

Norwegian Finans Holding ASA

Fourth quarter 2015 results

Fourth quarter 2015 earnings were 167.7 MNOK, compared with 127.9 MNOK in the third quarter

Norwegian Finans Holding Group

<i>MNOK</i>	Q4 2015	Q3 2015	Change	
Interest income	483.1	442.7	40.4	9 %
Interest expenses	70.9	70.0	0.9	1 %
Net interest income	412.1	372.7	39.4	11 %
Commission and bank services income	61.9	49.0	12.9	26 %
Commission and bank services expenses	23.8	19.0	4.9	26 %
Net change in value on securities and currency	6.2	-21.2	27.4	n/m
Net other operating income	44.5	8.8	35.7	403 %
Total income	456.7	381.5	75.1	20 %
Personnel expenses	16.6	15.5	1.1	7 %
General administrative expenses	132.2	127.3	4.9	4 %
Ordinary depreciation	3.3	3.2	0.1	2 %
Other operating expenses	7.1	6.4	0.7	12 %
Total operating expenses	159.2	152.4	6.8	4 %
Provision for loan losses	68.6	53.9	14.6	27 %
Profit before tax	228.9	175.2	53.7	31 %
Tax charge	61.1	47.3	13.8	29 %
Profit after tax	167.7	127.9	39.9	31 %
Earnings per share NOK (annualized)	3.87	2.95		

- Net interest income driven by strong loan growth.
- Net fee income boosted by increased credit card activity and reclassification of fees from interest income.
- Stable operating expenses.
- Stable provision levels.
- ROE at 42.5 %*.

* Bank Norwegian AS

Earnings for the full year 2015 were 537.7 MNOK, an increase of 191.9 MNOK compared with 2014

Norwegian Finans Holding Group

<i>MNOK</i>	2015	2014	Change	
Interest income	1,714.3	1,279.8	434.4	34 %
Interest expenses	292.7	309.9	-17.2	-6 %
Net interest income	1,421.5	969.9	451.6	47 %
Commission and bank services income	192.6	127.9	64.7	51 %
Commission and bank services expenses	78.6	56.0	22.5	40 %
Net change in value on securities and currency	-18.7	-3.4	-15.3	n/m
Other income	0.2	0.4	-0.2	-52 %
Net other operating income	95.6	68.9	26.7	39 %
Total income	1,517.2	1,038.8	478.3	46 %
Personnel expenses	58.2	52.0	6.2	12 %
General administrative expenses	477.7	343.5	134.2	39 %
Ordinary depreciation	15.5	10.5	5.0	47 %
Other operating expenses	22.2	14.9	7.4	50 %
Total operating expenses	573.6	420.9	152.7	36 %
Provision for loan losses	207.9	142.6	65.3	46 %
Profit before tax	735.7	475.4	260.3	55 %
Tax charge	198.0	129.6	68.4	53 %
Profit after tax	537.7	345.8	191.9	56 %
Earnings per share NOK	3.11	2.00		

- Rise in net interest income driven by strong loan growth and lower funding costs.
- Higher fee income due to strong credit card growth.
- Value adjustments due to widening credit spreads.
- Expense growth mainly linked to sales and marketing.
- Increased group provisions for Swedish loans.
- ROE stable at 39.1 %.*

* Bank Norwegian AS

Earnings in Sweden were 24.5 MNOK, an increase of 10.0 MNOK compared with the third quarter

Norwegian Finans Holding Group

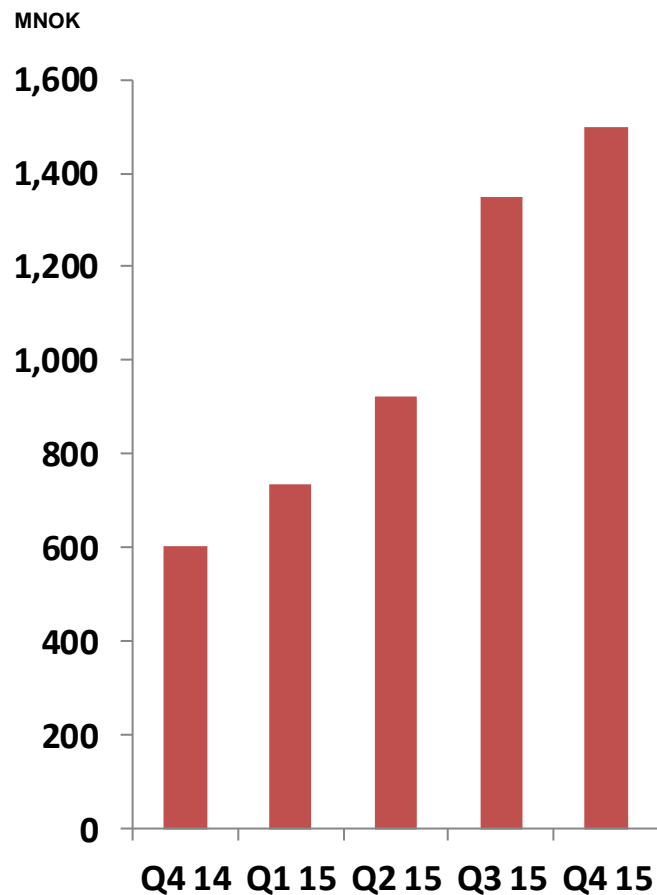
Key figures	Norway			Sweden*			Denmark/ Finland*
	Q4 15	Q3 15	Δ	Q4 15	Q3 15	Δ	Q4 15
<i>MNOK</i>							
Total income	342.7	293.0	49.7	111.6	88.5	23.1	2.3
Total operating expenses	107.4	104.4	2.9	49.6	48.0	1.6	2.2
Provision for loan losses	38.0	33.3	4.6	28.4	20.6	7.8	2.2
Profit after tax	144.8	113.3	31.4	24.5	14.5	10.0	-1.6
Net loans	10,051	9,377	673	3,616	2,935	681	93
Deposits	10,188	8,957	1,231	3,128	2,729	399	50

- Low-cost setup in Denmark and Finland.
- Commenced operations December 7.

