

OSLO BØRS VPS

2nd quarter 2018

Oslo Børs VPS Holding ASA

16 AUGUST 2018

2nd quarter at a glance

OSLO BØRS VPS

- Continued high level of activity in both the primary and secondary markets
- 12 companies admitted to listing or trading - 29 new equity issuers registered with VPS
- 158 new fixed income issues admitted to listing and 436 new fixed income issues registered with VPS
- Highest level of trading in shares in value terms in a single quarter since 2011. Value of shares traded up 40% and number of settlement transactions up 19% relative to the second quarter of 2017 – market share in OBX up from 57% to 63%
- Higher costs at VPS in connection with modernising and adapting the organisation, projects and supervision fees

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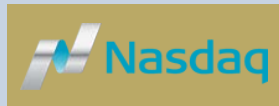


Strategic update

OSLO BØRS VPS

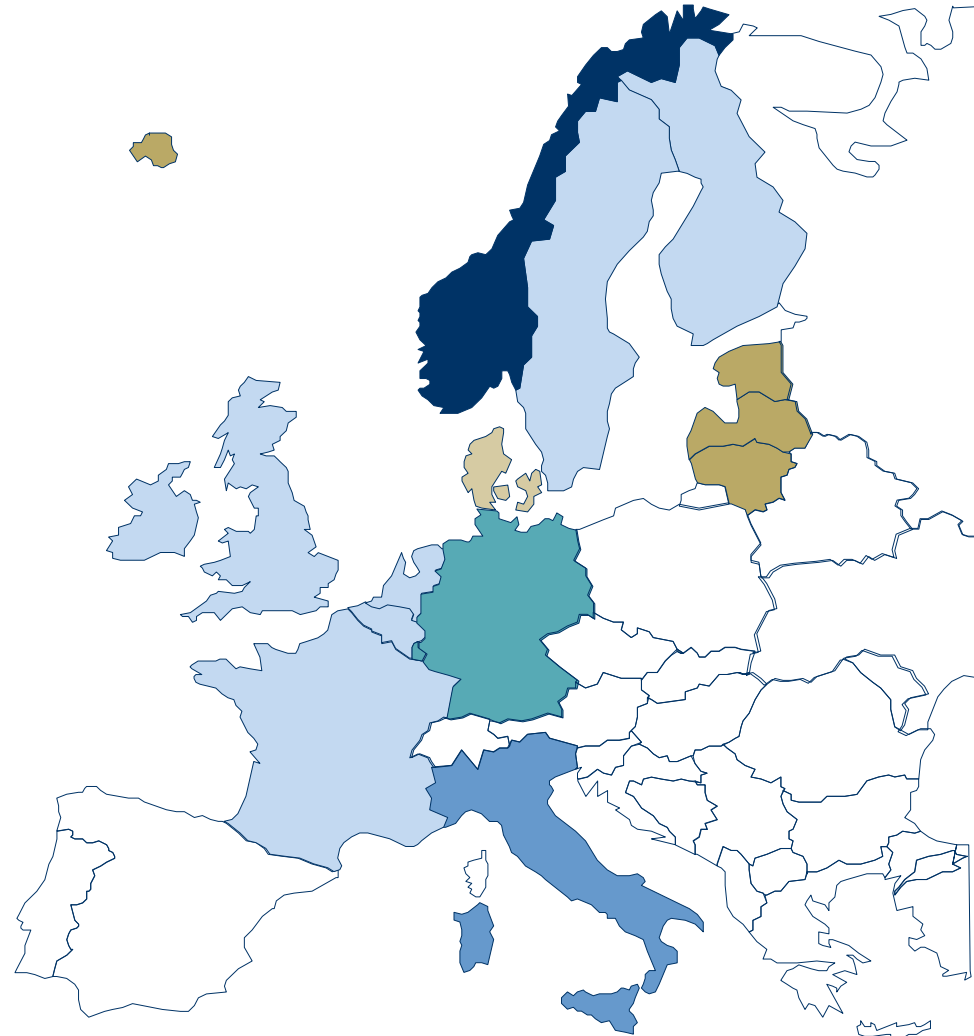
- Maintain the group's strong position in the Norwegian market and capitalise on expected growth in use of the capital markets
- Continue to develop market places and services to further increase both national and international interest in listing and trading – both within and beyond sectors of particular strength
- VPS to continue to be competitive following the awaited implementation of CSDR in Norway in 2019
- VPS to continue its work to simplify, modernise and standardise its services and technology
- VPS is open to working together with other organisations in order to achieve its strategic goals and thereby increase its competitiveness
- Centevo and OMS will individually and in collaboration with other organisations further develop and grow their service platforms
- Target of over time achieving average annual growth in underlying EBITDA of 5% from 2016
- Operating expenses before depreciation and amortisation expected to be around NOK 540 million in 2018 and to be at the same level in the 2019-2021 period

Development of CSDs



- New regulations - CSDR, T2S, SRD II etc.
- Simplification, standardisation and automation
- Risk reduction and cost pressures
- Growth in the savings market
- Use of capital markets by SMEs as well

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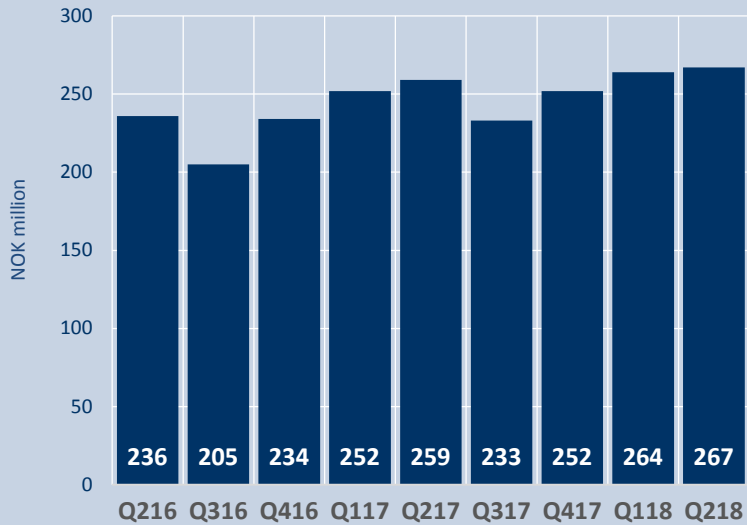




