

Oslo Børs VPS Holding ASA 3rd Quarter 2014

23 October 2014

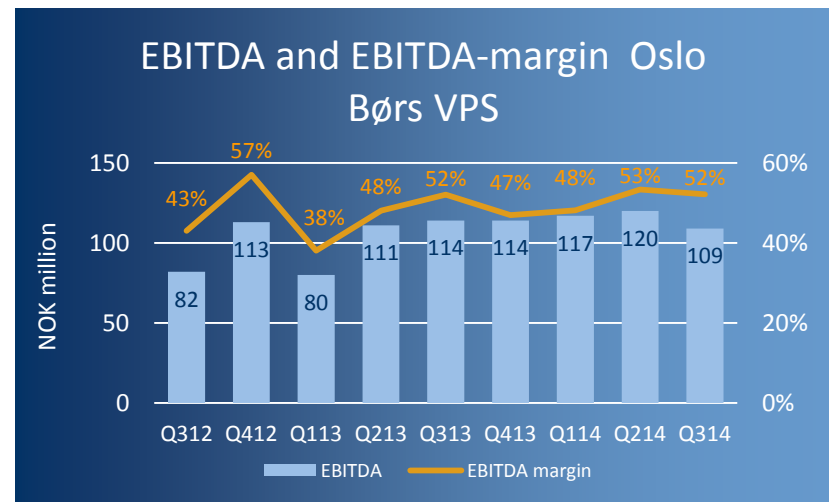
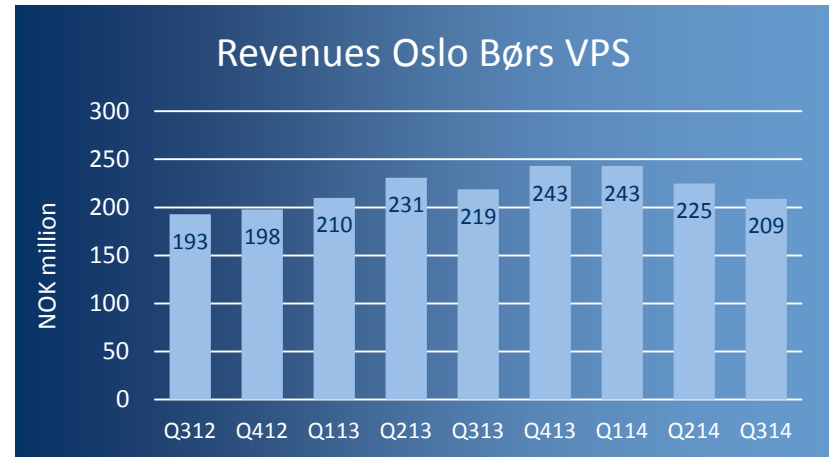
3rd quarter at a glance

- Trading in shares up by 19% relative to the third quarter of 2013
- Continuing strong interest in admission of both shares and bonds to stock exchange listing
- Six new companies admitted to listing in the quarter
- VPS continues its work on renewing its core system
- CSD-Regulation (CSDR) published
- Successful implementation of shorter settlement cycle (T+2) as of 6 October
- Changes in the distribution of investor messages
- Individual share savings product launched by VPS
- Ownership restrictions changed as of 1 July 2014

3rd quarter at a glance

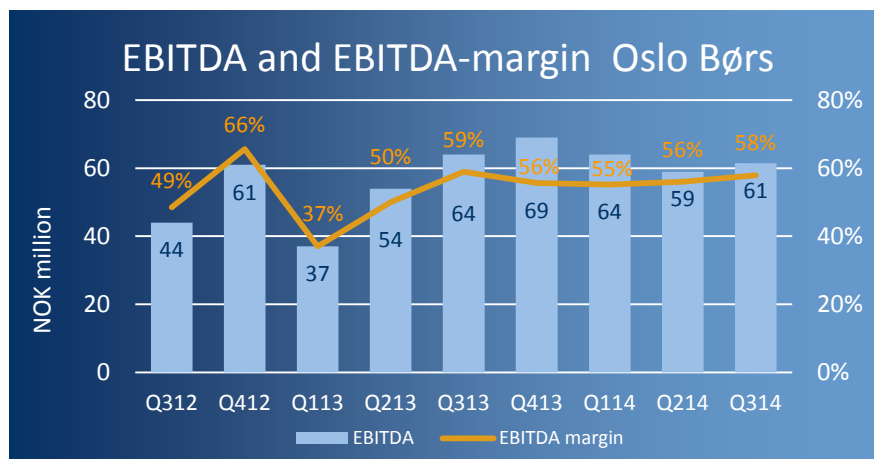
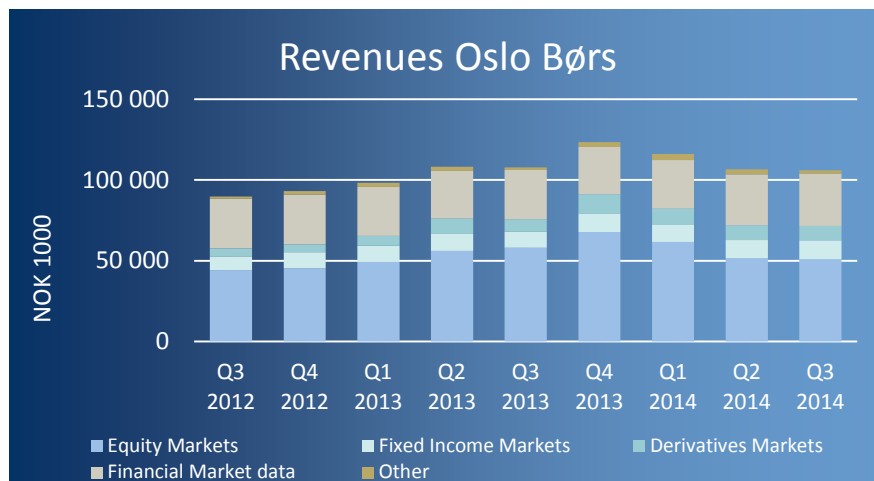
- Revenues down NOK 11 million or 5% to NOK 209 million from Q313
 - After correction for Burgundy and Oslo Clearing – organic growth NOK 19 million
- Expenses down NOK 6 million to NOK 99 million from Q313
 - After correction for one-offs and Burgundy and Oslo Clearing – in line with Q313
- EBITDA down NOK 4 million from Q313
 - After correction for one-offs and Burgundy and Oslo Clearing – up NOK 19 million