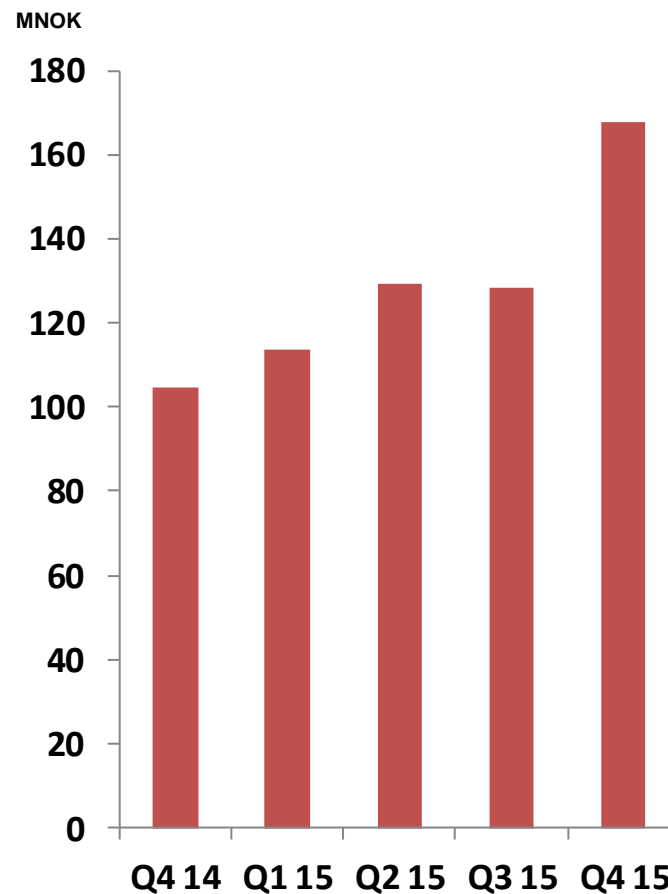
* No allocation of overhead expenses.