VPS aims to provide the market with a cost-efficient, reliable and comprehensive CSD offering adapted to international standards and automated customer processes

- 1 Focused on its core activities and modernising its system platform
- 2 Adapting to international standards and automated customer processes
- 3 Growth opportunities in the savings market and SMEs
- 4 Greater customer and business orientation for the VPS organisation
- 5 Continuing its work to simplify and modernise its services and technology – in order to simplify the task of replacing its core system in the future

Revenues Oslo Børs VPS

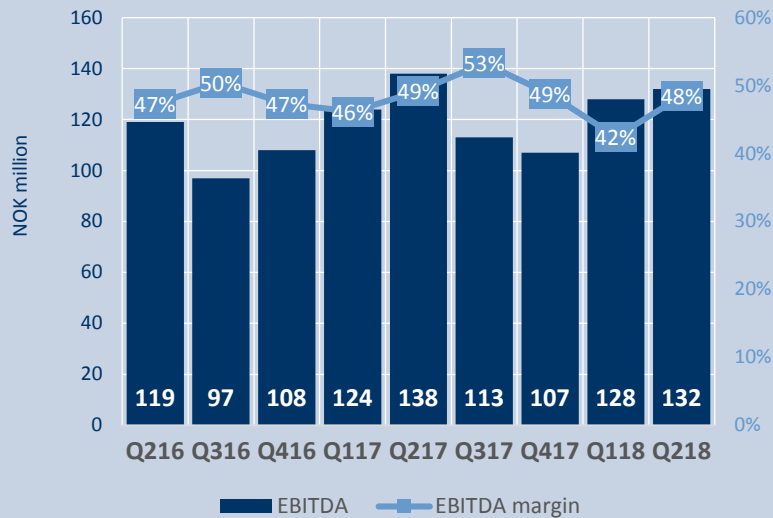


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2nd quarter at a glance

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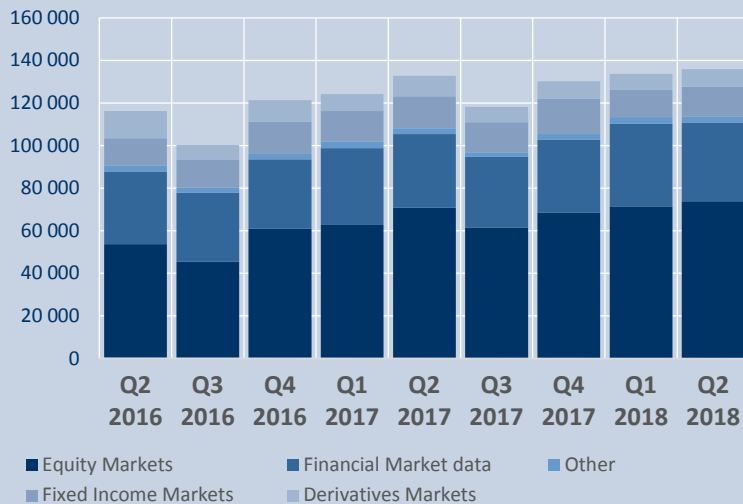
EBITDA and EBITDA-margin Oslo Børs VPS



- Revenues up NOK 8 million to 267 million from Q217
- Expenses up NOK 14 million to NOK 136 million from Q217
 - Restructuring cost at VPS
 - Project cost at VPS
 - Regulatory fees
- EBITDA down NOK 6 million to NOK 132 million from Q217

Oslo Børs

Revenues Oslo Børs, NOK 1000

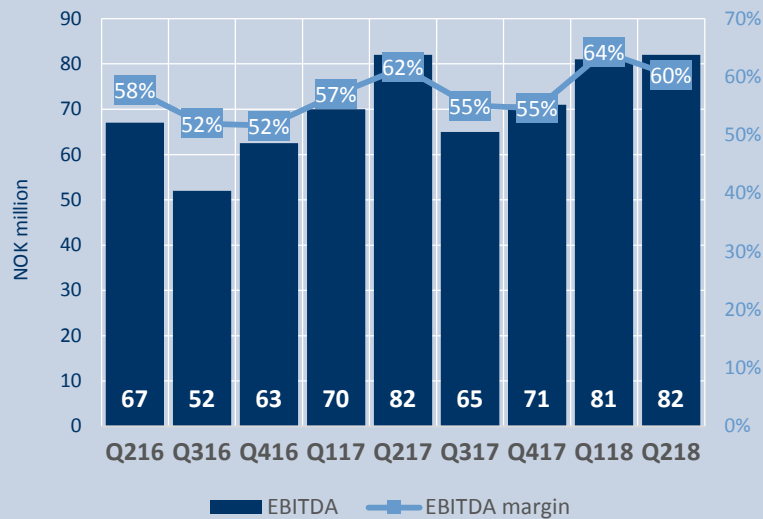


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Revenues and EBITDA

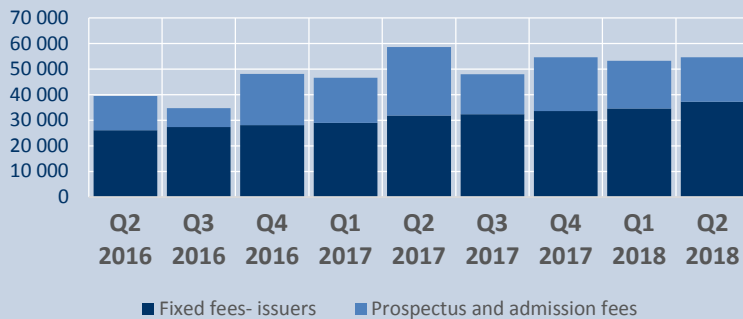
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EBITDA and EBITDA-margin Oslo Børs