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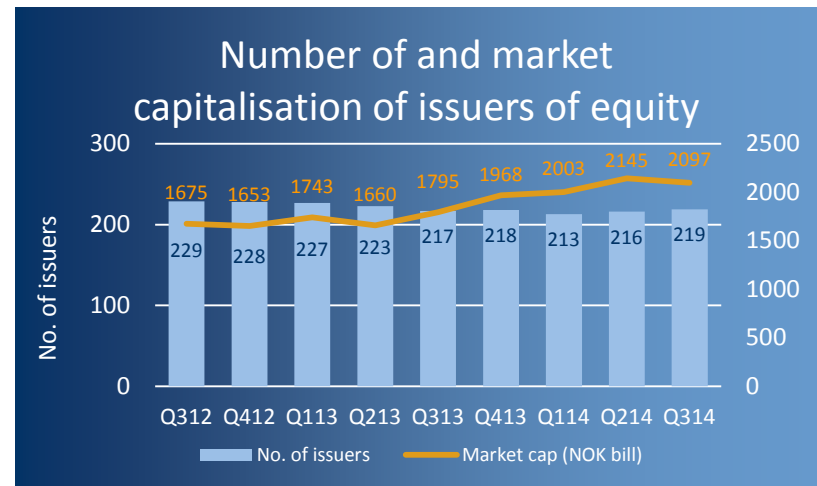
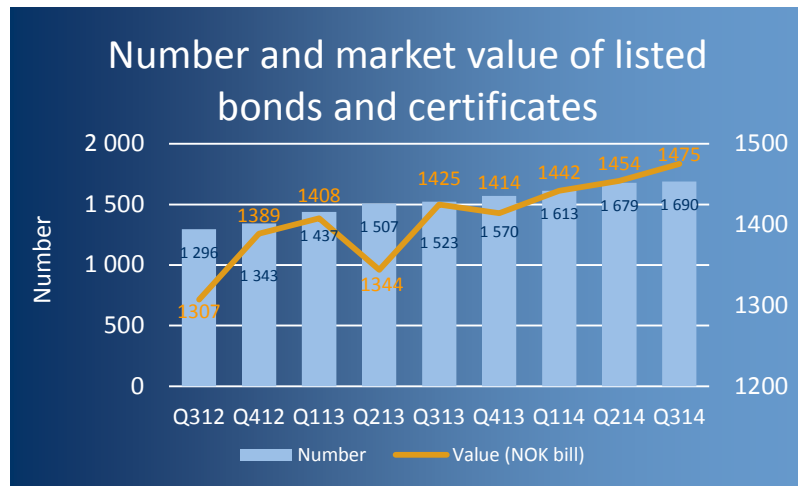
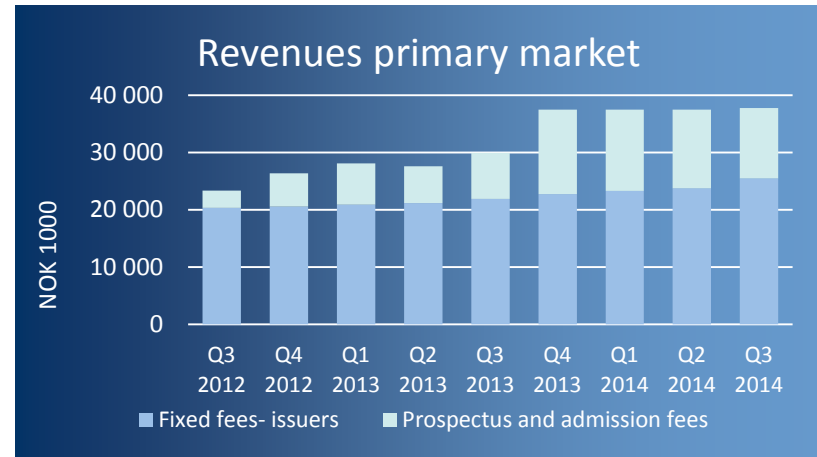
Oslo Børs

- Revenues down 2% or NOK 2 million to NOK 106 million from Q313
 - Up 16% or NOK 15 million adjusted for Burgundy
- EBITDA down 3% or NOK 2 million to NOK 61 million from Q313
 - Up 36% or NOK 16 million adjusted for Burgundy and one-offs
- Increased activity in both first and second hand markets



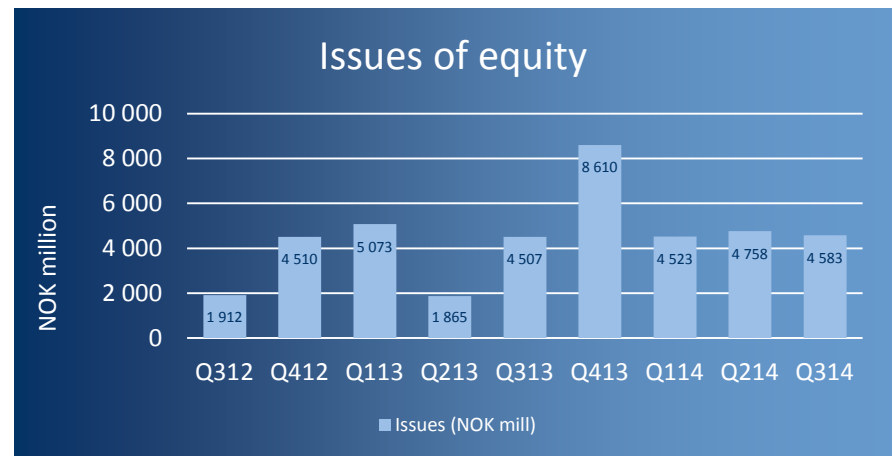
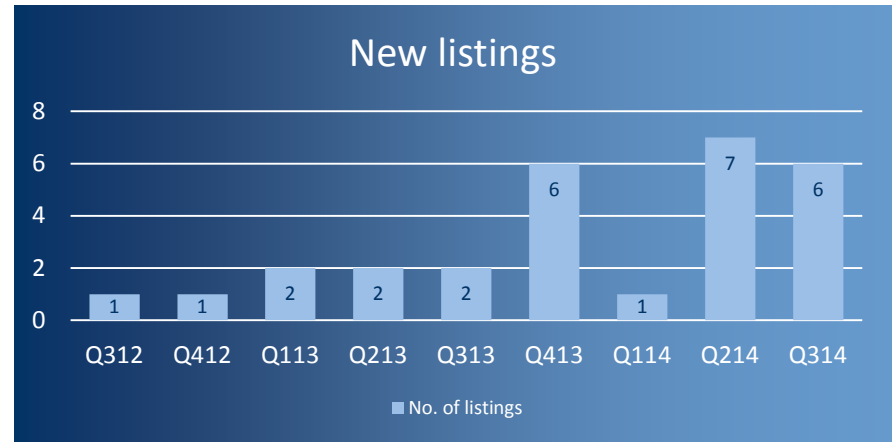
Oslo Børs – primary market

- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers up 16% from Q313
- Fixed fees driven by number of issuers and market capitalisation January 1
- Market cap. issuers up 20% from 2013



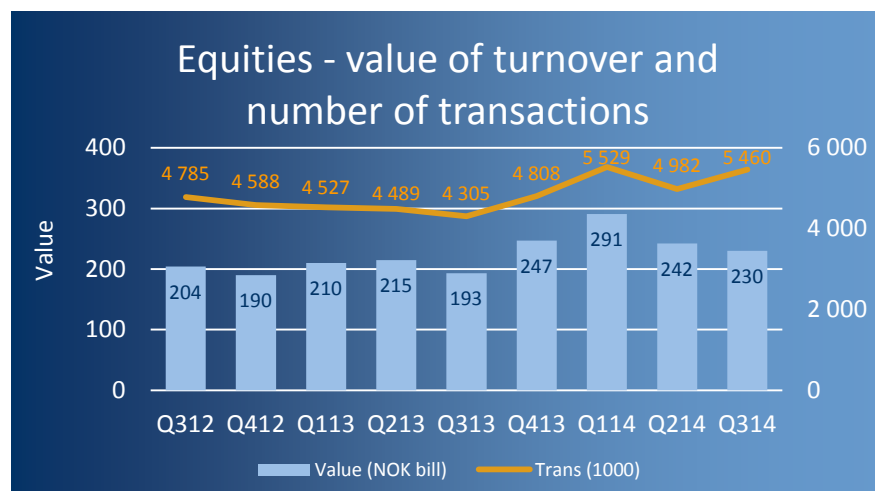
Oslo Børs – primary market

- Prospectus and admission fees up NOK 4 million to NOK 12 million in Q314
- Revenues driven by number and size of IPOs and issues
- Increasing level of new listings and issues of equity
- Six new listings in Q314
- High level of issues of fixed income instruments



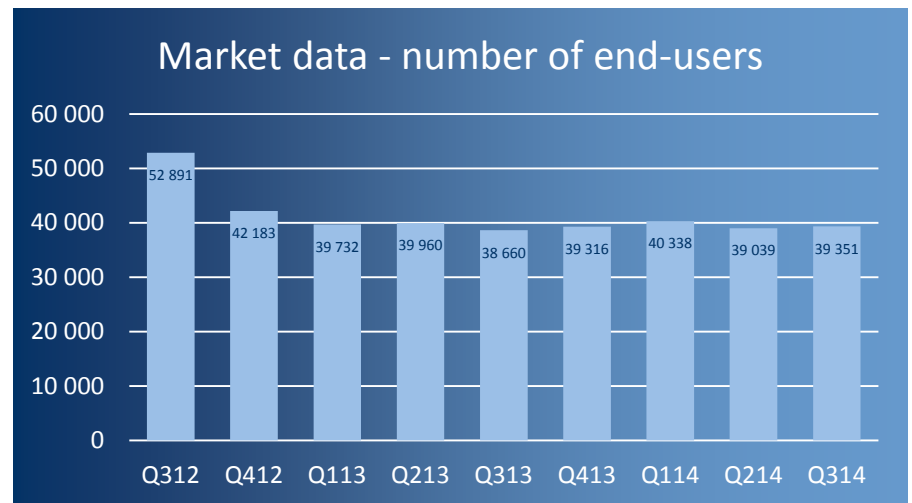
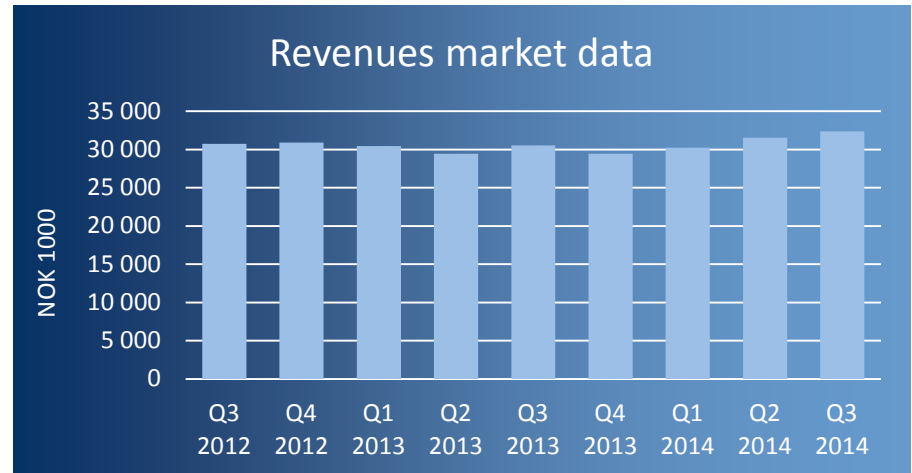
Oslo Børs – secondary market

- Revenues from trading on Oslo Børs and Fish Pool up NOK 4 million from Q313
- Value of turnover up 19% from Q313
- Revenues from Burgundy NOK 17 million in Q313
- Derivatives revenues driven by activity level and composition of derivatives trading
 - No of contracts on Oslo Børs down 20% from Q313
 - Revenues in line with Q313



Oslo Børs – market data

- Revenues up NOK 2 million or 6% from Q313
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Professional users estimated up 7% from Q313