Strong loan and earnings growth

Quarterly loan growth

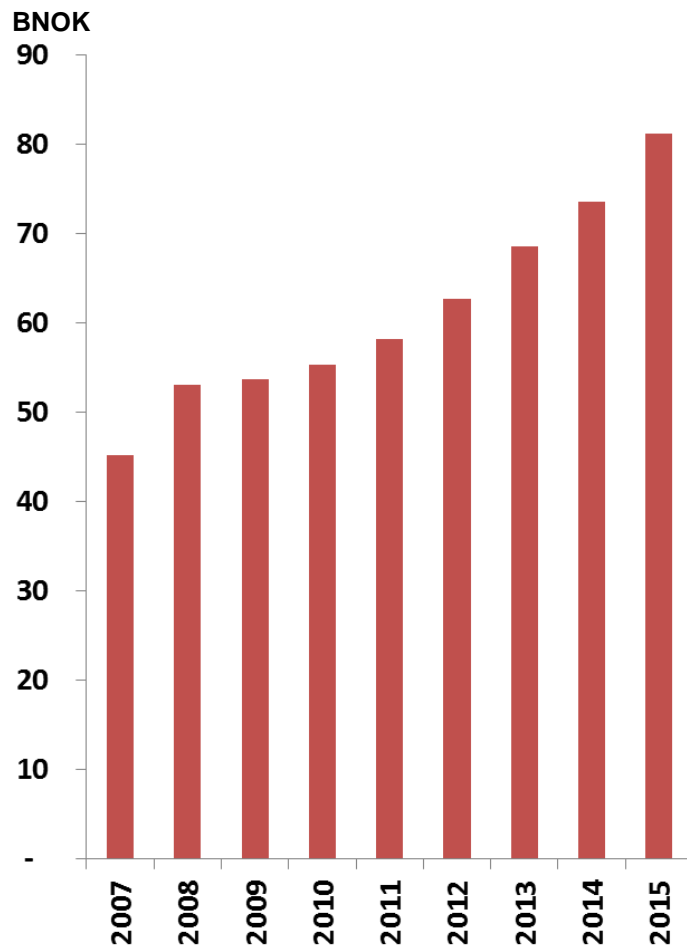


Quarterly earnings

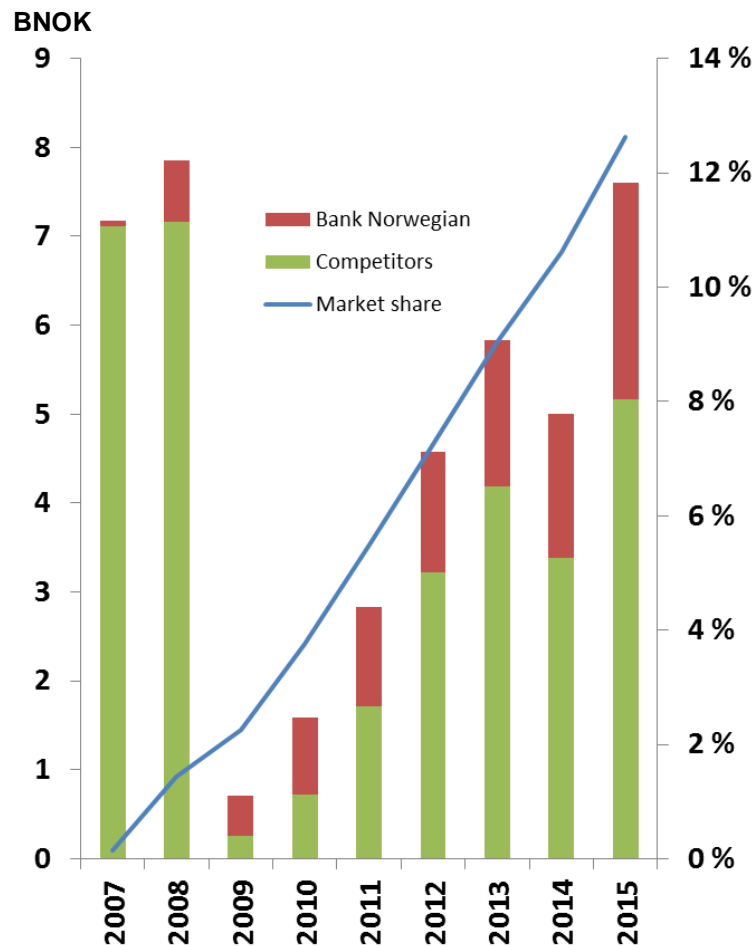


Rising market share in Norway

Total unsecured loans

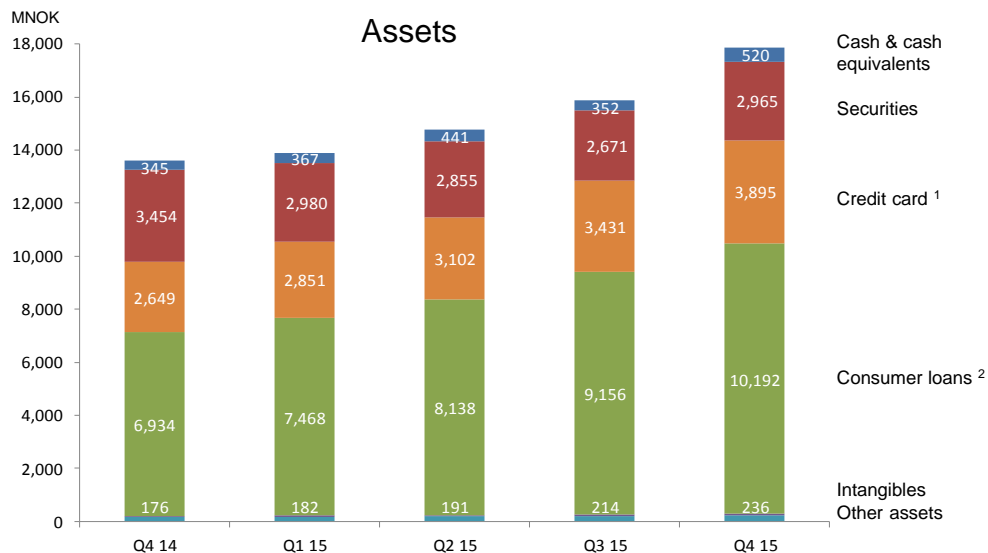


Market growth and market share

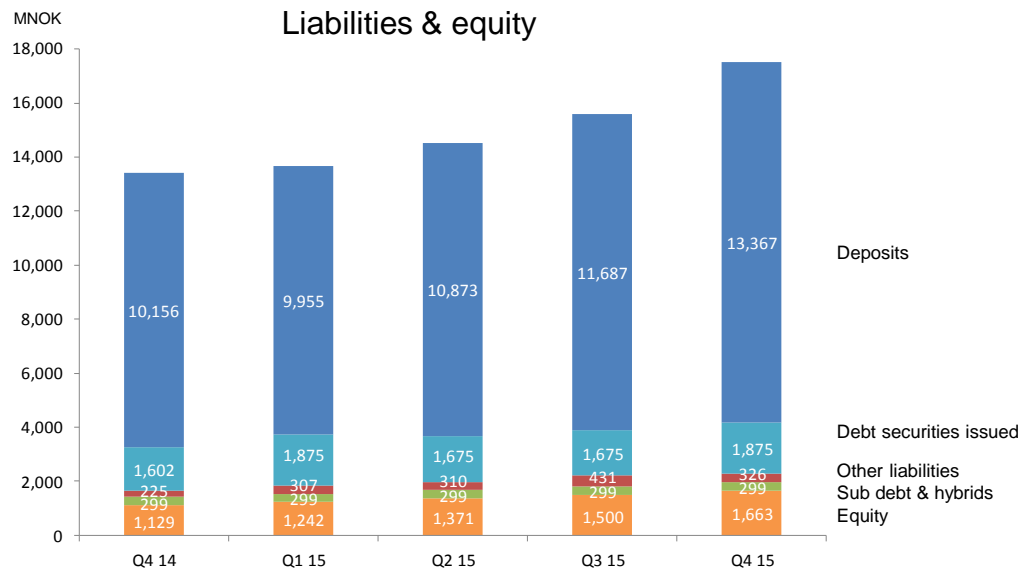


Source: The financial supervisory authority of Norway, adjusted for Bank Norwegian's Swedish loan portfolio.

Strong balance sheet



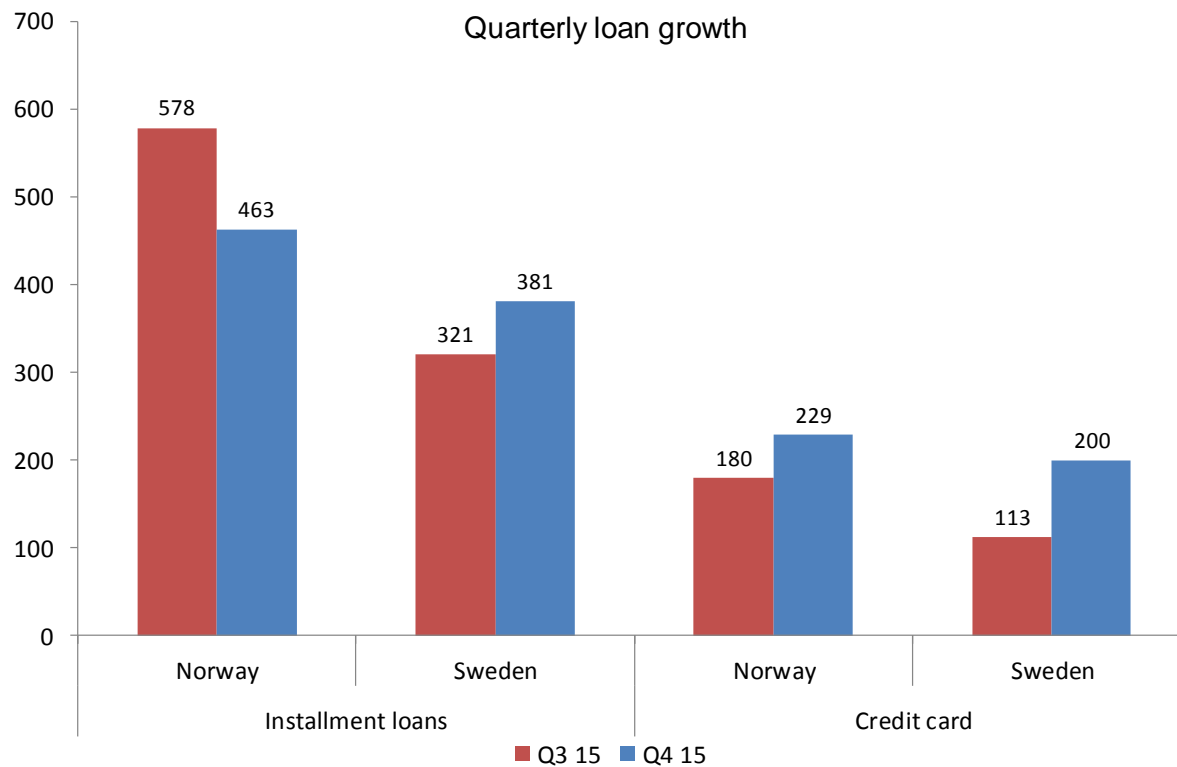
- Total gross loans increased 1,500 MNOK, compared with 1,347 MNOK in the third quarter.
- Installment loans rose 1,036 MNOK and credit card loans grew 464 MNOK.
- Installment loan run-off 748 MNOK, compared with 632 MNOK in the third quarter.



- Liquid assets comprise 20 % of total assets.
- Deposits up 1,680 MNOK.
- Deposits to loans ratio 0.97.
- LCR 114%.
- NSFR 136%.

