

# OSLO BØRS VPS

## 3rd quarter 2018

Oslo Børs VPS Holding ASA

1 NOVEMBER 2018

# 3rd quarter at a glance

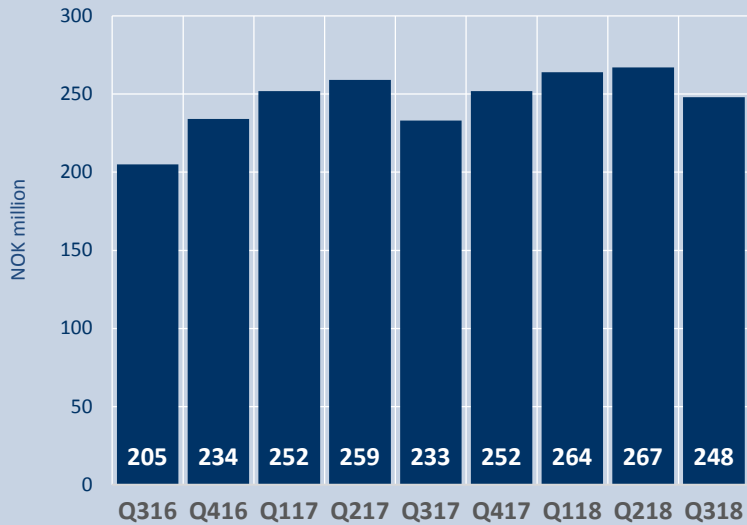
OSLO BØRS VPS

- Continued high level of activity in both the primary and secondary markets
- 11 new companies admitted to listing or trading in the quarter – 28 new limited companies registered with VPS
- 148 new fixed income issues admitted to listing and 364 new fixed income issues registered with VPS
- Value of shares traded up 16% – market share of trading in OBX shares of approximately 63% (60%) in the quarter
- Value of holdings registered with VPS exceeded NOK 6,000 billion for the first time
- The Boards of Directors of Oslo Børs VPS Holding and Oslo Børs started the search for a new President and CEO
- Oslo Børs making preparations to enable listing and trading of shares denominated in currencies other than NOK
- NOTC launched Family & Friends, a list for start-up companies and family businesses

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## Revenues Oslo Børs VPS

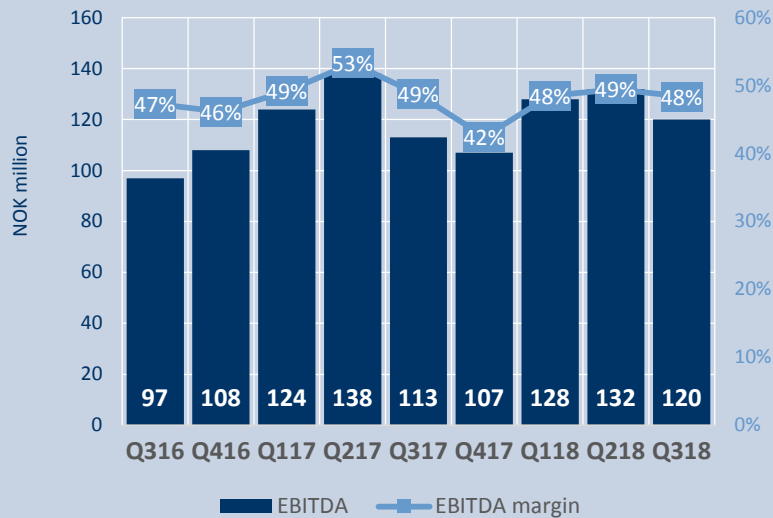


## OSLO BØRS VPS

# 3rd quarter at a glance

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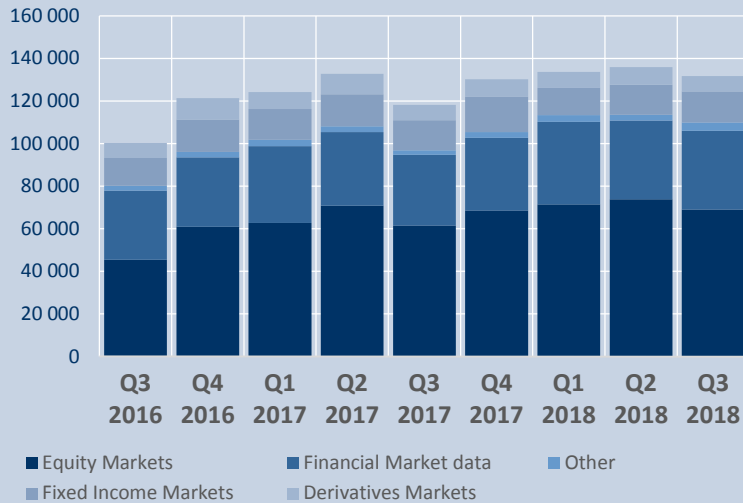
## EBITDA and EBITDA-margin Oslo Børs VPS



- Revenues up NOK 15 million to 248 million from Q317
- Expenses up NOK 9 million to NOK 128 million from Q317
- EBITDA up NOK 7 million to NOK 120 million from Q317

