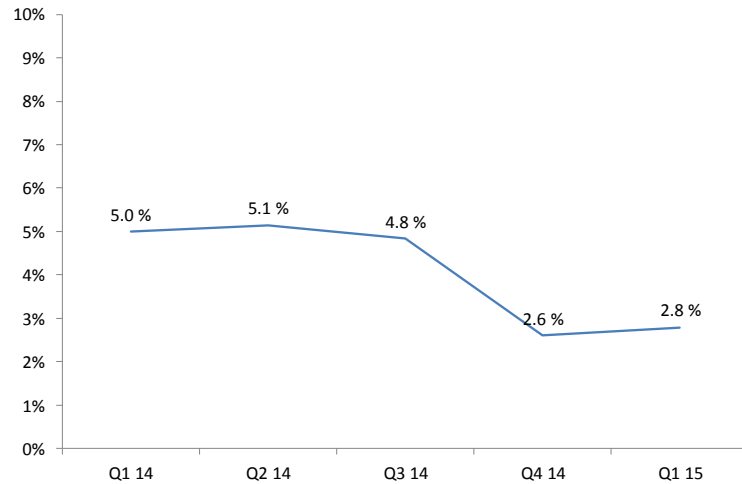
High operating efficiency



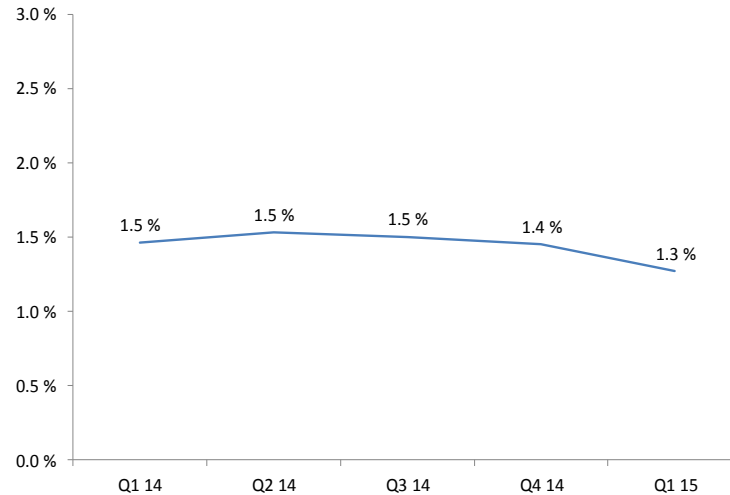
Strong credit metrics

Consumer loans

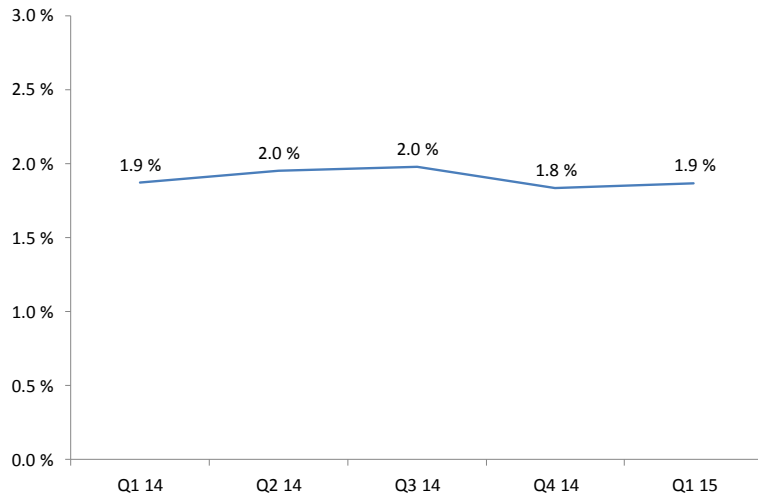
Non-performing loans to loans



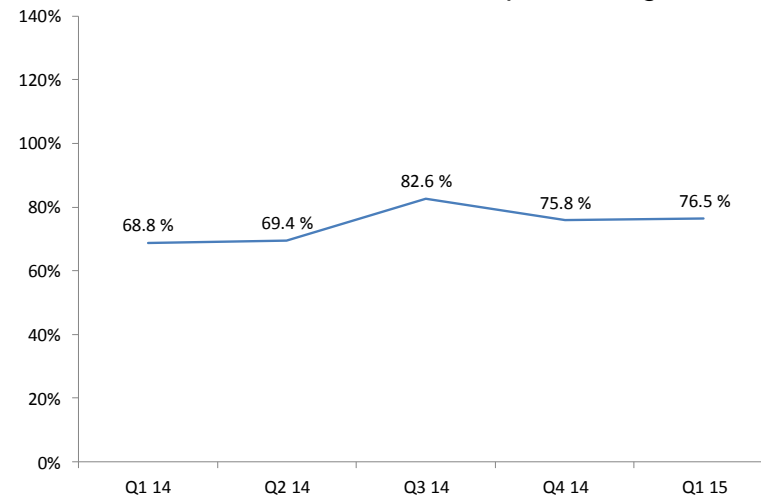
Loan loss provisions to average loans*



Loan loss allowance to loans



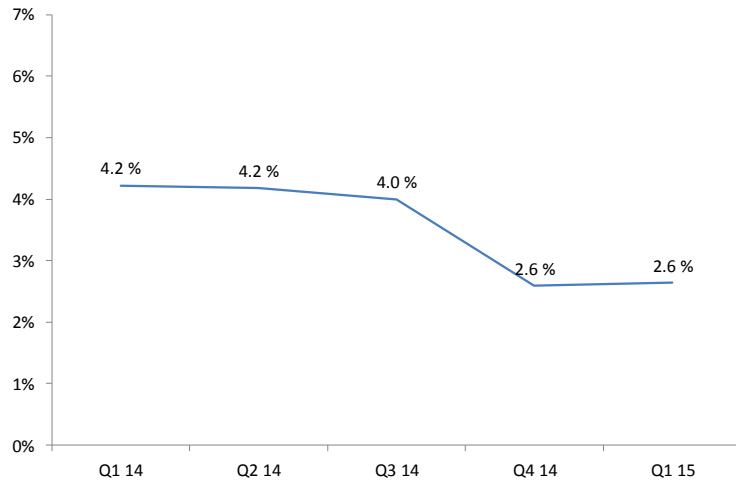
Loan loss allowance to non-performing loans