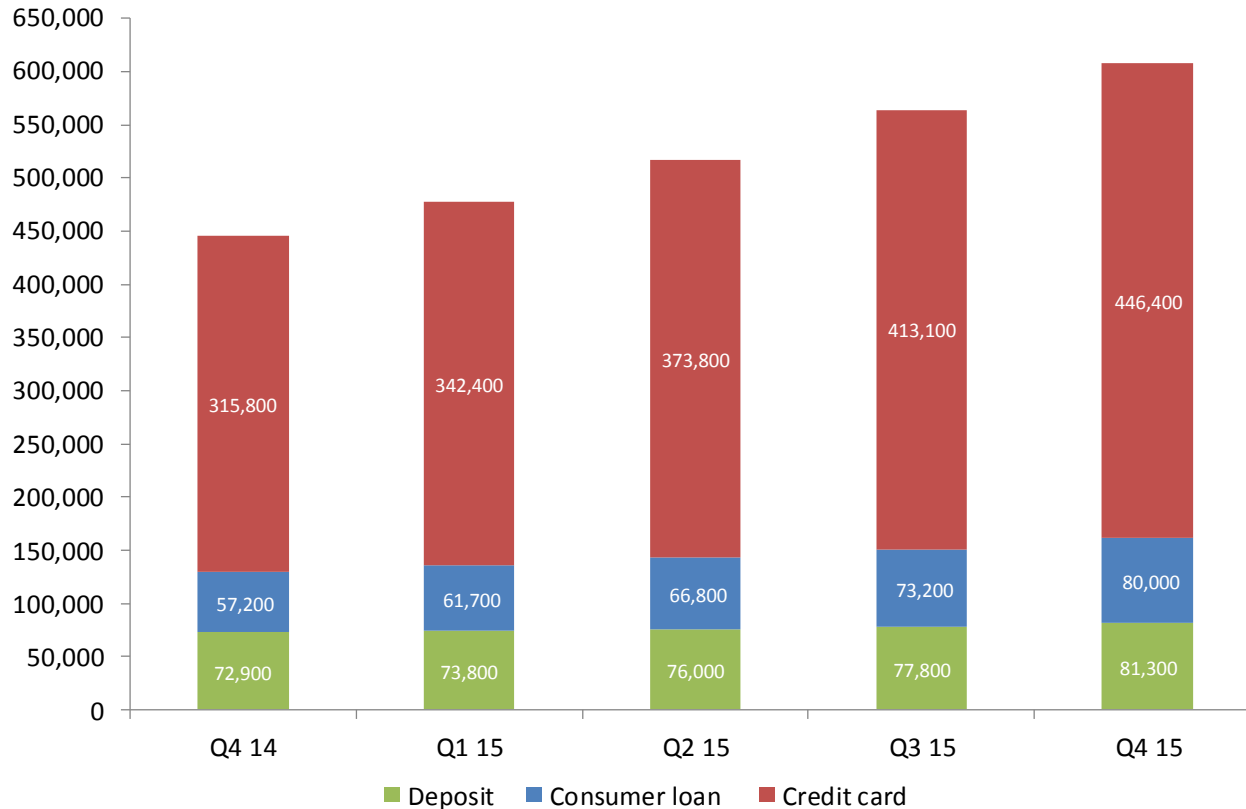
Strong loan growth

MNOK / MSEK



Rapid customer growth

Number of customers



- 43,600 new customers in the fourth quarter.
- 607,700 total customers.
- Swedish credit card customers total 150,500.

Quarterly balance sheet

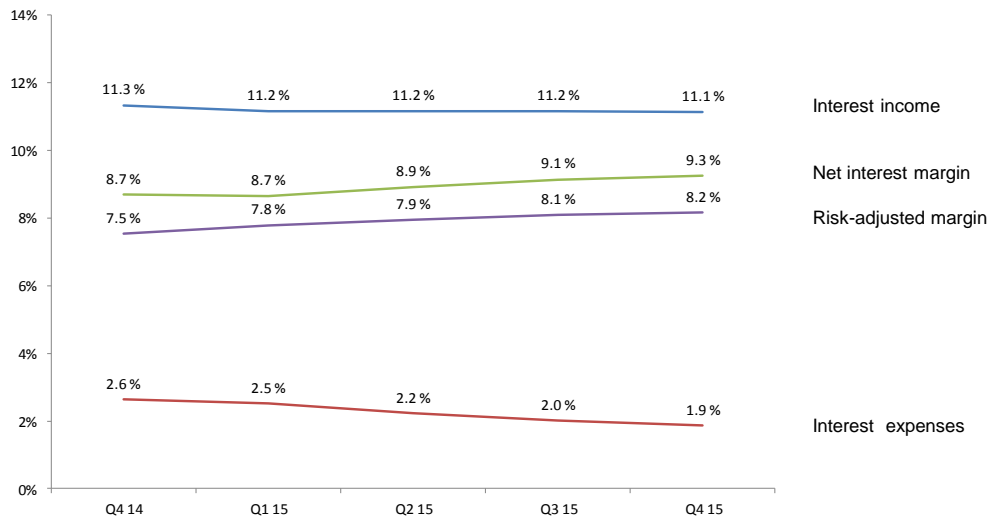
Norwegian Finans Holding Group

<i>MNOK</i>	31.12.15		30.9.15		Change	
Assets						
Deposits with Norges Bank	59	0 %	56	0 %	3	5 %
Loans and deposits with credit institutions	478	3 %	313	2 %	164	52 %
Loans to customers	13,759	78 %	12,313	79 %	1,447	12 %
Certificates and bonds	2,965	17 %	2,671	17 %	294	11 %
Shares and other securities	0	0 %	0	0 %	-	0 %
Other intangible assets	42	0 %	41	0 %	2	4 %
Deferred tax asset	7	0 %	2	0 %	5	295 %
Fixed assets	1	0 %	1	0 %	0	-35 %
Other assets	236	1 %	213	1 %	22	11 %
Total assets	17,547	100 %	15,610	100 %	1,937	12 %
Liabilities and equity						
Deposits from customers	13,367	76 %	11,687	75 %	1,680	14 %
Debt securities issued	1,875	11 %	1,675	11 %	200	12 %
Taxes payable	203	1 %	137	1 %	67	49 %
Other liabilities	36	0 %	34	0 %	3	7 %
Accrued expenses and unearned income received	82	0 %	262	2 %	-180	-69 %
Subordinated debt	299	2 %	299	2 %	0	0 %
Total liabilities	15,862	90 %	14,093	90 %	1,769	13 %
Share capital	173	1 %	173	1 %	-	0 %
Share premium	150	1 %	150	1 %	-	0 %
Retained earnings	1,361	8 %	1,194	8 %	168	14 %
Total equity	1,685	10 %	1,517	10 %	168	11 %
Total liabilities and equity	17,547	100 %	15,610	100 %	1,937	12 %