# Oslo Børs

## Revenues Oslo Børs, NOK 1000

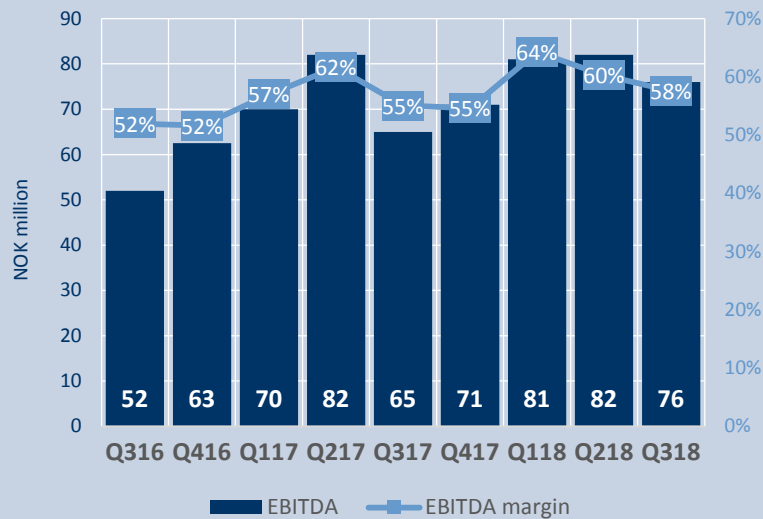


## OSLO BØRS VPS

# Revenues and EBITDA

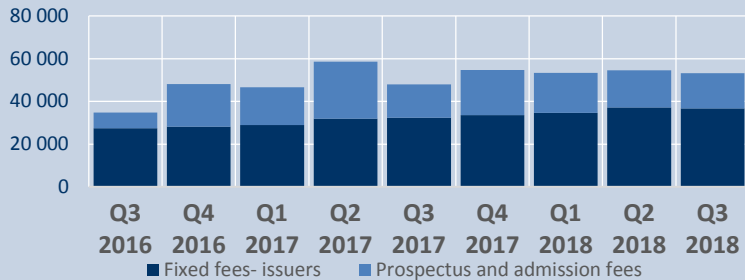
OSLO BØRS

## EBITDA and EBITDA-margin Oslo Børs

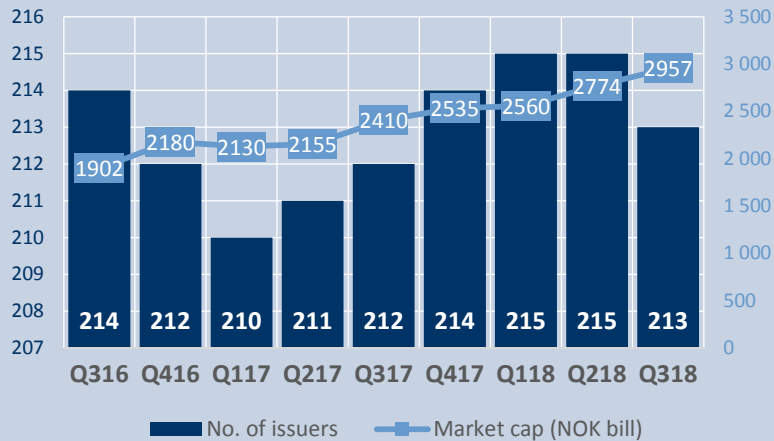


- Revenues up NOK 14 million to NOK 132 million from Q317
- Expenses up NOK 3 million to NOK 56 million from Q317
- EBITDA up NOK 11 million to NOK 76 mill from Q317

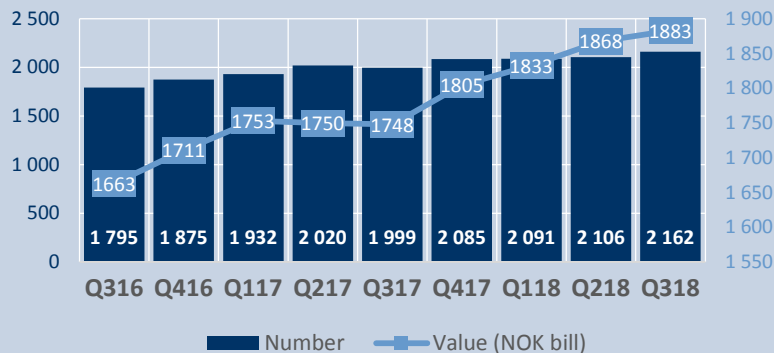
## Revenues primary market, NOK 1000



## Listed equities



## Listed bonds and certificates



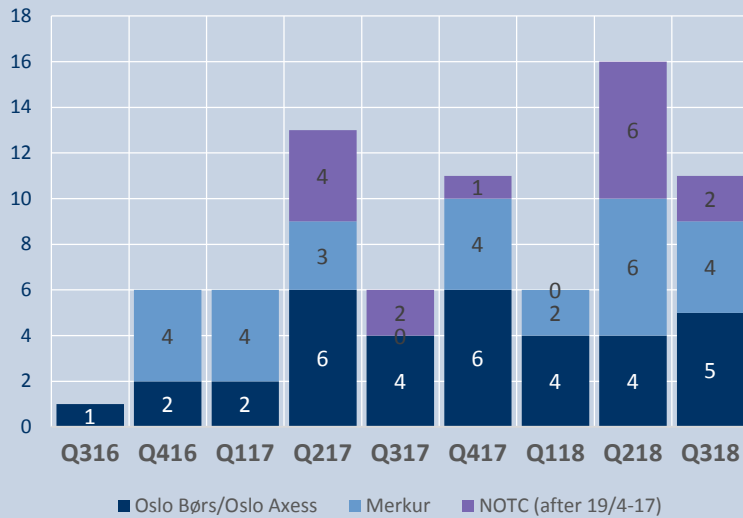
## OSLO BØRS VPS

# Primary market

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- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers NOK 37 million – up NOK 4 million from Q317
- 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