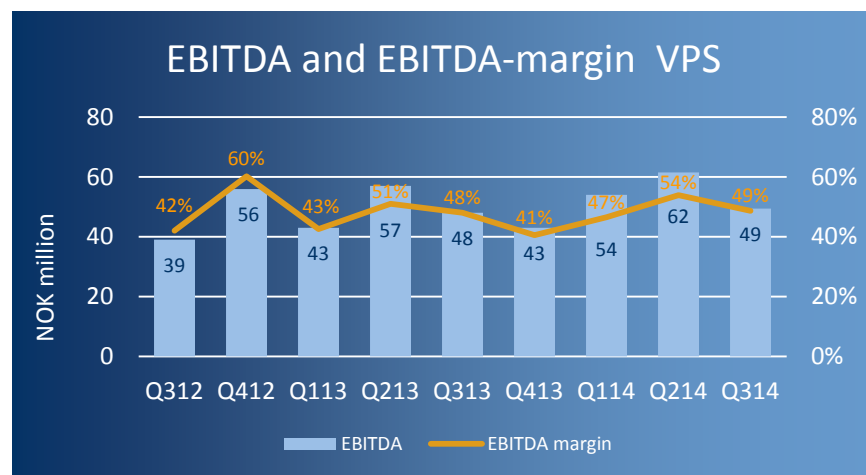
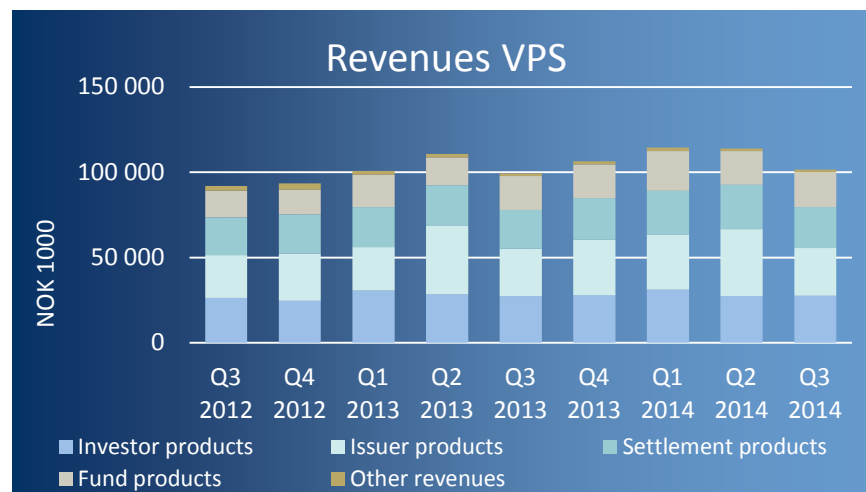
Key market activities

- Market activities to attract issuers
 - Domestic and international
 - Equities and fixed income
- Common marketing activities with Fish Pool
 - Listings on Oslo Børs
 - Trading on Fish Pool
- Nordic ABM
 - Nordic bond offering for high yield bonds
- Continuous improvement of microstructure
 - Marketplace rules, pricing structure, technology, networks and products
 - Introducing new functionality in the North Sea Dark Book in 2015
- Efficient post trade
 - Choice of Oslo Clearing and LCH.Clearnet as clearing provider



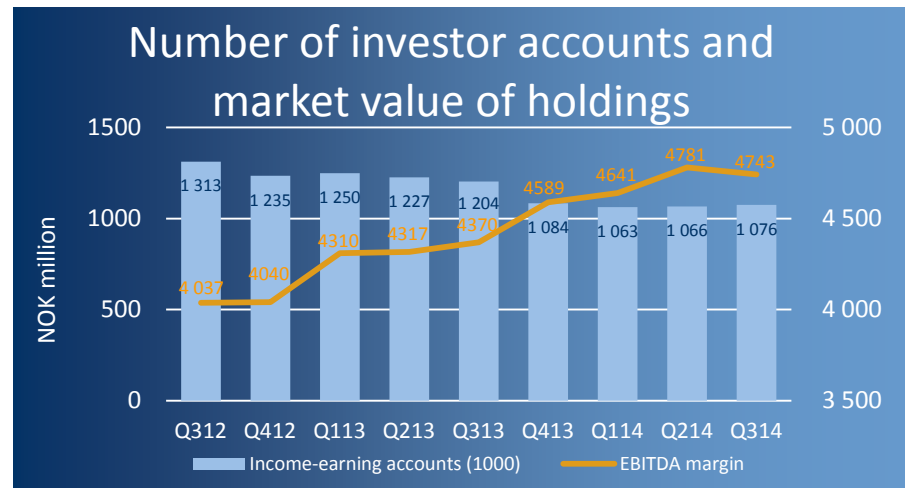
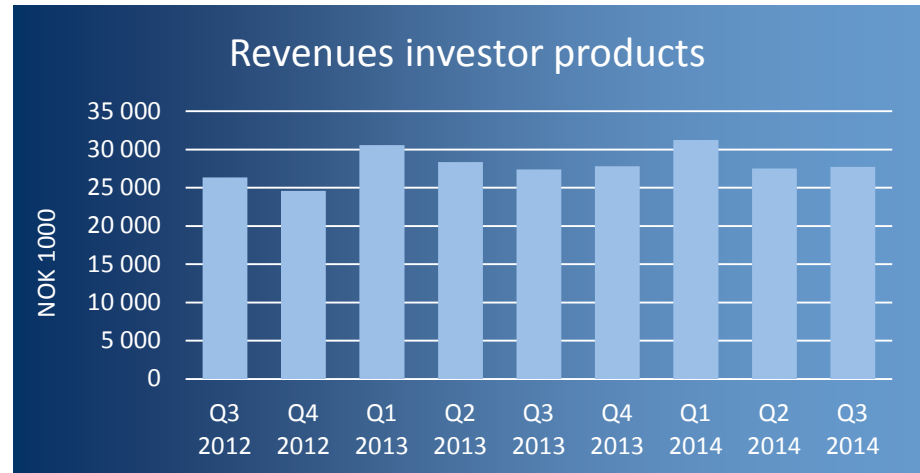
VPS

- Revenues up NOK 2 million or 2% to NOK 102 million from Q313
- EBITDA up NOK 2 million or 5% to NOK 49 million from Q313
- Modernisation of core IT-system
 - Project period Q414 - Q217
 - External capex and expenses – about NOK 120 million
 - Capex about NOK 100 mill.
 - Expenses about NOK 20 mill
 - Yearly reduction in operating expenses approx. NOK 20 million (full year effect starting 2018)
 - Enabling T2S connection