Stable yields and margins

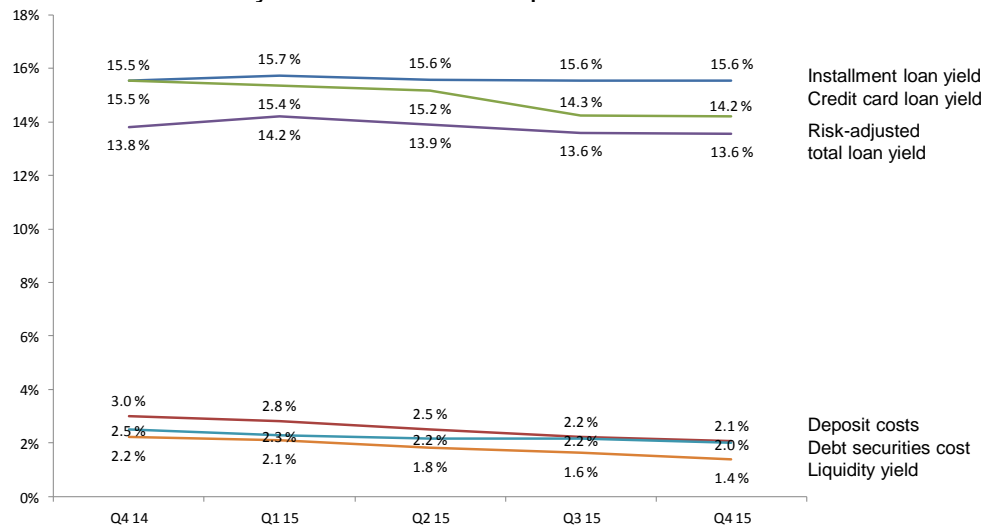
Norway

Margins as a % of average assets



- Improved asset utilization and lower interest expense.
- Lower credit card yield driven by loan growth and higher payments.
- Deposit rates in Norway lowered beginning of first quarter 2016.