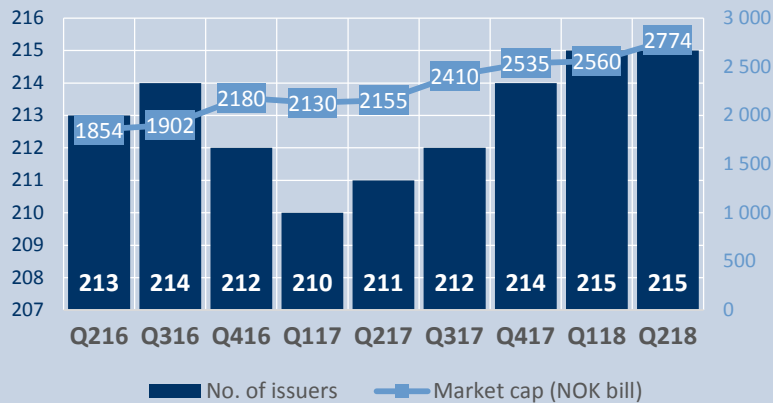


- Revenues up NOK 3 million to NOK 136 million from Q217
- Expenses up NOK 3 million to NOK 54 million from Q217
 - Regulatory fees
- EBITDA in line with Q217 - NOK 82 million

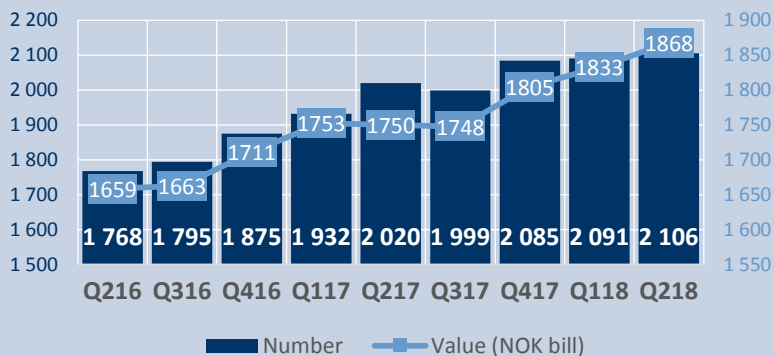
Revenues primary market, NOK 1000



Listed equities



Listed bonds and certificates



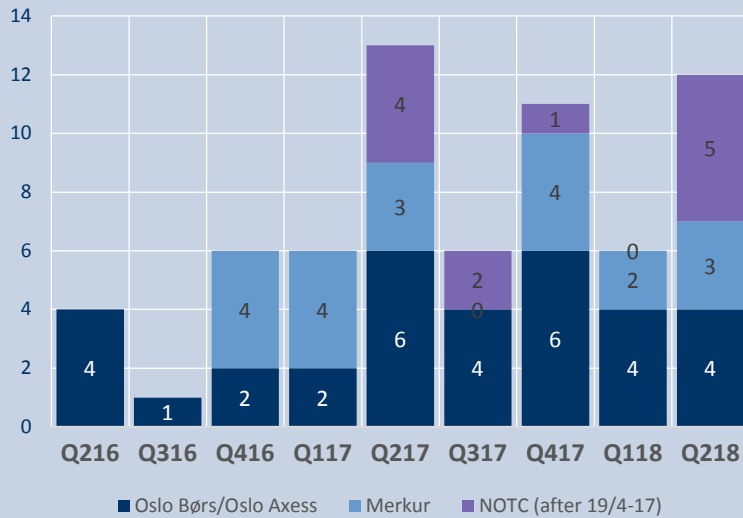
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Primary market

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- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers NOK 37 million – up NOK 5 million from Q217
- Fixed fees driven by number of issuers and market capitalisation January 1
- Market cap. equity issuers 1 January 2018 up 16% from 2017

New listings

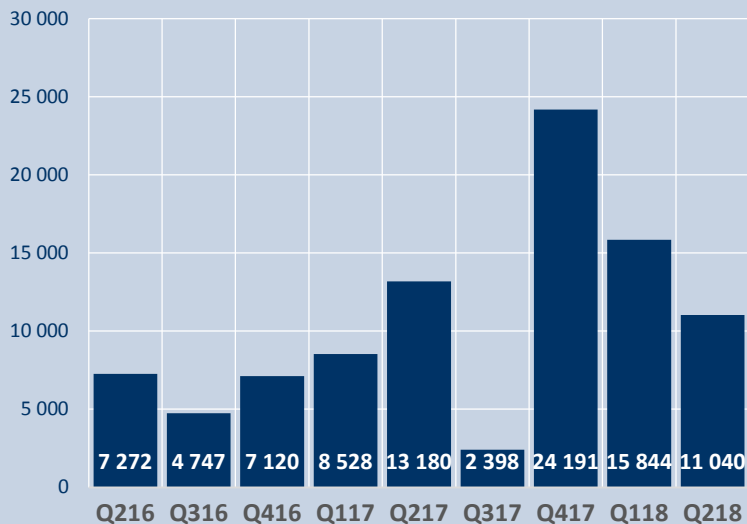


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Primary market equities

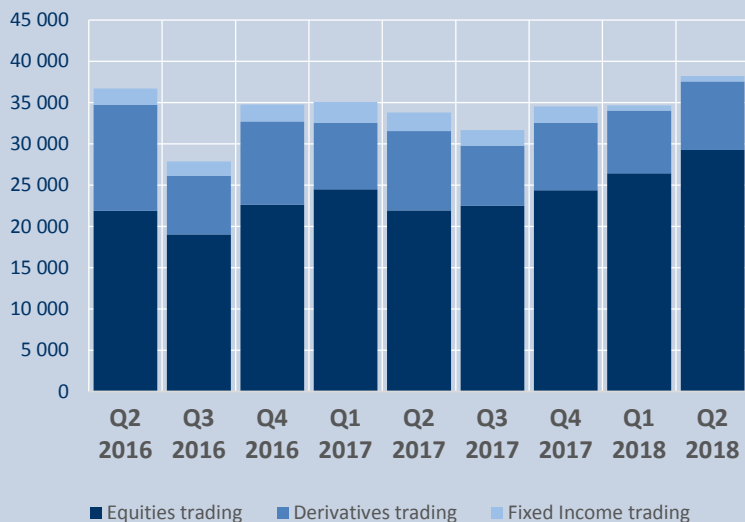
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Issues of equity, NOK mill