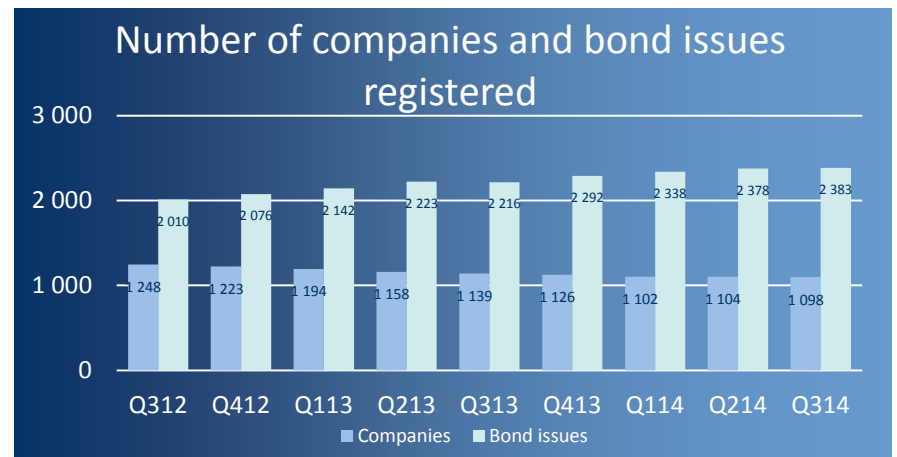
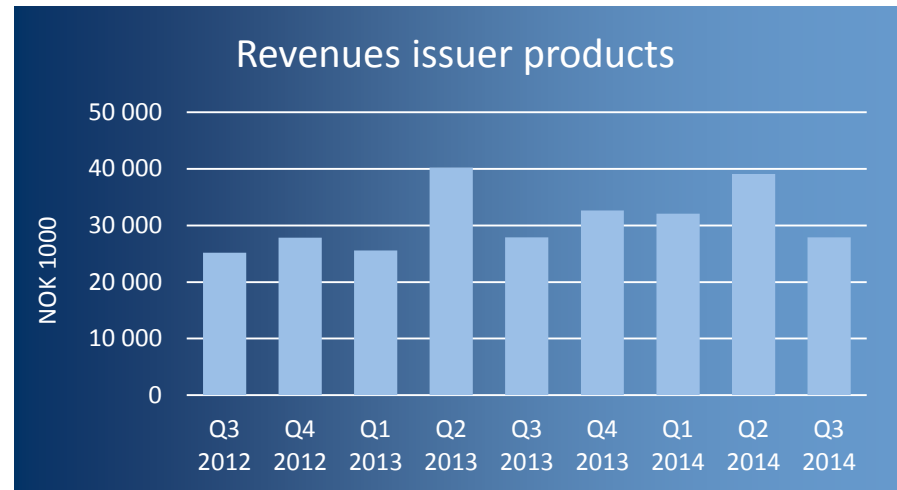
VPS – investor products

- Revenues in line with Q313
 - Revenues primarily driven by number of VPS accounts and market value of holdings
- January 1
- Reduction in number of accounts
 - Increased holdings



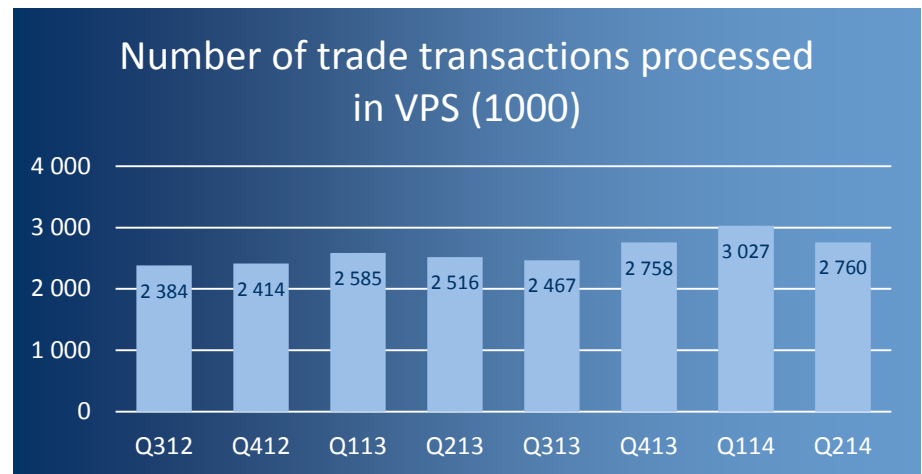
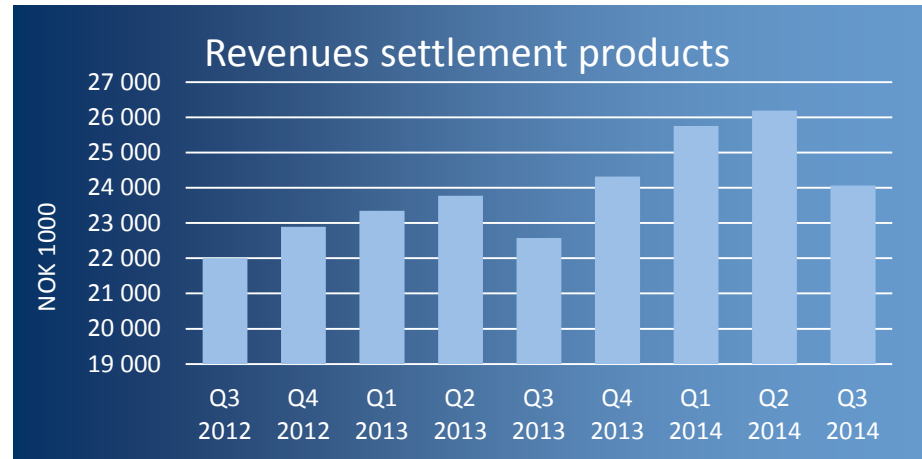
VPS – issuer products

- Revenues in line with Q313
- Revenues driven by number and composition of issuers and level and composition of corporate activity
 - AGM-season in Q2
- Additional revenue from value added products
 - AGM-services
 - Bond holders' meeting
 - Stock purchase programs
 - Nominee-ID