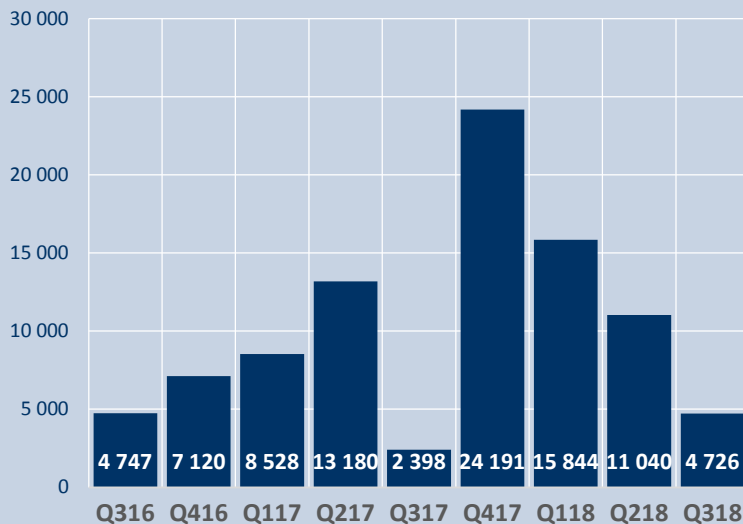


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# Primary market equities

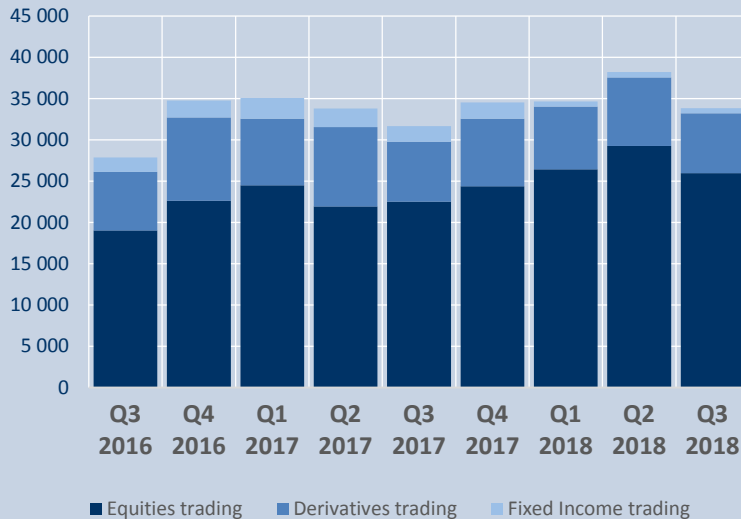
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## Issues of equity, NOK mill



- Prospectus and admission fees up NOK 1 million to NOK 17 million from Q317
- Revenues driven by number and size of IPOs and issues
- Nine new equity listing processes on Oslo Børs, Oslo Axess and Merkur Market in Q318
- Continued interest for listing of both equities and fixed income

## Revenues secondary market

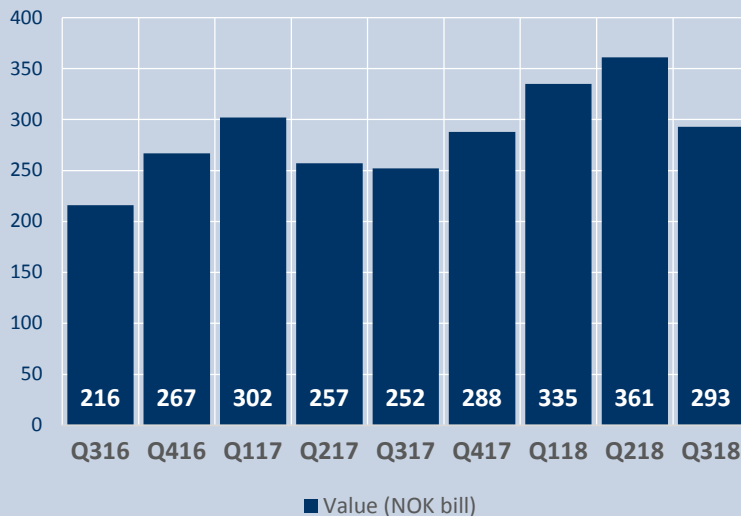


## OSLO BØRS VPS

# Secondary market

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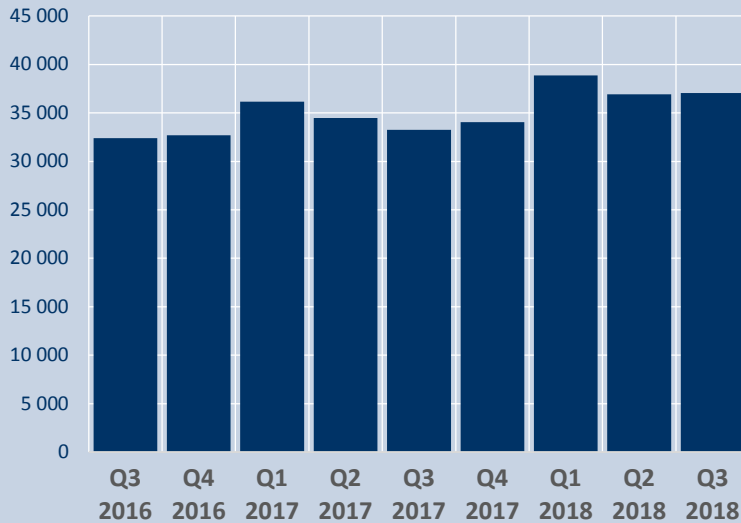
## Equities: turnover in value