- Prospectus and admission down NOK 9 million to NOK 17 million from Q217
- Revenues driven by number and size of IPOs and issues
- Seven new equity listing processes on Oslo Børs, Oslo Axess and Merkur Market in Q218
- Continued interest for listing of both equities and fixed income

Revenues secondary market



Equities: turnover and transactions



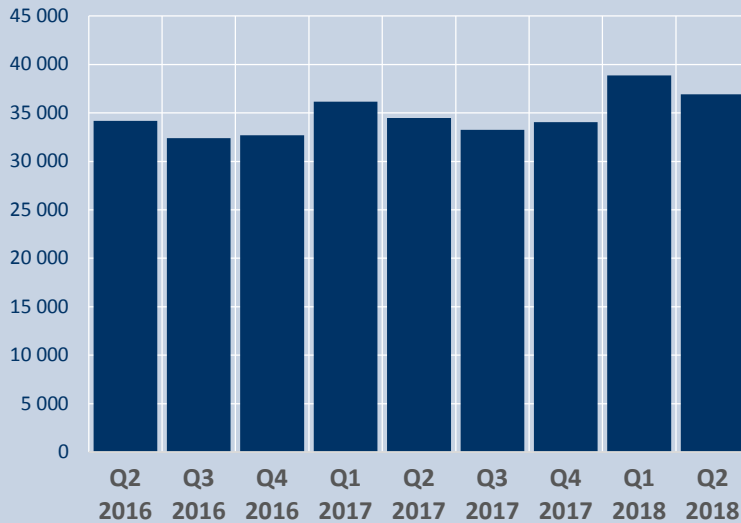
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Secondary market

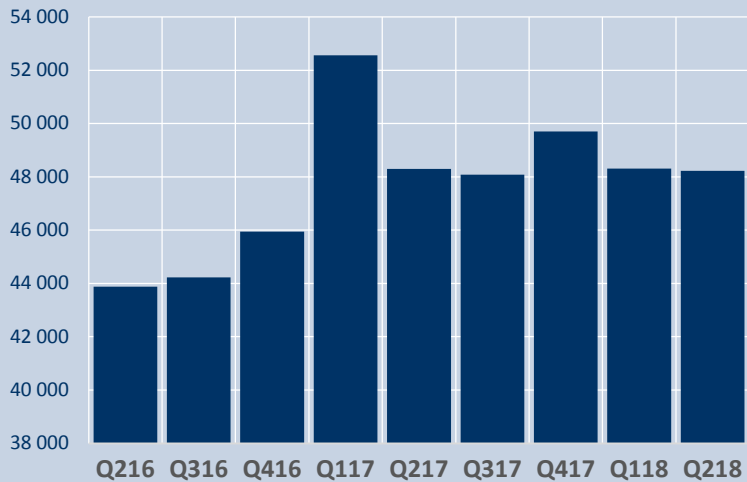
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- Revenues from trading on Oslo Børs and Fish Pool NOK 38 million – up NOK 4 million from Q217
- Value of equity turnover on Oslo Børs up 40% from Q217 - revenues up NOK 7 million
- Revenues from trading of bonds down NOK 2 million
- Derivatives revenues driven by activity level and composition of derivatives trading
- No of contracts on Oslo Børs up 22% from Q217
- Volume on Fish Pool down 29% from Q217
- Revenues down NOK 1 million

Revenues market data



Market data - number of end-users (professional and private)



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Market data

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- Revenues up NOK 3 million to NOK 37 million from Q217
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Reduction in number of users – most in number of private users
- Increase in non-display use of data



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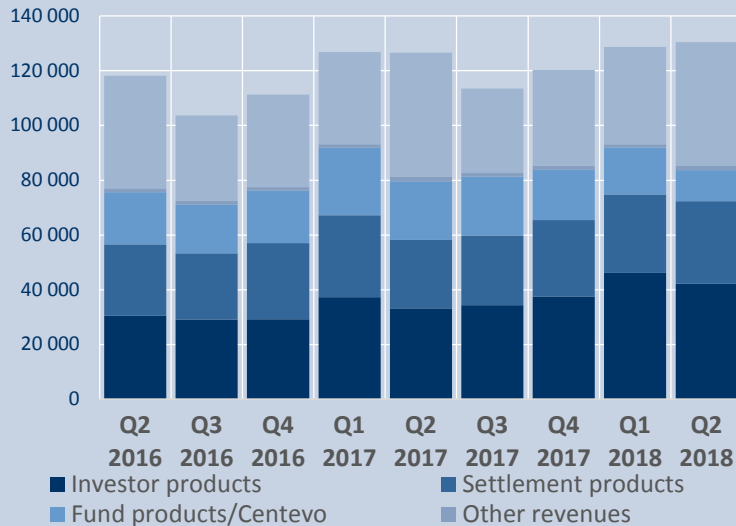
Key market activities

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- Market activities to attract issuers on all listing venues
 - Domestic and international
 - Equities and fixed income
- Market activities to attract new trading members and increase market share in trading
 - Continuous improvement of microstructure
 - Efficient post trade
- Millennium Exchange update release 2018
- Modernising Newsweb
- Preparing for MAD/MAR