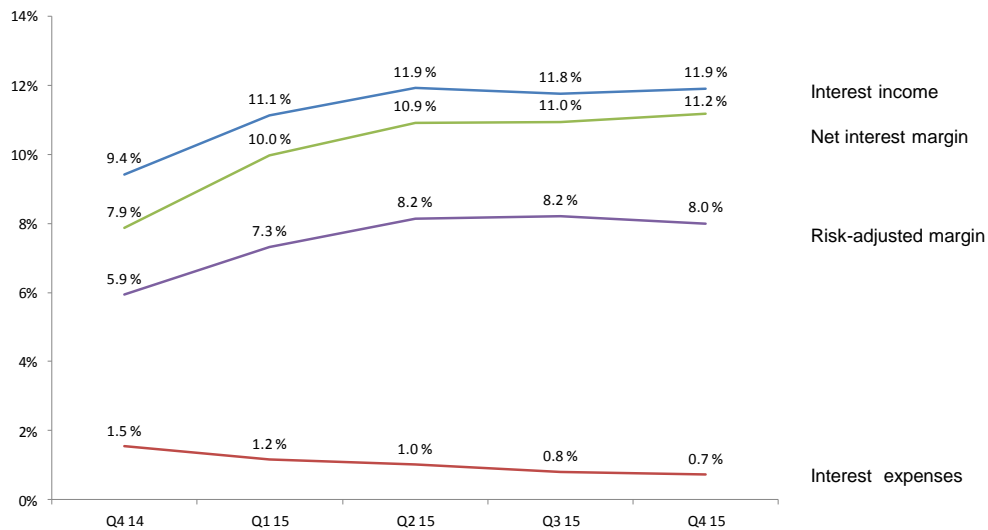
Asset yield and cost of deposits



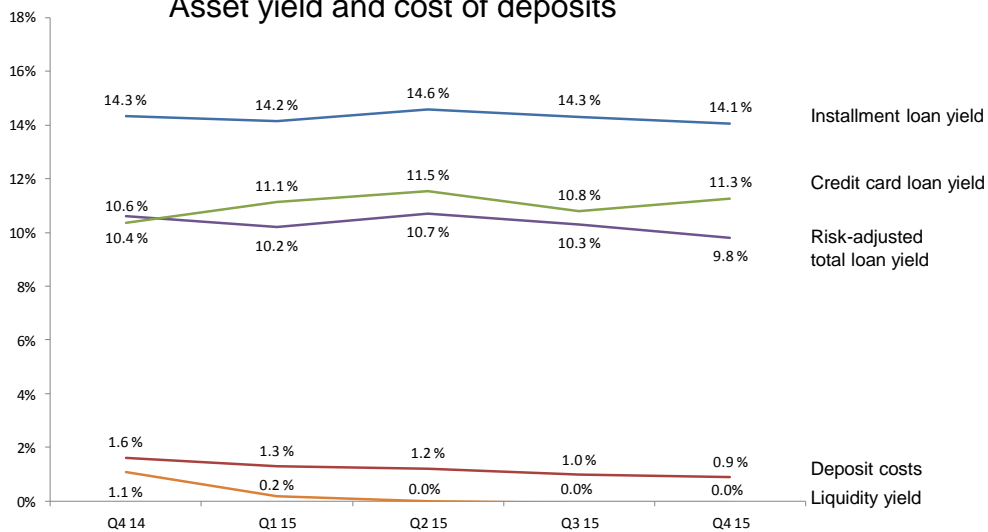
Stable yields and margins

Sweden

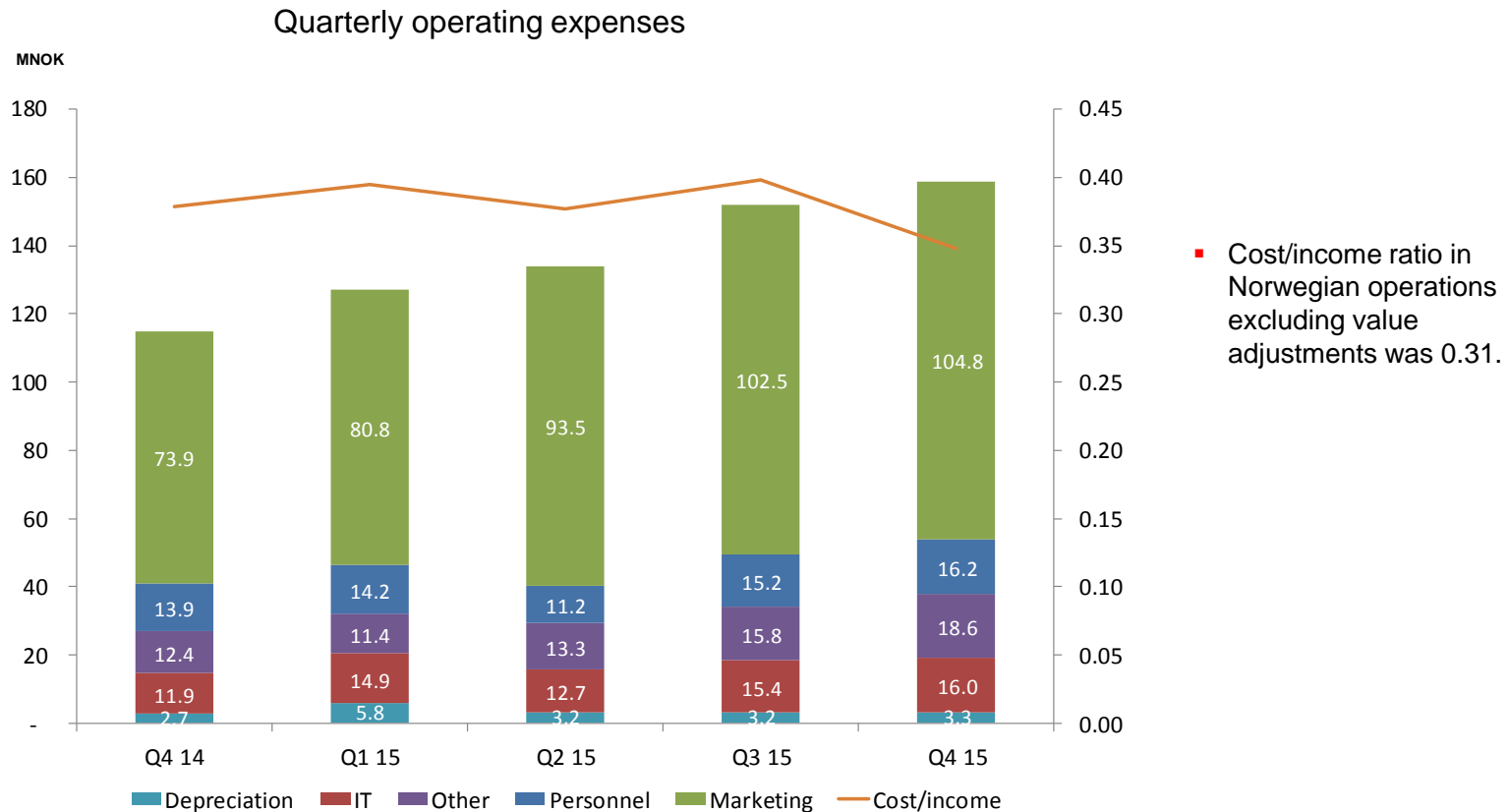
Margins as a % of average assets



Asset yield and cost of deposits



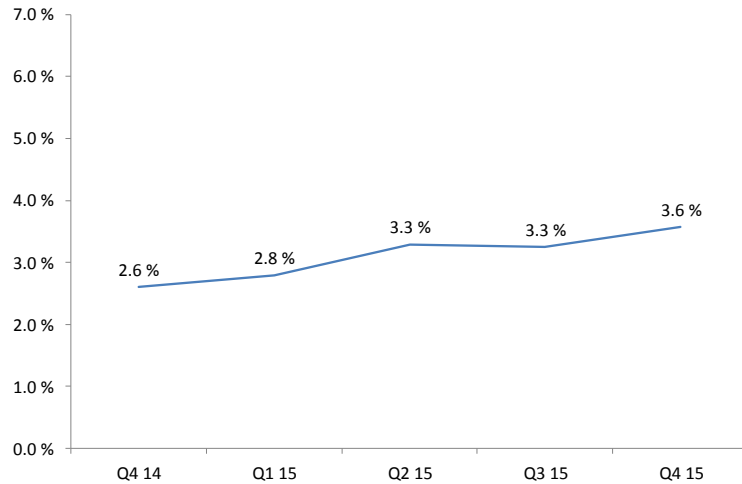
High operating efficiency