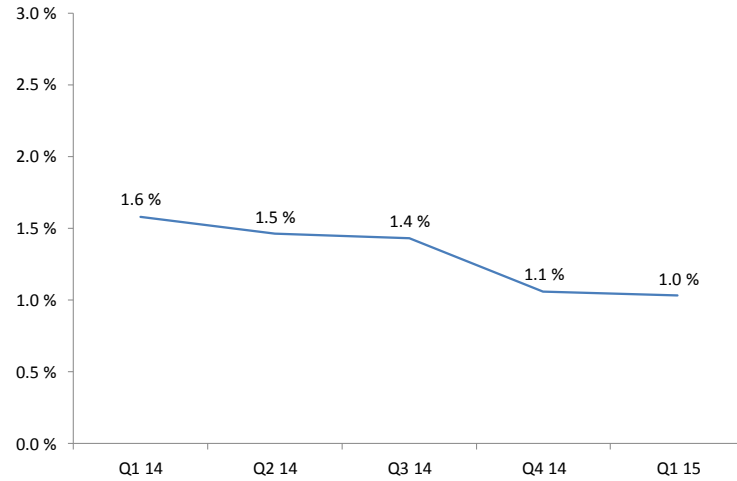
Strong credit metrics

Credit card loans

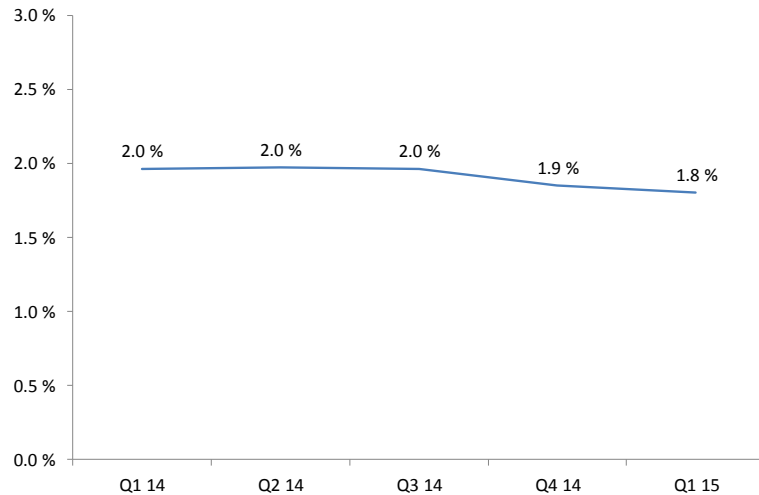
Non-performing loans to loans



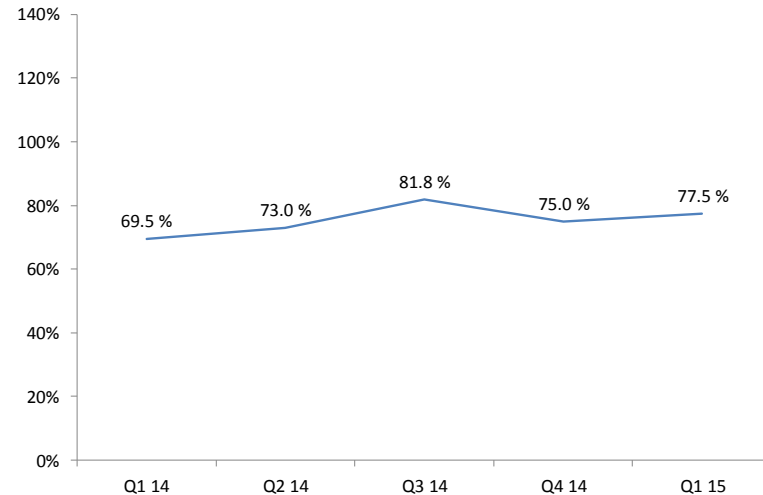
Loan loss provisions to average loans*



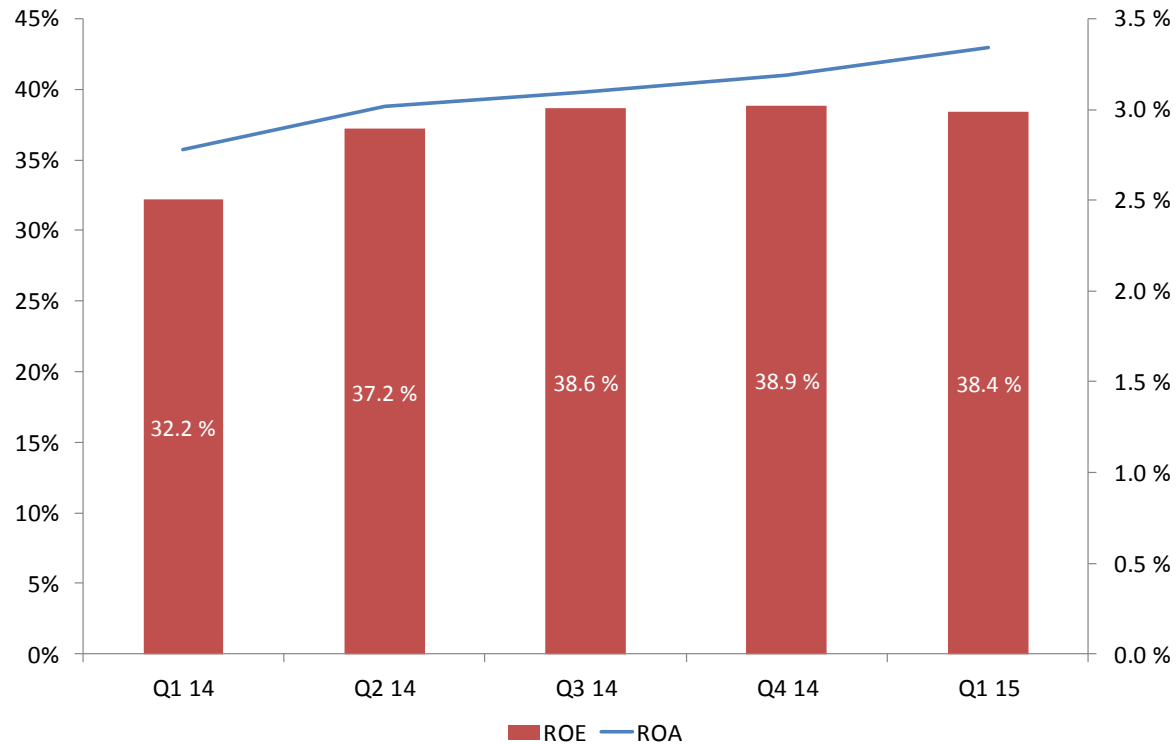
Loan loss allowance to loans



Loan loss allowance to non-performing loans



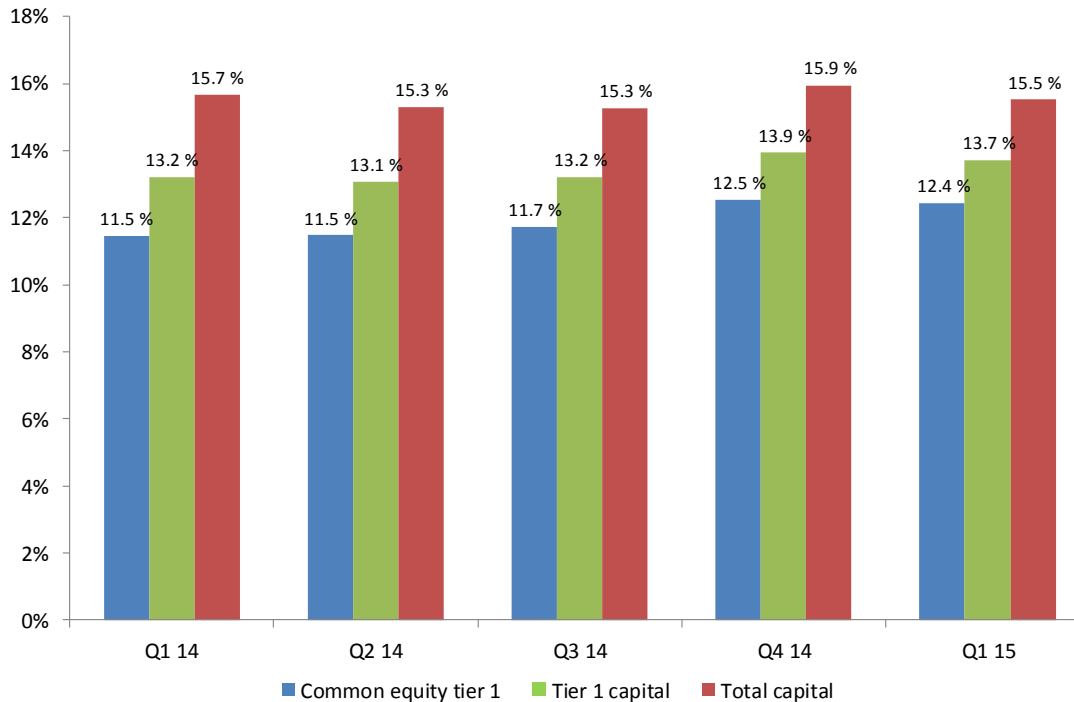
Improving profitability



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

Risk absorption capacity remains high

Capital ratios



- Ample capital for growth.
- Leverage ratio equals 8.9%

Well positioned for continued earnings growth

Earnings growth and strong returns

- Continued strong loan growth
- Stable margins
- Cost-efficient operations