VPS

Revenues VPS, NOK 1000

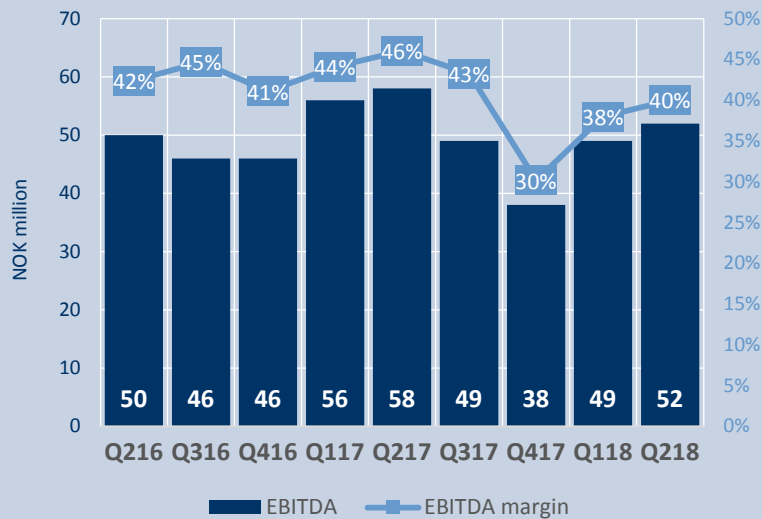


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Revenues and EBITDA

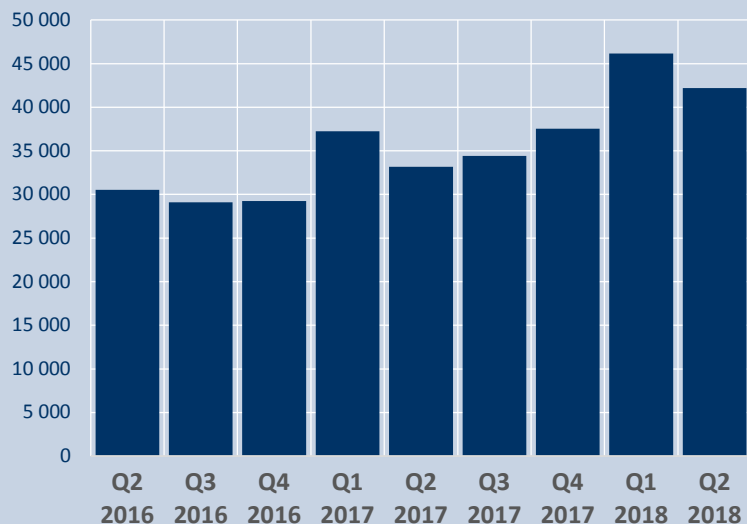
VPS

EBITDA and EBITDA-margin VPS



- Revenues up NOK 3 million to NOK 130 million from Q217
- Expenses up NOK 9 million to NOK 77 million from Q217
 - Restructuring cost
 - Projects (CSDR, GDPR, Share Savings Account, Issuer Portal)
 - Regulatory fees
- EBITDA down NOK 6 million to NOK 52 million from Q217

Revenues investor products, NOK 1000

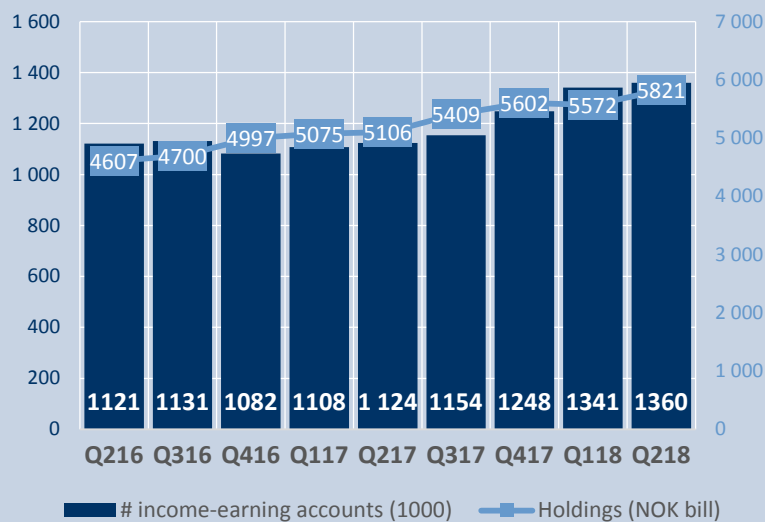


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Investor products

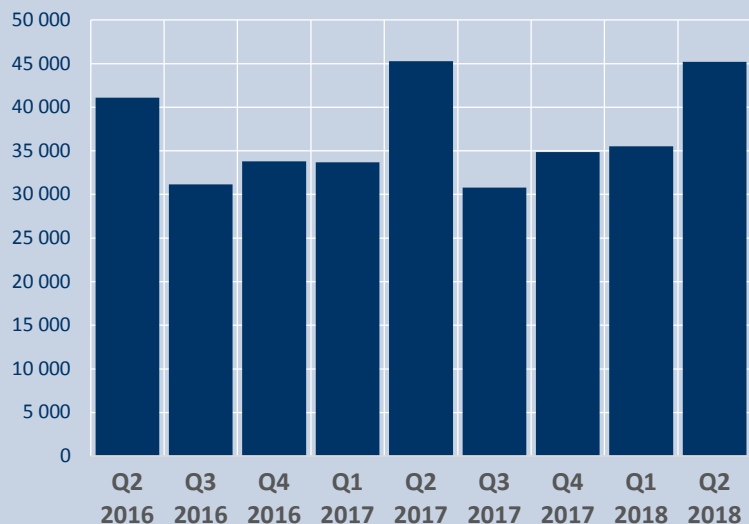
VPS

Investor accounts and value of holdings



- Revenues up NOK 5 million to NOK 42 million from Q2 2017
 - Adjusted for revenues from mutual funds
- Revenues primarily driven by number of VPS accounts and market value of holdings January 1
- Market value of registered holdings up 14% to NOK 5,821 billion from Q2 2017
- Approximately 222.000 Share Savings Accounts established in VPS as end of Q2 2018
- VPS Client onboarding launched Q2 2018