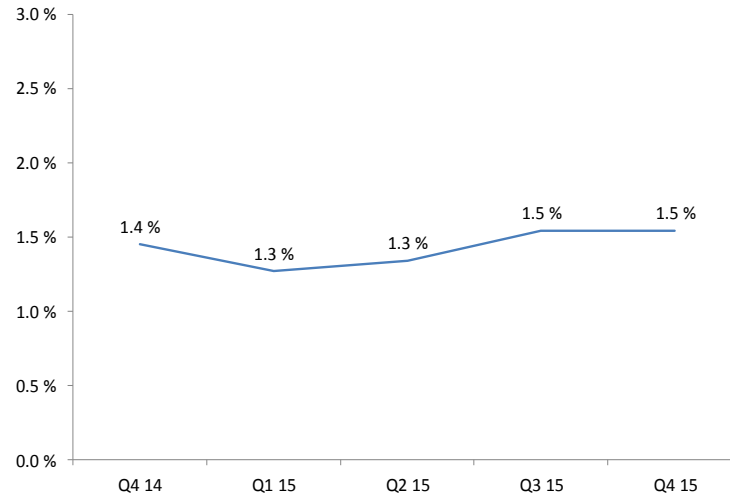
Strong credit metrics

Consumer loans - Norway

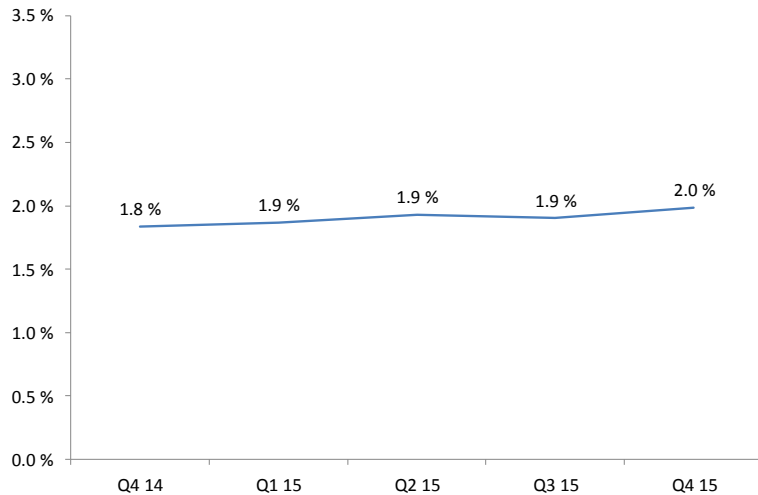
Non-performing loans to loans



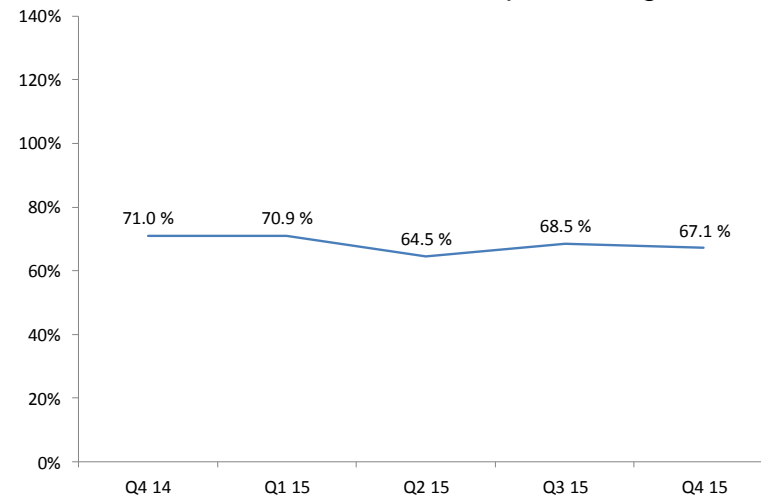
Loan loss provisions to average loans



Loan loss allowance to loans



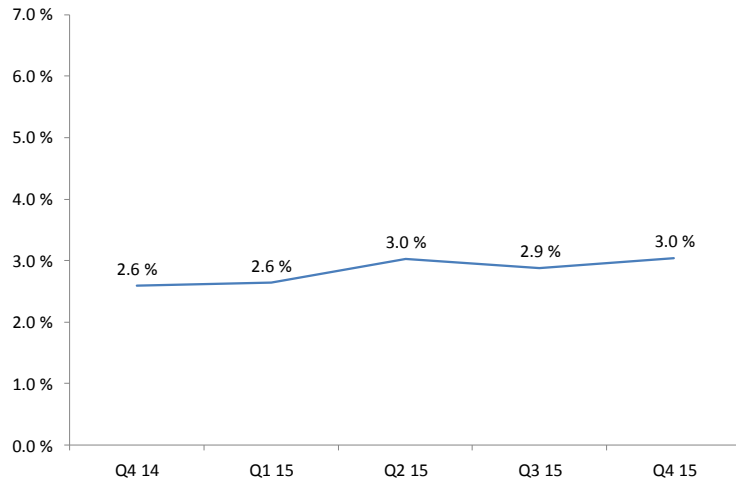
Loan loss allowance to non-performing loans