VPS – settlement products

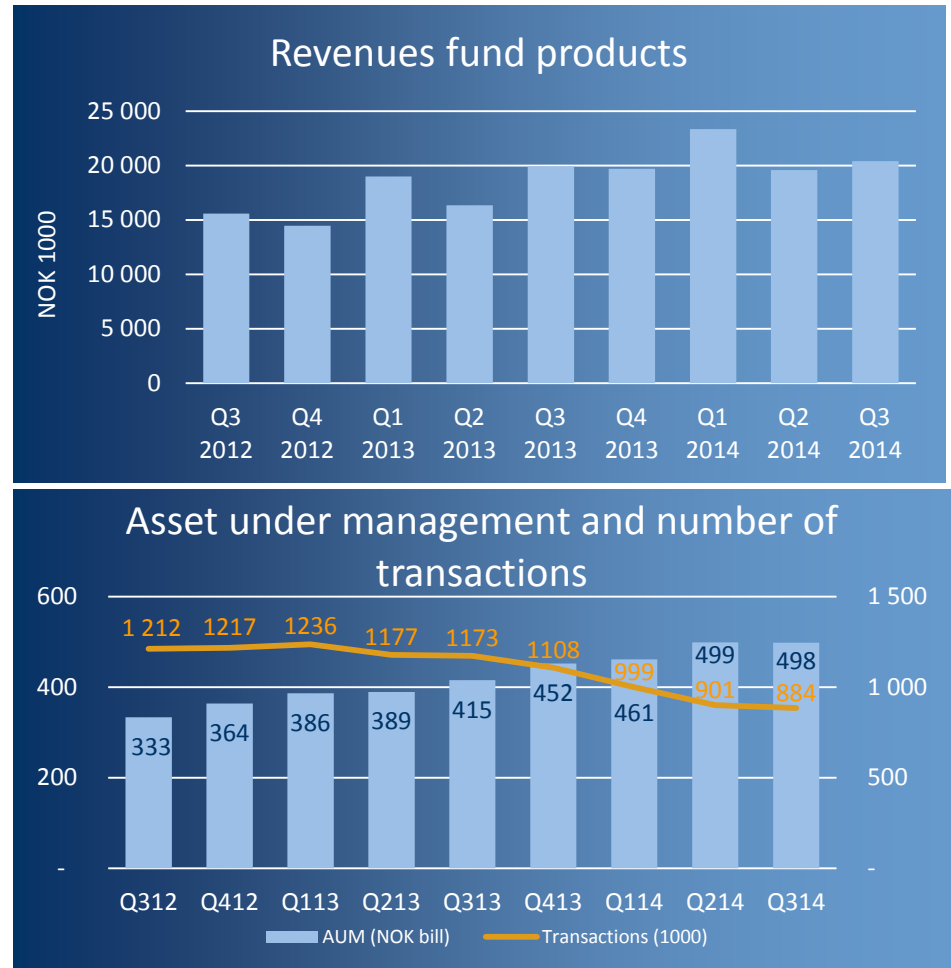
- Revenues up 7% to NOK 24 million in Q314
- Revenues driven by number of participants and number of settlement transactions



VPS – fund products

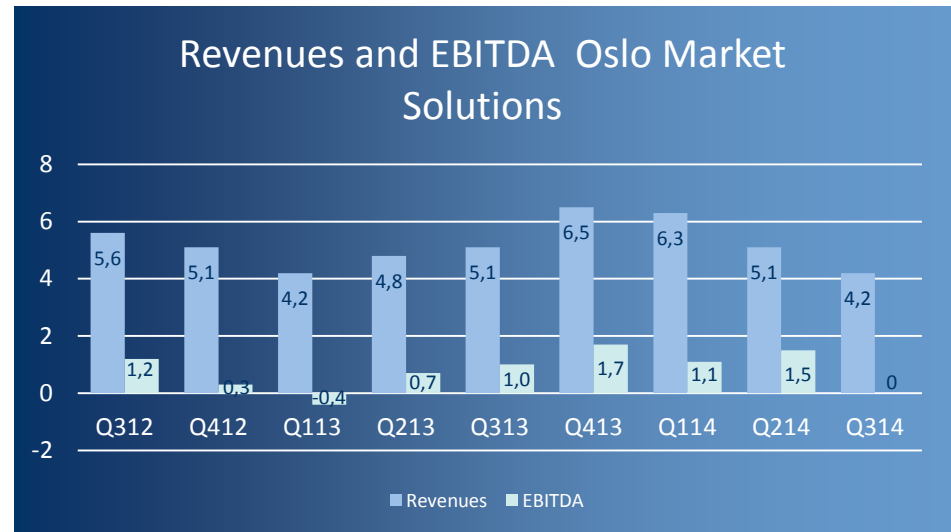
- Revenues in Q314 up NOK 1 million from Q313
- Evolution up NOK 2 million
- Revenues in VPS primarily driven by assets under management and number of transactions
- Nordic Fund Managers and distributors still attractive customers for VPS
- However, strong competition from international providers and internal IT in targeted

14 markets



Oslo Market Solutions

- Revenues down NOK 0,9 million from Q313
- EBITDA down NOK 1 million from Q313

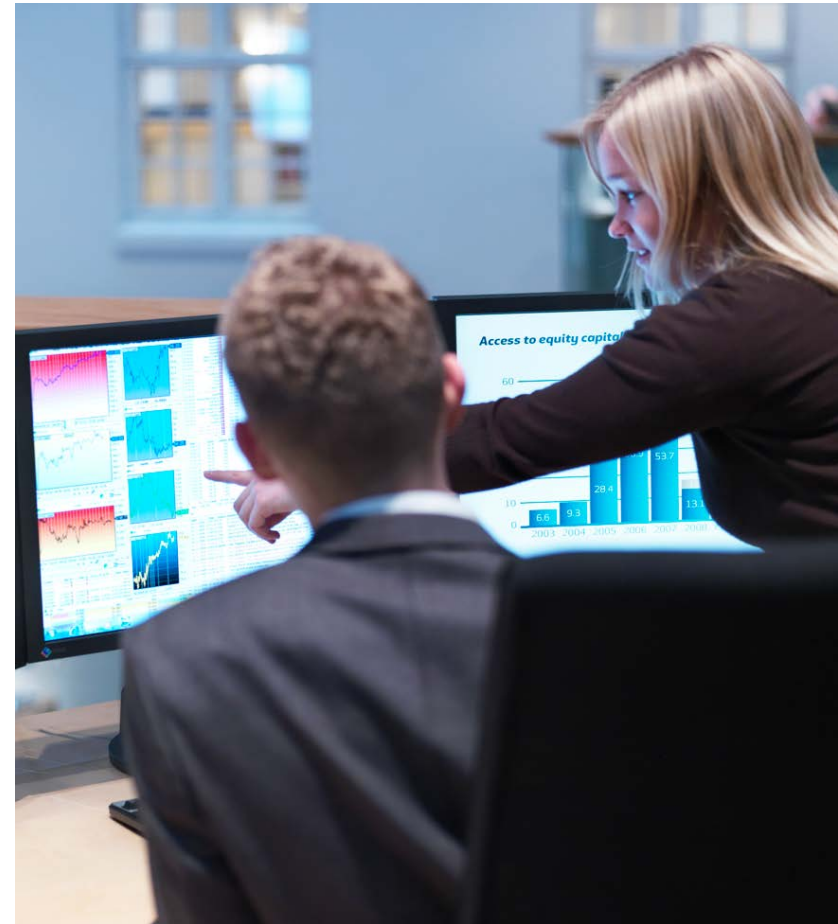


European regulation – implications

- MiFID II and MiFIR
 - More level playing field and increased transparency – expected into force January 2017
- CSD-Regulation
 - Published in Official Journal in September
 - CSDs must comply with regulation and apply for authorisation early 2016
 - Increased competition – opportunity and threat