Revenues issuer products, NOK 1000

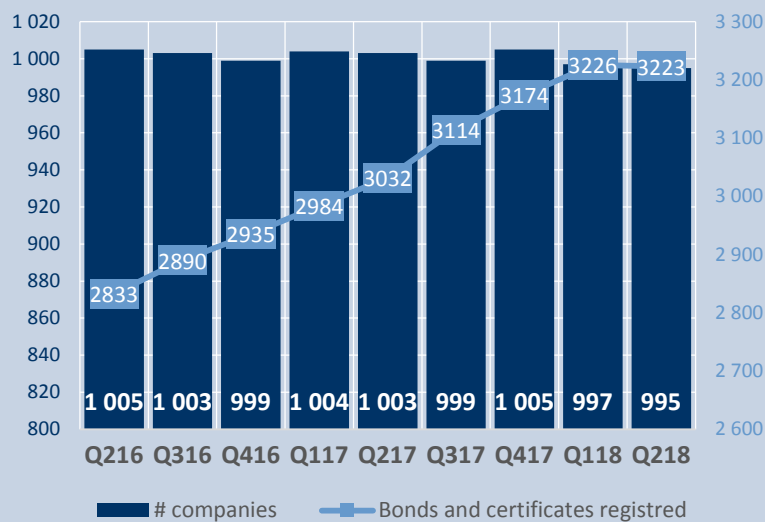


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Issuer products

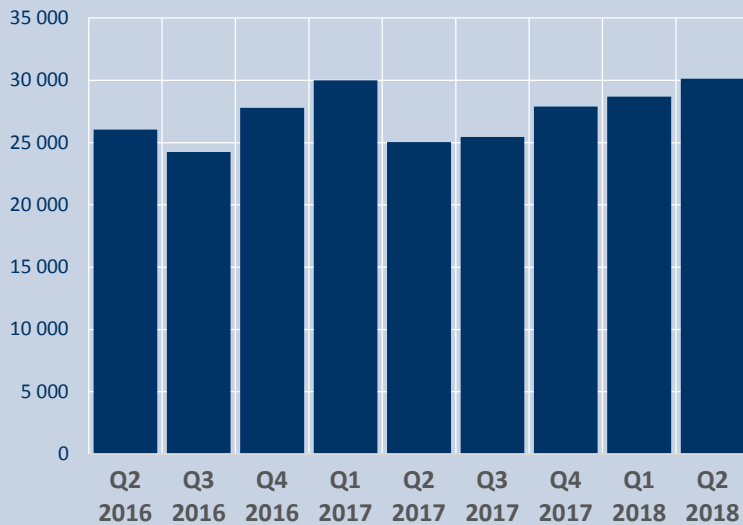
VPS

Number of companies and issues

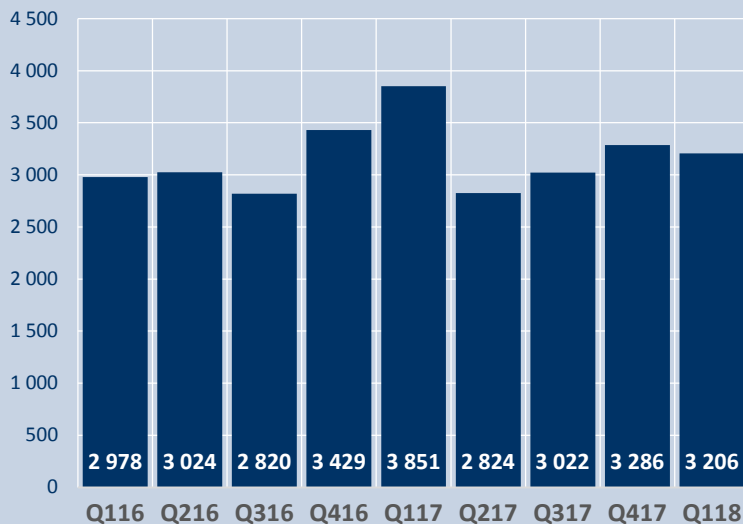


- Revenues in line with Q217 - NOK 45 million
 - Adjusted for revenues from mutual funds
- Revenues driven by number and composition of issuers and level and composition of corporate activity
 - AGM-season in Q2
- Additional revenue from value added products
 - AGM-services
 - Bond holders' meeting
 - Stock purchase programs
 - Nominee-ID

Revenues settlement products, NOK 1000



Number of trade transactions (1000)



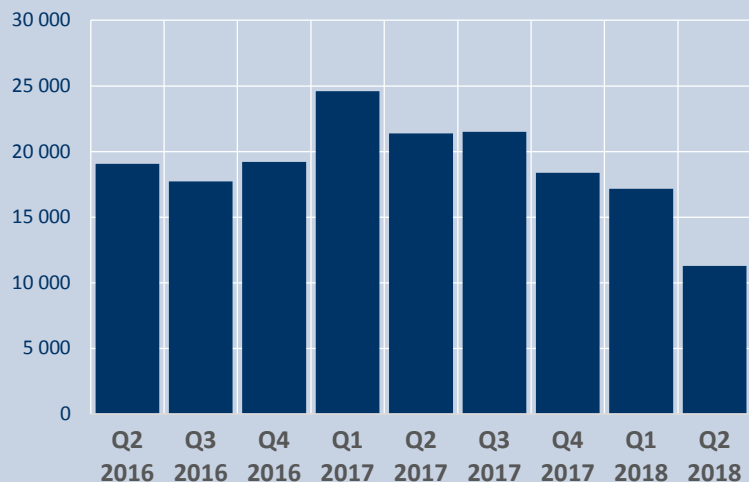
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Settlement products

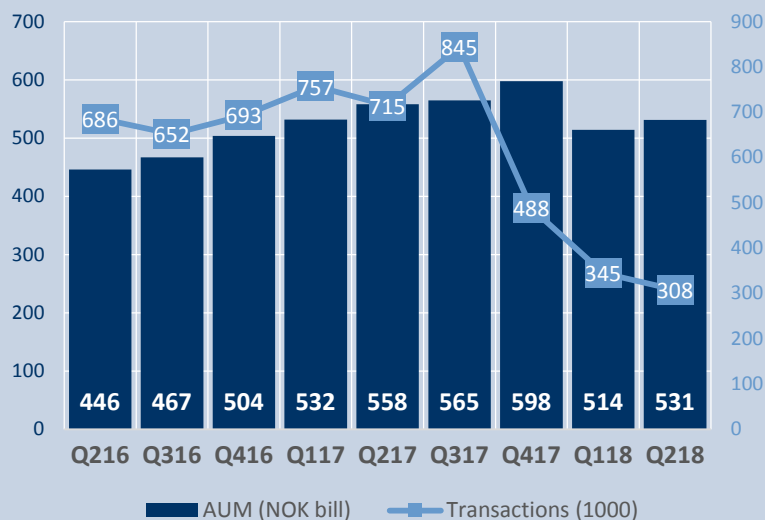
VPS

- Revenues up NOK 5 million to NOK 30 million from Q217
- Revenues driven by number of participants and number of settlement transactions
- No of transactions processed up 19% from Q217
- Increased interest for direct membership from foreign entities