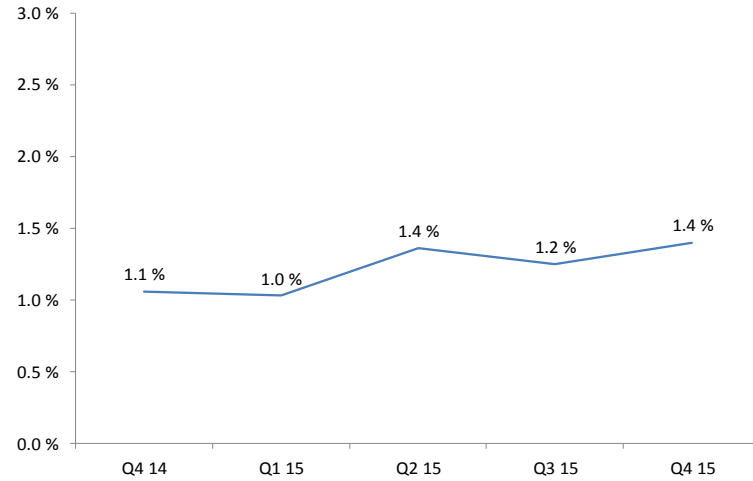
Strong credit metrics

Credit card loans - Norway

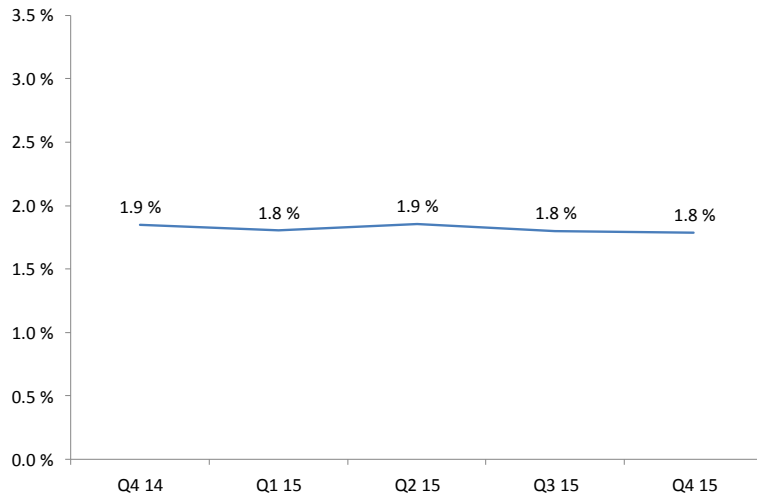
Non-performing loans to loans



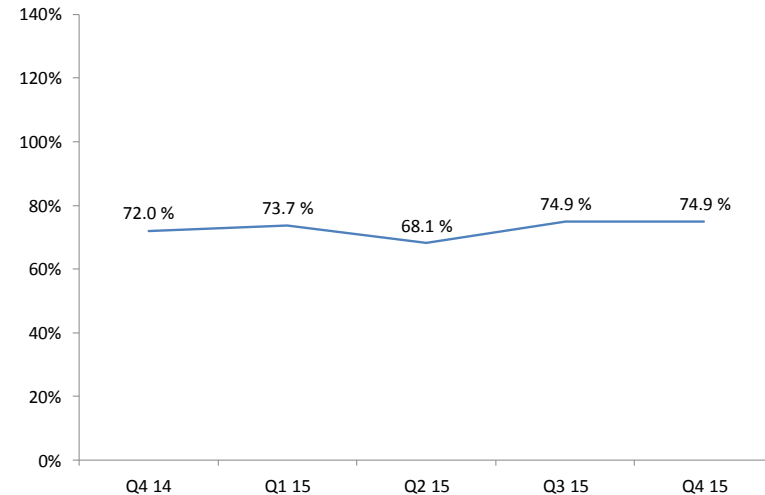
Loan loss provisions to average loans



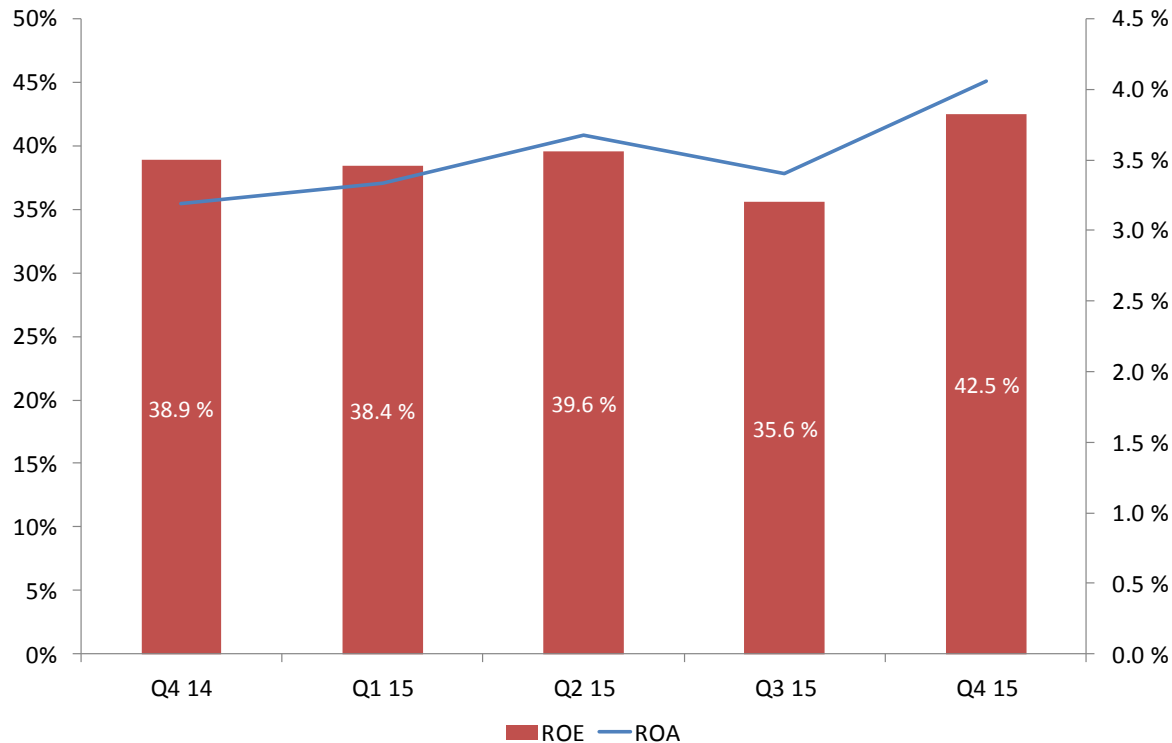
Loan loss allowance to loans



Loan loss allowance to non-performing loans



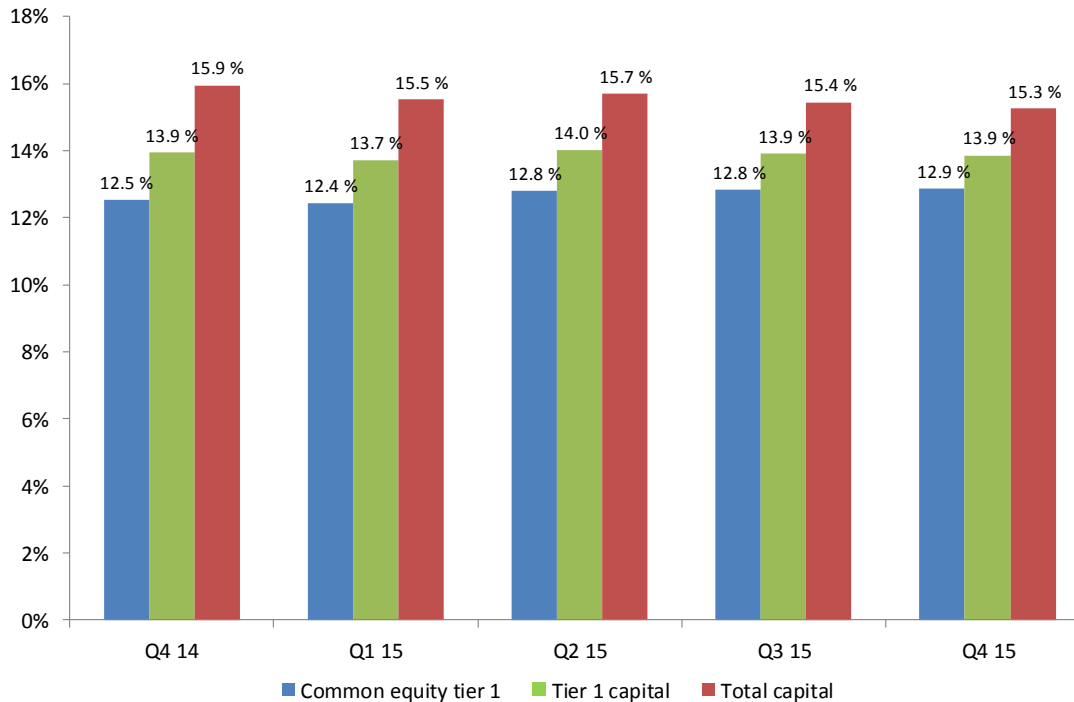
High profitability



- ROE excluding value adjustments was 41.3% compared with 39.9% in the third quarter.
- ROA Swedish operations at 2.73% compared with 1.93% in the third quarter.

High risk absorption capacity

Capital ratios



- Strong CET 1 ratio of 12.9%.
- Leverage ratio equals 9.1%.
- Ample capital for growth.

Well positioned for continued earnings growth

Earnings growth and strong returns

- Amplified loan growth through geographical expansion
- Stable margins
- Cost-efficient operations
- Stable provisions
- Nordic expansion will dampen earnings growth near term
- 60 MNOK estimated income recognition from Visa transaction in Q2 16

Stable credit quality

- Resilient Nordic economies with stable unemployment outlook
- Enhanced credit models
- Stable portfolio risk in established markets
- Higher initial credit losses expected in newly entered markets

Strong and resilient balance sheet

- Strong liquidity position
- 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	6,775,379	3.91 %
6 SPENCER TRADING INC	6,238,450	3.60 %
7 MP PENSJON PK	5,853,800	3.38 %
8 SWEDBANK ROBUR NORDENFOND	5,000,000	2.89 %
9 SWEDBANK ROBUR SMÅBOLAGSFOND	5,000,000	2.89 %
10 PROTECTOR FORSIKRING	4,510,000	2.60 %
11 SOCIETE GENERALE - NOM	4,000,000	2.31 %
12 SNEISUNGEN AS	3,720,333	2.15 %
13 TORSTEIN TVENGE	3,500,000	2.02 %
14 HANDELSBANKEN NORGE	3,000,000	1.73 %
15 SONGA AS	2,000,000	1.15 %
16 VEVLÉN GÅRD AS	1,761,621	1.02 %
17 DIRECTMARKETING INVEST	1,500,000	0.87 %
18 LITHINON AS	1,380,000	0.80 %
19 ERIK JENSEN	1,111,116	0.64 %
20 PÅL SVENKERUD	1,105,381	0.64 %
Top 20	127,546,487	73.64 %
Total	173,194,710	

- Norwegian Finans Holding ASA registered on the NOTC-list with ticker code BANK.
- Management holds 2.8 % of shares outstanding.

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