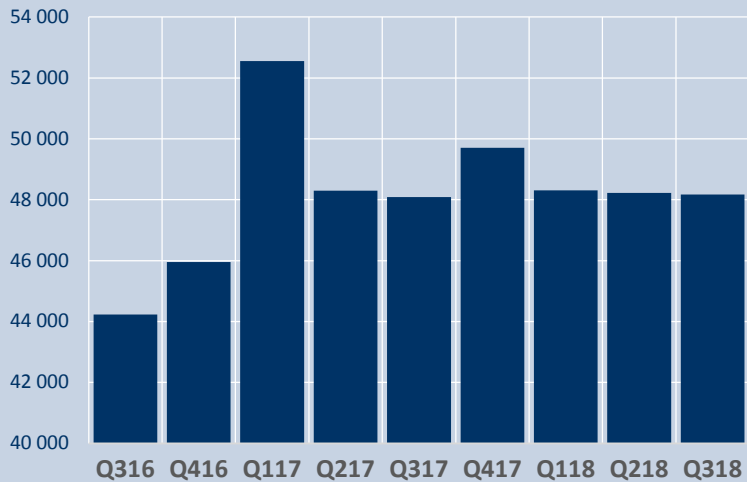
- Revenues from trading on Oslo Børs and Fish Pool NOK 34 million – up NOK 2 million from Q317
- Value of equity turnover on Oslo Børs up 16% from Q317 - revenues up NOK 3 million
- Revenues from trading of bonds down NOK 1 million
- Derivatives revenues driven by activity level and composition of derivatives trading
- No of contracts on Oslo Børs up 4% from Q317
- Volume on Fish Pool down 12% from Q317
- Revenues in line with Q317



## 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 4 million to NOK 37 million from Q317
- 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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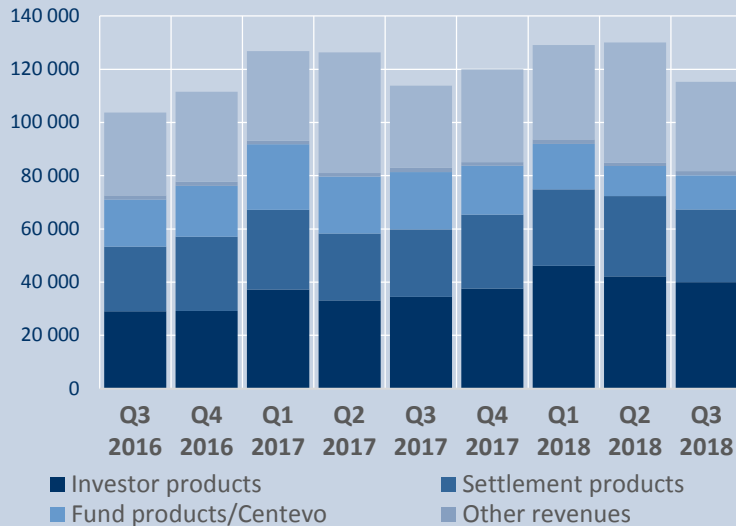
## Key market activities

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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

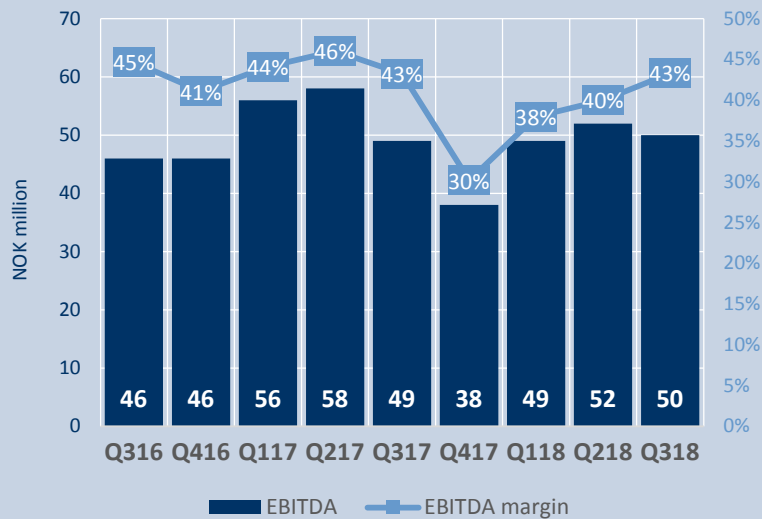


## OSLO BØRS VPS

# Revenues and EBITDA

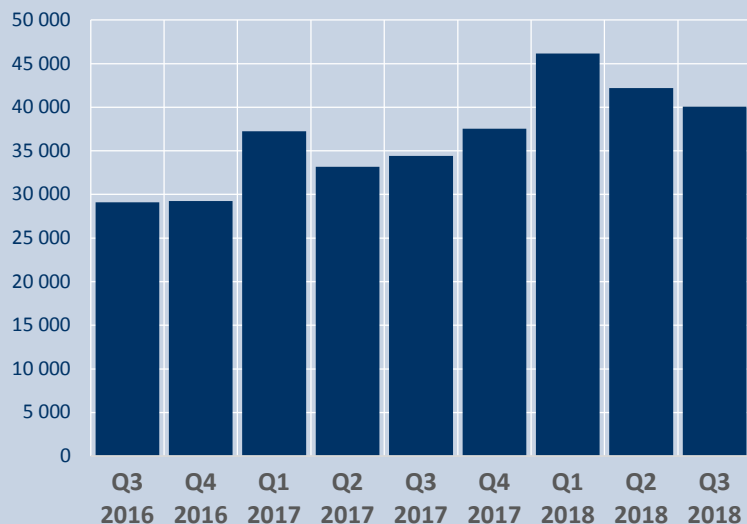
VPS

## EBITDA and EBITDA-margin VPS



- Revenues up NOK 2 million to NOK 115 million from Q317
- Expenses up NOK 1 million to NOK 65 million from Q317
- EBITDA up NOK 1 million to NOK 50 million from Q317