Summary

- Increased activity in the capital markets
- Continued intense competition and pressure on market share
- Continuous focus on operating costs
- Continuous assessment of new products and new positions in order to adapt to challenging competitive environment
- Focus forward
 - Attract new listings/registrations and members
 - Increased sale to existing customers, e.g. Cairo in Norway
 - Strengthen competitive position in secondary market
 - Successful execution of projects
 - modernisation of VPS IT



Appendix

P&L

| | 3rd Quarter 2014 | 3rd Quarter 2013 | Change in % | 30 Sept 2014 | 30 Sept 2013 | Change in % | 2013 |
|--|---------------------|---------------------|----------------|-----------------|-----------------|----------------|----------------|
| Operating revenues | 208 570 | 219 350 | -5 % | 676 618 | 744 784 | -9 % | 986 911 |
| Operating expenses | | | | | | | |
| Capitalisation of internal resources | 0 | -1 622 | | -3 039 | -4 787 | | -7 066 |
| Salary and other personnel expenses | 60 636 | 66 688 | | 193 911 | 210 261 | | 285 816 |
| Other operating expenses | 38 818 | 39 097 | | 136 666 | 205 010 | | 258 009 |
| Depreciations and write-downs | 11 994 | 14 280 | | 37 026 | 73 438 | | 91 761 |
| Amortisations | 20 963 | 20 592 | | 62 890 | 60 312 | | 80 904 |
| Operating expenses before capitalisation of internal resources, depreciations and amortisations | 99 454 | 105 785 | -6 % | 330 577 | 415 271 | -20 % | 543 825 |
| Total operating expenses | 132 411 | 139 035 | -5 % | 427 454 | 544 234 | -21 % | 709 424 |
| EBITDA | 109 116 | 113 565 | -4 % | 346 041 | 329 513 | 5 % | 443 086 |
| Operating profit (EBIT) | 76 159 | 80 315 | -5 % | 249 164 | 200 550 | 24 % | 277 487 |
| Net financial items | 4 100 | 4 016 | | 62 289 | 16 973 | | 23 183 |
| Ordinary pre-tax profit | 80 259 | 84 331 | | 311 453 | 217 523 | | 300 670 |
| Tax | 21 424 | 23 297 | | 70 358 | 60 715 | | 86 560 |
| Earnings for the period | 58 835 | 61 034 | -4 % | 241 095 | 156 808 | 54 % | 214 110 |
| Actuarial gains/losses defined benefit pension plans | 0 | 0 | | 0 | 0 | | 22 986 |
| Tax-effect | 0 | 0 | | 0 | 0 | | -6 206 |
| Total comprehensive income | 58 835 | 61 034 | -4 % | 241 095 | 156 808 | 54 % | 230 890 |
| Earnings per share (NOK) | 1,37 | 1,42 | -4 % | 5,61 | 3,65 | 54 % | 4,98 |
| Diluted earnings per share (NOK) | 1,37 | 1,42 | -4 % | 5,61 | 3,65 | 54 % | 4,98 |
| Earnings per share (NOK) before amorisations | 1,72 | 1,76 | -3 % | 6,66 | 4,66 | 43 % | 6,33 |

Breakdown revenues – Oslo Børs segment

| Revenues per area | Q3 2014 | Q3 2013 | 30.09.2014 | 30.09.2013 | 2013 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Equity Markets | 51 023 | 57 987 | 164 048 | 163 564 | 231 360 |
| Fixed Income Markets | 11 569 | 9 905 | 33 426 | 30 150 | 41 615 |
| Derivatives Markets | 8 956 | 7 879 | 28 200 | 23 525 | 35 384 |
| Financial Market data | 32 356 | 30 533 | 94 117 | 90 448 | 119 884 |
| Other | 2 150 | 1 615 | 8 992 | 6 824 | 9 798 |
| Total Oslo Børs | 106 053 | 107 920 | 328 783 | 314 511 | 438 041 |
| Revenues per category | Q3 2014 | Q3 2013 | 30.09.2014 | 30.09.2013 | 2013 |
| Fixed fees- issuers | 25 461 | 21 907 | 72 519 | 63 930 | 86 656 |
| Trading fees | 30 653 | 43 154 | 103 754 | 125 425 | 175 982 |
| Prospectus and admission fees | 12 337 | 8 064 | 40 291 | 21 742 | 36 525 |
| Financial market data | 32 356 | 30 533 | 94 117 | 90 448 | 119 884 |
| Other income | 5 247 | 4 261 | 18 103 | 12 967 | 18 994 |
| Total Oslo Børs | 106 053 | 107 920 | 328 783 | 314 511 | 438 041 |

Breakdown revenues – VPS segment

| VPS | Q3 2014 | Q3 2013 | 30.09.2014 | 30.09.2013 | 2013 |
|---------------------|----------------|----------------|-------------------|-------------------|----------------|
| Investor products | 27 718 | 27 380 | 86 497 | 86 287 | 114 088 |
| Issuer products | 27 897 | 27 877 | 99 034 | 93 682 | 126 357 |
| Settlement products | 24 061 | 22 571 | 76 004 | 69 691 | 94 012 |
| Fund products | 20 405 | 19 904 | 63 337 | 55 257 | 74 969 |
| Other revenues | 1 541 | 1 476 | 5 224 | 5 900 | 7 772 |
| Total VPS | 101 625 | 99 208 | 330 096 | 310 817 | 417 198 |