- Stable provisions
- Preparing for further geographical expansion

Stable credit quality

- Resilient economies in Norway and Sweden
- Enhanced credit models
- Reduced portfolio risk from sale of non-performing loans

Strong and resilient balance sheet

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

Top 20 shareholders

| SHAREHOLDER | # OF SHARES | |
|----------------------------|--------------------|----------------|
| 1 NORWEGIAN AIR SHUTTLE | 34,600,040 | 20.00 % |
| 2 GOLDMAN SACHS & CO - NOM | 14,999,999 | 8.67 % |
| 3 LAGUAN AS | 12,871,013 | 7.44 % |
| 4 SOCIETE GENERALE - NOM | 11,000,000 | 6.36 % |
| 5 BORAK AS | 8,580,454 | 4.96 % |
| 6 STENSHAGEN INVEST AS | 7,420,379 | 4.29 % |
| 7 SPENCER TRADING INC | 7,138,450 | 4.13 % |
| 8 MP PENSJON PK | 6,796,800 | 3.93 % |
| 9 PROTECTOR FORSIKRING | 4,510,000 | 2.61 % |
| 10 SNEISUNGEN AS | 3,720,333 | 2.15 % |
| 11 HANDELSBANKEN NORGE | 3,500,000 | 2.02 % |
| 12 TORSTEIN TVENGE | 3,300,000 | 1.91 % |
| 13 ARNE BLYSTAD | 2,000,000 | 1.16 % |
| 14 ERIK JENSEN | 1,617,888 | 0.94 % |
| 15 SKAGEN VEKST | 1,600,000 | 0.92 % |
| 16 VEVLEN GÅRD AS | 1,536,621 | 0.89 % |
| 17 KLP AKSJE NORGE | 1,500,000 | 0.87 % |
| 18 DIRECTMARKETING INVEST | 1,500,000 | 0.87 % |
| 19 LITHINON AS | 1,250,000 | 0.72 % |
| 20 PÅL SVENKERUD | 1,199,797 | 0.69 % |
| Top 20 | 130,641,774 | 75.52 % |
| Total | 173,000,202 | |

Norwegian Finans Holding
ASA registered on the NOTC-
list with ticker code BANK.

banknorwegian.no