Revenues Centevo/fund products, NOK 1000



Asset under management and transactions



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Centevo

VPS

- Revenues down NOK 5 million to NOK 11 million from Q217
 - Adjusted for transfer of revenues to Investor and Issuer products
- Reduction in revenues from fund services due to loss of customers
- Revenues from portfolio management system in line with Q217
- Strong competition from international providers and internal IT in targeted markets

Key market activities

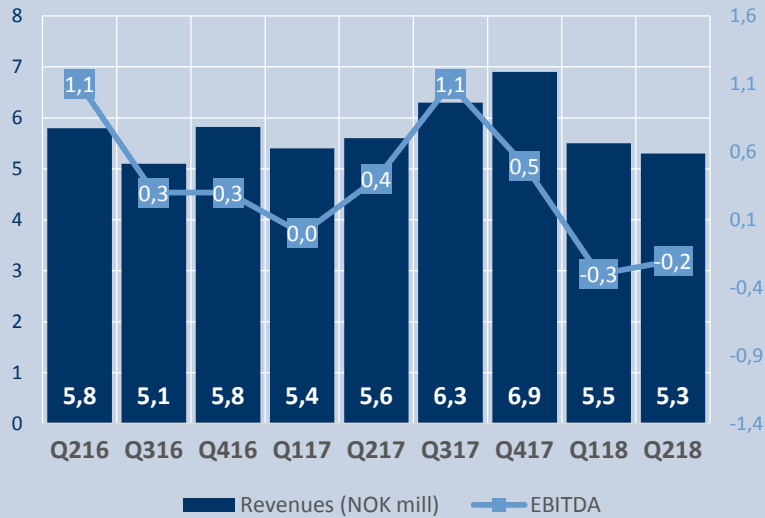
VPS

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- Market activities to attract settlement participants - domestic and international
 - Increased interest from international participants for direct relationship with VPS
- Capitalise on growth in and new regulation for savings market
 - Approx. 222 000 new Share Saving Accounts in VPS as per end of Q2 2018
- Realisation of VPS Road Map
 - Q218 milestones delivered according to plan
- Preparing for CSDR
 - VPS expects to file application for authorization early 2019
- VPS has started the development of a new Issuer Portal
 - The first phase was delivered in January 2018
 - New functionality are developed and tested with pilot clients (issuers)

OMS

Oslo Market Solutions



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Revenues and EBITDA

OSLO MARKET SOLUTIONS

- Revenues down NOK 0.3 million from Q217
- EBITDA down NOK 0.6 million from Q217

Summary



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Summary

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- Relatively good activity in the capital markets
- Intense competition and pressure on market share
- Attract more retail investors to the market providing solutions for Share Savings Account and Individual Pension Savings (IPS)
- 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
 - Strengthen competitive position in secondary market
 - Deliver VPS Road Map
 - Implementation of new regulation
 - Capitalise on growth in and new regulation for savings market

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Appendix

P&L

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	2nd Quarter 2018	2nd Quarter 2017	Change in %	30 June 2018	30 June 2017	Change in %	2017
Operating revenues	267 315	259 052	3 %	531 206	510 665	4 %	995 091
Operating expenses							
Salary and other personnel expenses	74 321	69 756		158 748	148 520		305 706
Other operating expenses	61 343	51 458		112 744	100 517		207 899
Depreciations and write-downs	5 794	7 378		11 588	16 067		30 596
Amortisations	940	940		1 880	1 879		3 759
Operating expenses before capitalisation of internal resources, depreciations and amortisations	135 664	121 214	12 %	271 492	249 037	9 %	513 605
Total operating expenses	142 398	129 532	10 %	284 960	266 983	7 %	547 960
EBITDA	131 651	137 838	-4 %	259 714	261 628	-1 %	481 486
Operating profit (EBIT)	124 917	129 521	-4 %	246 246	243 682	1 %	447 131
Net financial items	1 042	17 393		2 786	18 803		23 366
Ordinary pre-tax profit	125 959	146 914		249 032	262 485		470 497
Tax	32 058	33 028		62 960	61 889		113 680
Earnings for the period	93 902	113 886	-18 %	186 072	200 596	-7 %	356 817
Actuarial gains/losses defined benefit pension plans	0	0		0	0		123
Tax-effect	0	0		0	0		-31
Total comprehensive income	93 902	113 886	-18 %	186 072	200 596	-7 %	356 909
Earnings per share (NOK)	2,18	2,65	-18 %	4,33	4,66	-7 %	8,30
Diluted earnings per share (NOK)	2,18	2,65	-18 %	4,33	4,66	-7 %	8,30

Breakdown revenues – Oslo Børs segment

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Revenues per area	Q2 2018	Q2 2017	30.06.2018	30.06.2017	2017
Equity Markets	73 928	70 931	145 392	133 641	263 832
Fixed Income Markets	14 188	15 112	26 985	29 444	60 047
Derivatives Markets	8 298	9 620	15 903	17 692	33 130
Financial Market data	36 904	34 477	75 785	70 635	137 945
Other	2 678	2 739	5 703	5 779	10 683
Total Oslo Børs	135 996	132 879	269 768	257 191	505 637
Revenues per category	Q2 2018	Q2 2017	30.06.2018	30.06.2017	2017
Fixed fees- issuers	37 231	31 892	71 828	60 896	126 802
Trading fees	38 219	33 824	72 890	68 917	135 142
Prospectus and admission fees	17 395	26 719	36 098	44 403	81 125
Financial market data	36 904	34 477	75 785	70 635	137 945
Other income	6 249	5 967	13 168	12 340	24 622
Total Oslo Børs	135 996	132 879	269 768	257 191	505 637