Balance sheet

| | 30 Sept 2014 | 30 Sept 2013 | 31 Dec 2013 |
|---|------------------|------------------|------------------|
| Fixed assets | | | |
| IT-systems | 103 040 | 204 230 | 179 649 |
| Customer relations | 3 858 | 19 350 | 15 477 |
| Registrations | 9 700 | 13 500 | 13 500 |
| Goodwill | 498 381 | 498 381 | 498 381 |
| Deferred tax assets | 55 597 | 71 404 | 59 320 |
| Tangible assets | 49 283 | 59 394 | 58 906 |
| Treasury bills and bonds | - | 105 093 | 84 869 |
| Financial fixed assets | 14 913 | 14 564 | 15 645 |
| Current assets | | | |
| Market value of outstanding derivatives positions | - | 442 263 | 290 336 |
| Receivables | 89 204 | 104 734 | 102 714 |
| Treasury bills and bonds | - | 249 258 | 278 043 |
| Cash and cash equivalents | 707 631 | 1 438 019 | 1 571 290 |
| Assets | 1 531 607 | 3 220 190 | 3 168 131 |
| Equity | | | |
| Contributed equity | 1 128 207 | 1 306 832 | 1 381 547 |
| Earned equity | - | - | - |
| Non-controlling interests | 1 042 | 933 | 1 123 |
| Total equity | 1 129 248 | 1 307 765 | 1 382 670 |
| Liabilities | | | |
| Pension liabilities | 146 726 | 168 858 | 146 507 |
| Deferred tax liabilities | 11 054 | 34 971 | 29 205 |
| Cash collateral | - | 1 056 581 | 1 090 075 |
| Market value of outstanding derivatives positions | - | 442 263 | 290 336 |
| Current liabilities | 244 579 | 209 752 | 229 338 |
| Equity and liabilities | 1 531 607 | 3 220 190 | 3 168 131 |

Cash flow

Cash flow from

- operational activities

74 506 34 332 291 656 206 314 318 220

- investment activities

2 155 107 635 -659 456 230 377 251 839

- investments in systems and tangible assets

-2 031 -18 100 -7 640 -36 633 -46 606

- investments in subsidiaries

0 -29 312 59 286 4 762 4 762

- investments in treasury bills and bonds

0 -20 744 362 912 5 006 -3 555

- received cash collateral from members

0 171 110 -1 090 075 242 195 275 689

- financial income

4 186 4 681 16 061 15 047 21 549

- financing activities

-193 220 -665 -495 859 -302 205 -302 303

Cash and cash equivalents at period's start

824 190 1 296 718 1 571 290 1 303 533 1 303 533

Change in cash and cash equivalents

-116 559 141 302 -863 659 134 486 267 756

Cash and cash equivalents at period's end

707 631 1 438 019 707 631 1 438 019 1 571 290

Cash flow per share (NOK)

-2,71 3,29 -20,08 3,13 6,23

Treasury bills, bonds and bank deposits

707 631 1 792 370 1 934 202

Cash collateral from members

0 1 056 581 1 090 075

Net after deduction for cash collateral from members

707 631 735 789 844 127

Equity

| | 3rd Quarter 2 014 | 3rd Quarter 2013 | 30 Sept 2014 | 30 Sept 2013 | 2013 |
|--------------------------------------|----------------------|---------------------|------------------|------------------|------------------|
| Equity at period's start | 1 263 715 | 1 246 772 | 1 382 670 | 1 450 871 | 1 450 871 |
| Total comprehensive income | 58 835 | 61 034 | 241 095 | 156 808 | 214 110 |
| Dividends | -193 554 | 0 | -494 504 | -300 827 | -300 827 |
| Purchase of own shares | 356 | 0 | 608 | 0 | 500 |
| Actuarial gains/losses in the period | 0 | 0 | 0 | 0 | 16 780 |
| Change in non-controlling interests | -104 | -40 | -622 | 914 | 1 236 |
| Equity at period's end | 1 129 248 | 1 307 765 | 1 129 248 | 1 307 765 | 1 382 670 |
| Equity ratio | 74 % | 41 % | 74 % | 41 % | 44 % |

Largest shareholders 14 October 2014

| Investor | Number of shares | % of top 20 | % of total | Type | Country |
|---|-------------------|-------------|---------------|-------|---------|
| DNB LIVSFORSIKRING ASA | 8,522,045 | 24.83% | 19.82% | Comp. | NOR |
| KOMMUNAL LANDSPENSJONSKASSE | 4,300,200 | 12.53% | 10.00% | Comp. | NOR |
| PARETO AS | 3,662,230 | 10.67% | 8.52% | Comp. | NOR |
| RBC INVESTOR SERVICES TRUST | 2,448,728 | 7.13% | 5.69% | Nom. | GBR |
| JP MORGAN CLEARING CORP. | 2,184,309 | 6.36% | 5.08% | Nom. | USA |
| ARENDALS FOSSEKOMPANI ASA | 1,996,000 | 5.82% | 4.64% | Comp. | NOR |
| THE NORTHERN TRUST CO. | 1,576,219 | 4.59% | 3.67% | Nom. | GBR |
| ARMOR QUALIFIED, LP | 1,272,289 | 3.71% | 2.96% | Comp. | USA |
| ARMOR CAPITAL PARTNERS, LP | 1,126,960 | 3.28% | 2.62% | Comp. | USA |
| MSF-MUTUAL FINANCIAL SERVI FD | 911,000 | 2.65% | 2.12% | Comp. | USA |
| EXPLORA INV.FDS PLC - TAIGA FUND | 879,521 | 2.56% | 2.05% | Comp. | IRL |
| ARMOR CAPITAL OFFSHORE MASTER, LTD | 811,653 | 2.36% | 1.89% | Comp. | CYM |
| NORDEA NORDIC SMALL CAP FUND | 718,841 | 2.09% | 1.67% | Comp. | FIN |
| MUST INVEST AS | 708,520 | 2.06% | 1.65% | Comp. | NOR |
| SUNDT AS | 657,500 | 1.92% | 1.53% | Comp. | NOR |
| FRANKLIN TEMPLETON EXCLUSIVE | 622,000 | 1.81% | 1.45% | Comp. | LUX |
| SPAREBANKEN VEST | 510,000 | 1.49% | 1.19% | Comp. | NOR |
| HSBC TRINKAUS & BURKHARDT AG | 500,000 | 1.46% | 1.16% | Nom. | DEU |
| MP PENSJON PK | 465,000 | 1.35% | 1.08% | Comp. | NOR |
| UBS AG, LONDON BRANCH | 450,000 | 1.31% | 1.05% | Nom. | GBR |
| Total number owned by top 20 | 34,323,015 | 100% | 79.81% | | |
| Total number of shares | 43,004,000 | | 100% | | |

Share price Oslo Børs VPS Holding ASA