## Revenues investor products, NOK 1000

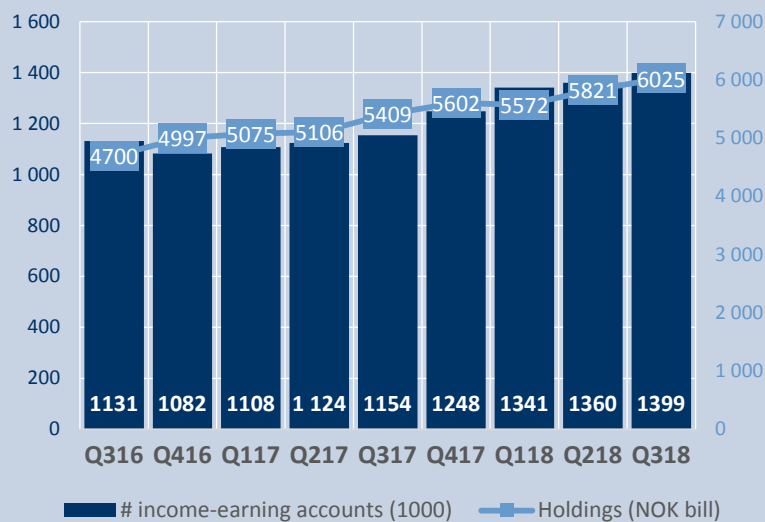


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## Investor products

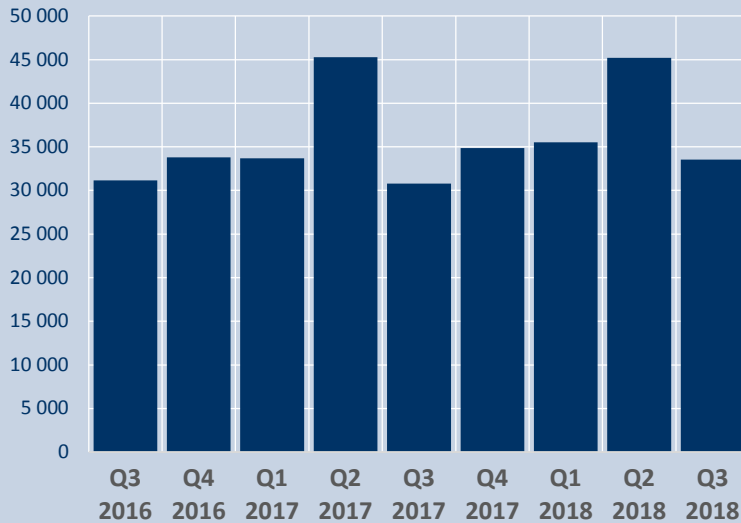
VPS

## Investor accounts and value of holdings



- Revenues up NOK 2 million to NOK 40 million from Q317
  - 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 11% to NOK 6,025 billion from Q317
- Approximately 260.000 Share Savings Accounts established in VPS