Breakdown revenues – VPS segment

OSLO BØRS VPS

VPS	Q2 2018	Adjusted Q2 2017	30.06.2018	Adjusted 30.06.2017	Adjusted 2017
Investor products	42 200	37 183	88 345	78 423	158 379
Issuer products	45 188	46 292	80 694	80 961	148 592
Settlement products	30 136	25 050	58 813	55 035	108 365
Fund products/Centevo	11 299	16 386	28 465	35 983	65 861
Other revenues	806	1 567	2 169	2 873	5 702
Total VPS	129 628	126 478	258 485	253 276	486 899

As a result of VPS' fund services activities being spun off to Centevo, the registration of funds in the securities register will, with effect from January 2018, lead to revenue for both the issuer and the investor areas. Revenue from the funds area/Centevo will accordingly be similarly lower than in previous periods.

2017 figures are adjusted for this effect and are each product area accordingly not comparable with previously presented figures for these areas.

Balance sheet

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	30 June 2018	30 June 2017	31 Dec 2017
Fixed assets			
IT-systems	18 930	32 042	25 277
Registrations	6 200	6 200	6 200
Goodwill	534 459	534 459	534 459
Deferred tax assets	49 801	51 934	49 565
Tangible assets	47 100	59 349	50 789
Financial fixed assets	8 891	8 217	8 896
Current assets			
Receivables	116 644	122 507	106 612
Treasury bills	99 576	-	-
Cash and cash equivalents	654 563	664 001	629 255
Assets	1 536 164	1 478 709	1 411 053
Equity			
Contributed equity	583 209	1 024 117	1 008 923
Non-controlling interests	466	472	483
Total equity	583 675	1 024 589	1 009 406
Liabilities			
Pension liabilities	159 870	162 878	162 551
Deferred tax liabilities	1 964	2 790	2 377
Interest bearing debt	450 000	-	-
Current liabilities	340 655	288 452	236 719
Equity and liabilities	1 536 164	1 478 709	1 411 053

Cash flow

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	2nd Quarter 2018	2nd Quarter 2017	30 June 2018	30 June 2017	2017
Cash flow from					
- <i>operational activities</i>	44 409	44 053	285 753	260 826	397 333
- <i>investment activities</i>	-99 977	-20 982	-98 910	-33 233	-32 687
- investments in systems and tangible assets	-2 697	-13 944	-3 432	-28 035	-29 119
- investments in subsidiaries	0	-13 706	0	-13 706	-16 206
- investments in treasury bills	-99 576	0	-99 576	0	0
- financial income	2 296	6 668	4 098	8 508	12 638
- <i>financing activities</i>	-160 557	-167 005	-161 535	-167 454	-339 253
Cash and cash equivalents at period's start	870 688	807 935	629 255	603 862	603 862
Change in cash and cash equivalents	-216 125	-143 934	25 308	60 139	25 393
Cash and cash equivalents at period's end	654 563	664 001	654 563	664 001	629 255
Cash flow per share (NOK)	-5,03	-3,35	0,59	1,40	0,59

Equity

OSLO BØRS VPS

	2nd Quarter 2017	2nd Quarter 2017	30 June 2018	30 June 2017	31 Dec 2017
Equity at period's start	1 099 956	1 077 130	1 009 406	990 375	990 375
Total comprehensive income	93 902	113 886	186 072	200 596	356 817
Dividends	-610 418	-165 535	-610 418	-165 535	-337 535
Purchase of own shares	1 115	-1 066	195	-1 085	-666
Acturial gains/losses in the period	0	0	0	0	92
Change in non-controlling interests	-880	175	-1 580	239	323
Equity at period's end	583 675	1 024 589	583 675	1 024 589	1 009 406
Equity ratio	38 %	71 %	38 %	71 %	72 %

Largest shareholders 13 August 2018

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Investor	Number of shares	% of top 20	% of total	Type	Country
DNB LIVSFORSIKRING ASA	8,522,045	25.80%	19.82%	Comp.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4,300,200	13.02%	10.00%	Comp.	NOR
PARETO AS	3,662,230	11.09%	8.52%	Comp.	NOR
MORGAN STANLEY & CO. INT. PLC.	2,189,581	6.63%	5.09%	Nom.	GBR
ARENDALS FOSSEKOMPANI ASA	1,996,000	6.04%	4.64%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	1,790,121	5.42%	4.16%	Nom.	USA
UBS AG	1,300,213	3.94%	3.02%	Nom.	GBR
ENNISMORE SMALLER COM PUB LTD COM	1,045,452	3.16%	2.43%	Comp.	IRL
ARMOR QUALIFIED, LP	938,755	2.84%	2.18%	Comp.	USA
RBC INVESTOR SERVICES TRUST	926,659	2.80%	2.15%	Nom.	GBR
FRANKLIN MUTUAL FIN SERV FUND	911,000	2.76%	2.12%	Comp.	USA
MUST INVEST AS	708,520	2.14%	1.65%	Comp.	NOR
SPAREBANKEN VEST	700,000	2.12%	1.63%	Comp.	NOR
ARMOR CAPITAL OFFSHORE MASTER, LTD	659,652	2.00%	1.53%	Comp.	CYM
MP PENSJON PK	632,389	1.91%	1.47%	Comp.	NOR
NORDEA NORDIC SMALL CAP FUND	594,841	1.80%	1.38%	Comp.	FIN
GOTHIC CORPORATION	567,884	1.72%	1.32%	Comp.	USA
J.P. MORGAN BANK LUXEMBOURG S.A.	550,007	1.66%	1.28%	Nom.	LUX
ARMOR CAPITAL PARTNERS, LP	543,176	1.64%	1.26%	Comp.	USA
ARCTIC FUNDS PLC	497,980	1.51%	1.16%	Comp.	IRL
Total number owned by top 20	33,036,705	100%	76.82%		
Total number of shares	43,004,000		100%		

Share price Oslo Børs VPS Holding ASA

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