## Revenues issuer products, NOK 1000

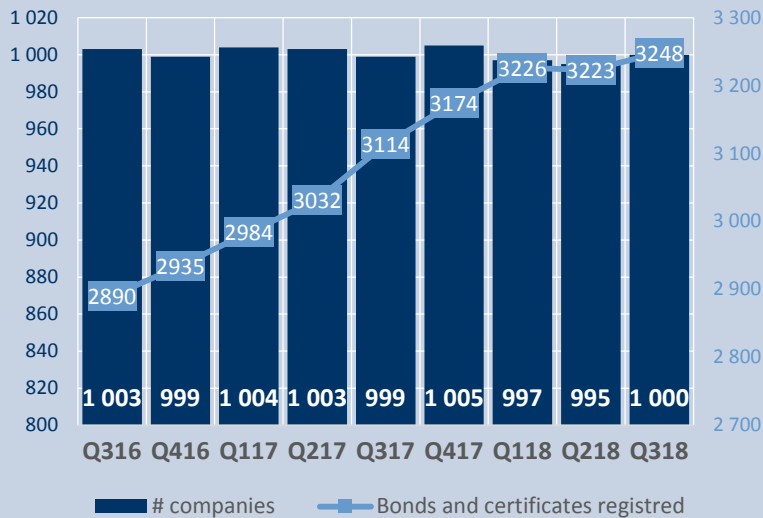


OSLO BØRS VPS

## Issuer products

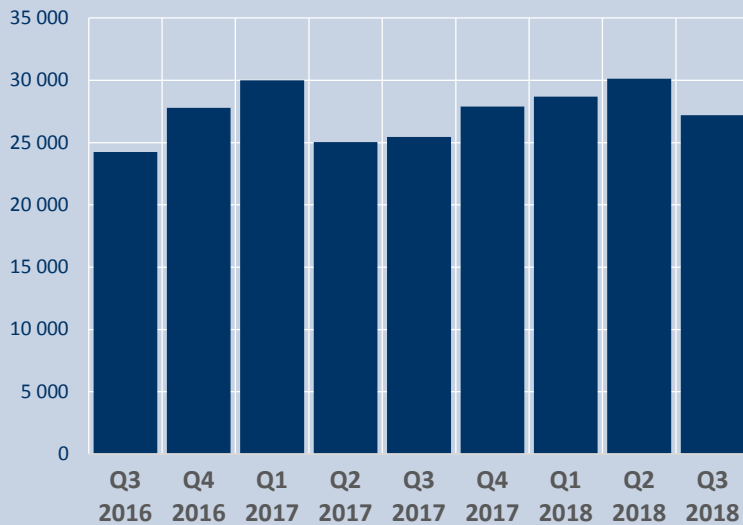
VPS

## Number of companies and issues

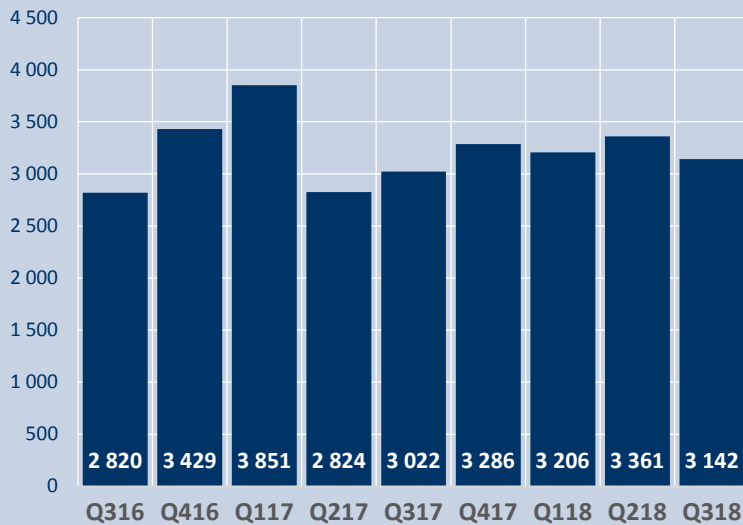


- Revenues up NOK 2 million to NOK 34 million from Q317
  - Adjusted for revenues from mutual funds
- Revenues driven by number and composition of issuers and level and composition of corporate activity
  - AGM-season in Q2
- Additional revenue from value added products
  - AGM-services
  - Bond holders' meeting
  - Stock purchase programs
  - Nominee-ID

Revenues settlement products, NOK 1000



Number of transactions (1000)



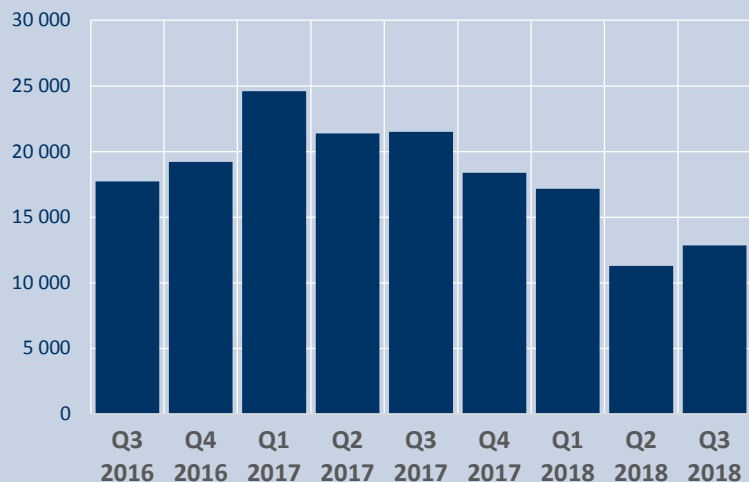
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## Settlement products

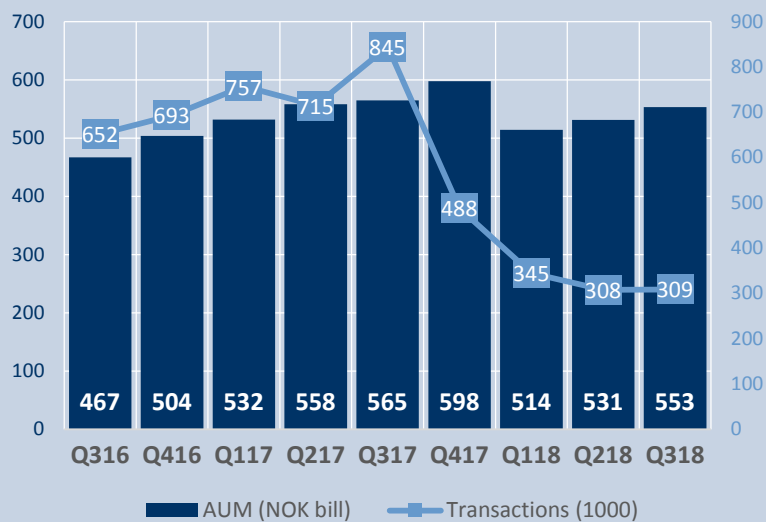
VPS

- Revenues up NOK 2 million to NOK 27 million from Q317
- Revenues driven by number of participants and number of settlement transactions
- No of transactions processed up 4% from Q317
- Interest for direct participation from foreign FMIs and banks

## Revenues Centevo/fund products, NOK 1000



## Asset under management and transactions



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# Centevo

VPS

- Revenues down NOK 4 million to NOK 13 million from Q317
  - Adjusted for transfer of revenues to Investor and Issuer products
- Reduction in revenues from fund services due to loss of customers
- Signed two new customers in Q318
- Strong competition from international providers and internal IT in targeted markets



# Key market activities

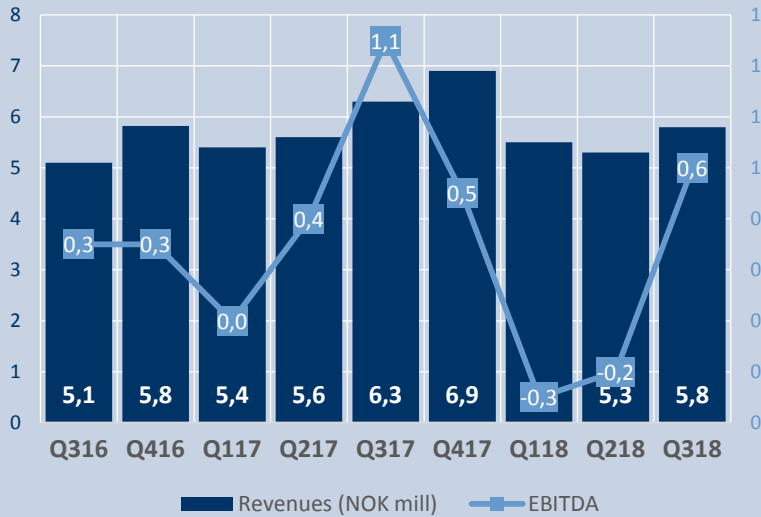
VPS

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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
  - Currently approx. 260 000 new Share Saving Accounts in VPS
- Realisation of VPS Road Map
  - Q318 milestones delivered according to plan
- Preparing for CSDR
  - VPS expects to file application for authorization in 2019
- Simplification, modernisation and standardisation of services and technology continues

OMS

## Oslo Market Solutions



OSLO BØRS VPS

# Revenues and EBITDA

OSLO MARKET SOLUTIONS

- Revenues down NOK 0.5 million from Q317
- EBITDA down NOK 0.5 million from Q317

# Summary



OSLO BØRS VPS

## 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

# OSLO BØRS VPS

# Appendix

# P&L

## OSLO BØRS VPS

	3rd Quarter 2018	3rd Quarter 2017	Change in %	30.sep 2018	30.sep 2017	Change in %	2017
<b>Operating revenues</b>	<b>248 114</b>	<b>232 645</b>	<b>7 %</b>	<b>779 320</b>	<b>743 310</b>	<b>5 %</b>	<b>995 091</b>
<b>Operating expenses</b>							
Salary and other personnel expenses	74 134	70 126		232 882	218 646		305 706
Other operating expenses	54 319	49 421		167 063	149 938		207 899
Depreciations and write-downs	5 721	7 248		17 309	23 314		30 596
Amortisations	939	940		2 819	2 819		3 759
<b>Operating expenses before capitalisation of internal resources, depreciations and amortisations</b>	<b>128 453</b>	<b>119 547</b>	<b>7 %</b>	<b>399 945</b>	<b>368 584</b>	<b>9 %</b>	<b>513 605</b>
<b>Total operating expenses</b>	<b>135 113</b>	<b>127 735</b>	<b>6 %</b>	<b>420 073</b>	<b>394 717</b>	<b>6 %</b>	<b>547 960</b>
<b>EBITDA</b>	<b>119 661</b>	<b>113 098</b>	<b>6 %</b>	<b>379 375</b>	<b>374 726</b>	<b>1 %</b>	<b>481 486</b>
<b>Operating profit (EBIT)</b>	<b>113 001</b>	<b>104 911</b>	<b>8 %</b>	<b>359 247</b>	<b>348 593</b>	<b>3 %</b>	<b>447 131</b>
Net financial items	-338	1 980		2 448	20 783		23 366
<b>Ordinary pre-tax profit</b>	<b>112 663</b>	<b>106 891</b>		<b>361 695</b>	<b>369 376</b>		<b>470 497</b>
Tax	29 105	26 684		92 065	88 573		113 680
<b>Earnings for the period</b>	<b>83 558</b>	<b>80 207</b>	<b>4 %</b>	<b>269 630</b>	<b>280 803</b>	<b>-4 %</b>	<b>356 817</b>
Actuarial gains/losses defined benefit pension plans	0	0		0	0		123
Tax-effect	0	0		0	0		-31
<b>Total comprehensive income</b>	<b>83 558</b>	<b>80 207</b>	<b>4 %</b>	<b>269 630</b>	<b>280 803</b>	<b>-4 %</b>	<b>356 909</b>
Earnings per share (NOK)	1,94	1,87	4 %	6,27	6,53	-4 %	8,30
Diluted earnings per share (NOK)	1,94	1,87	4 %	6,27	6,53	-4 %	8,30
Earnings per share (NOK) before amortisations and write-down	1,96	1,88	4 %	6,32	6,58	-4 %	8,36



# Breakdown revenues – Oslo Børs segment

OSLO BØRS VPS

<b>OSLO BØRS</b>					
<b>Revenues per area</b>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>2017</b>
Equity Markets	69 077	61 510	214 469	195 151	263 832
Fixed Income Markets	14 501	14 039	41 486	43 483	60 047
Derivatives Markets	7 231	7 239	23 134	24 931	33 130
Financial Market data	37 049	33 249	112 834	103 884	137 945
Other	3 866	2 199	9 569	7 978	10 683
<b>Total Oslo Børs</b>	<b>131 724</b>	<b>118 236</b>	<b>401 492</b>	<b>375 427</b>	<b>505 637</b>
<b>Revenues per category</b>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>2017</b>
Fixed fees- issuers	36 649	32 343	108 477	93 239	126 802
Trading fees	33 864	31 675	106 754	100 592	135 142
Prospectus and admission fees	16 562	15 640	52 660	60 043	81 125
Financial market data	37 049	33 249	112 834	103 884	137 945
Other income	7 600	5 330	20 768	17 670	24 622
<b>Total Oslo Børs</b>	<b>131 724</b>	<b>118 236</b>	<b>401 492</b>	<b>375 427</b>	<b>505 637</b>

## Breakdown revenues – VPS segment

OSLO BØRS VPS

<b>VPS</b>	<b>Q3 2018</b>	<b>Adjusted Q3 2017</b>	<b>30.09.2018</b>	<b>Adjusted 30.09.2017</b>	<b>2017</b>
Investor products	40 050	38 415	128 395	116 838	142 379
Issuer products	33 518	31 785	114 212	112 746	144 592
Settlement products	27 196	25 448	86 009	80 483	108 365
Fund products/Centevo	12 851	16 503	41 316	52 486	85 861
Other revenues	1 878	1 198	4 047	4 071	5 702
<b>Total VPS</b>	<b>115 495</b>	<b>113 349</b>	<b>373 980</b>	<b>366 625</b>	<b>486 899</b>

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

OSLO BØRS VPS

	30 Sept 2018	30 Sept 2017	31 Dec 2017
<b>Fixed assets</b>			
IT-systems	16 480	28 819	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	44 997	54 158	50 789
Financial fixed assets	8 891	8 217	8 896
<b>Current assets</b>			
Receivables	100 885	110 203	106 612
Treasury bills	99 717	-	-
Cash and cash equivalents	716 585	714 303	629 255
<b>Assets</b>	<b>1 578 015</b>	<b>1 508 293</b>	<b>1 411 053</b>
<b>Equity</b>			
Contributed equity	666 070	1 105 340	1 008 923
Non-controlling interests	481	481	483
Total equity	666 551	1 105 821	1 009 406
<b>Liabilities</b>			
Pension liabilities	158 478	163 248	162 551
Deferred tax liabilities	1 960	2 584	2 377
Interest bearing debt	450 000	-	-
Current liabilities	301 026	236 640	236 719
<b>Equity and liabilities</b>	<b>1 578 015</b>	<b>1 508 293</b>	<b>1 411 053</b>

# Cash flow

OSLO BØRS VPS

	3rd Quarter 2018	3rd Quarter 2017	30. sep. 2018	30. sep. 2017	2017
<b>Cash flow from</b>					
- <i>operational activities</i>	66 651	46 911	352 404	307 735	397 333
- <i>investment activities</i>	-276	2 280	-99 186	-30 953	-32 687
- investments in systems and tangible assets	-2 107	227	-5 539	-27 808	-29 119
- investments in subsidiaries	0	0	0	-13 706	-16 206
- investments in treasury bills	-141	0	-99 717	0	0
- financial income	1 972	2 053	6 070	10 561	12 638
- <i>financing activities</i>	-4 353	1 112	-165 888	-166 341	-339 253
<b>Cash and cash equivalents at period's start</b>	<b>654 563</b>	<b>664 001</b>	<b>629 255</b>	<b>603 862</b>	<b>603 862</b>
Change in cash and cash equivalents	62 022	50 302	87 330	110 441	25 393
<b>Cash and cash equivalents at period's end</b>	<b>716 585</b>	<b>714 303</b>	<b>716 585</b>	<b>714 303</b>	<b>629 255</b>
<b>Cash flow per share (NOK)</b>	<b>1,44</b>	<b>1,17</b>	<b>2,03</b>	<b>2,57</b>	<b>0,59</b>

# Equity

OSLO BØRS VPS

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<b>Cash flow per share (NOK)</b>	<b>1,44</b>	<b>1,17</b>	<b>2,03</b>	<b>2,57</b>	<b>0,59</b>

# Largest shareholders 25 October 2018

OSLO BØRS VPS

Investor	Antall aksjer	% av 20 største	% av total	Type	Land
DNB LIVSFORSIKRING ASA	8 522 045	25,73%	19,82%	Sels.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4 300 200	12,98%	10,00%	Sels.	NOR
PARETO AS	3 662 230	11,06%	8,52%	Sels.	NOR
ARENDALS FOSSEKOMPANI ASA	1 996 000	6,03%	4,64%	Sels.	NOR
MORGAN STANLEY & CO. INT. PLC.	1 910 797	5,77%	4,44%	Nom.	GBR
UBS AG	1 795 414	5,42%	4,17%	Nom.	GBR
STATE STREET BANK AND TRUST COMP	1 735 881	5,24%	4,04%	Nom.	USA
ENNISMORE SMALLER COM PUB LTD COM	992 519	3,00%	2,31%	Sels.	IRL
RBC INVESTOR SERVICES TRUST	938 749	2,83%	2,18%	Nom.	GBR
FRANKLIN MUTUAL FIN SERV FUND	911 000	2,75%	2,12%	Sels.	USA
ARMOR QUALIFIED, LP	880 123	2,66%	2,05%	Sels.	USA
MUST INVEST AS	708 520	2,14%	1,65%	Sels.	NOR
SPAREBANKEN VEST	700 000	2,11%	1,63%	Sels.	NOR
ARCTIC FUNDS PLC	697 980	2,11%	1,62%	Sels.	IRL
MP PENSJON PK	632 389	1,91%	1,47%	Sels.	NOR
ARMOR CAPITAL OFFSHORE MASTER, LTD	611 675	1,85%	1,42%	Sels.	CYM
NORDEA NORDIC SMALL CAP FUND	593 921	1,79%	1,38%	Sels.	FIN
J.P. MORGAN BANK LUXEMBOURG S.A.	550 007	1,66%	1,28%	Nom.	LUX
GOTHIC CORPORATION	496 783	1,50%	1,16%	Sels.	USA
ARMOR CAPITAL PARTNERS, LP	486 985	1,47%	1,13%	Sels.	USA
<b>Antall aksjer hos de 20 største</b>	<b>33 123 218</b>	<b>100%</b>	<b>77,02%</b>		
<b>Totalt antall aksjer</b>	<b>43 004 000</b>		<b>100%</b>		

# Share price Oslo Børs VPS Holding ASA

OSLO BØRS VPS

