

# ***Oslo Børs VPS Holding ASA 2nd Quarter 2013***

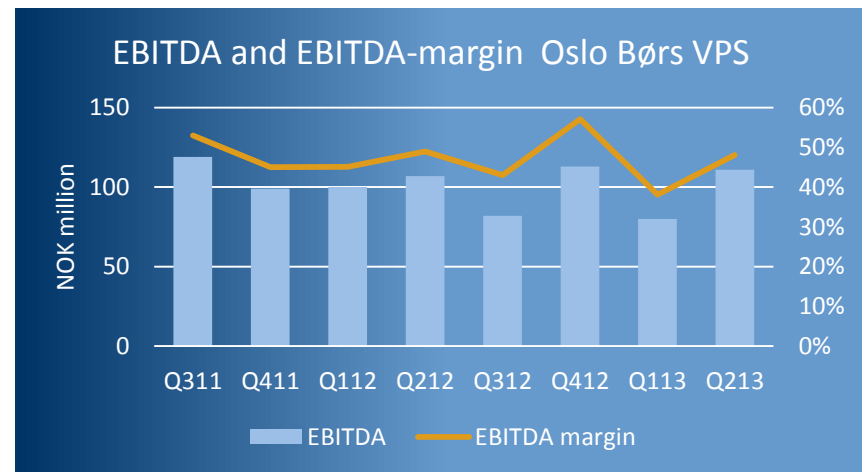
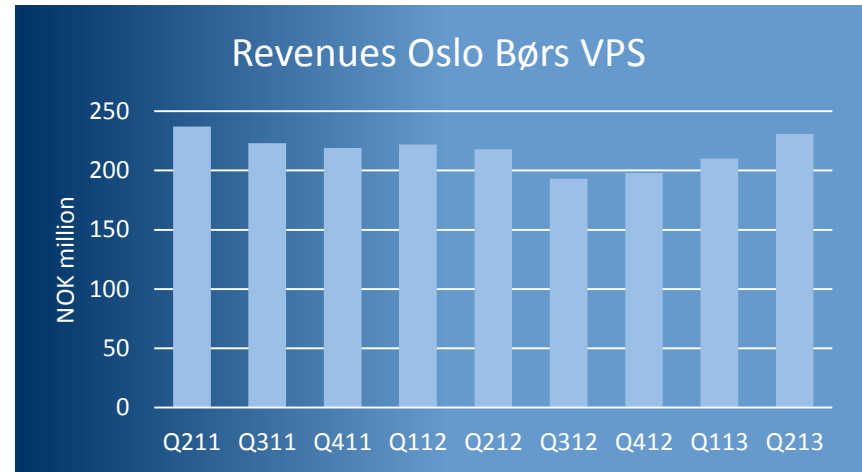
15 August 2013

## *2nd quarter at a glance*

- Continuing high level of activity in the fixed income market
- Higher activity in the secondary equities and derivatives markets than in the previous quarter
- Five equity listings approved so far in 2013
- Increased savings and growth in value for VPS-registered mutual funds increases Assets Under Management
- Acquisition of Evolution strengthens VPS position in the Nordic fund services market
- Oslo Børs takes over NIBOR fixing

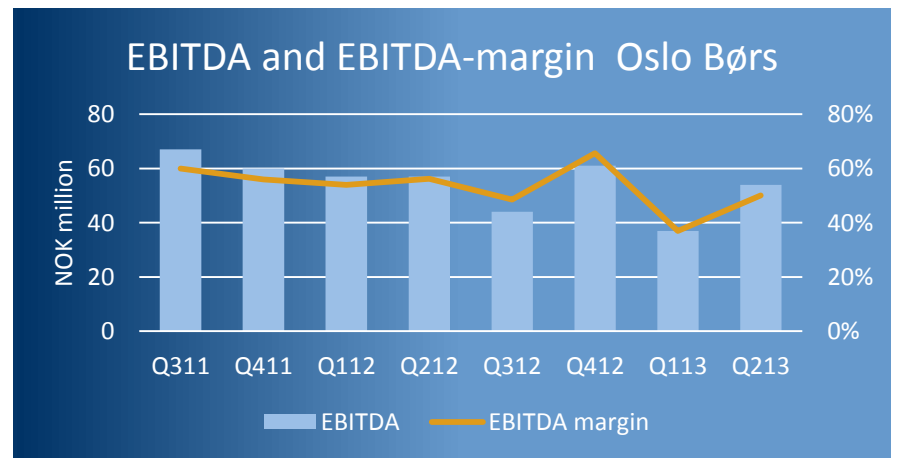
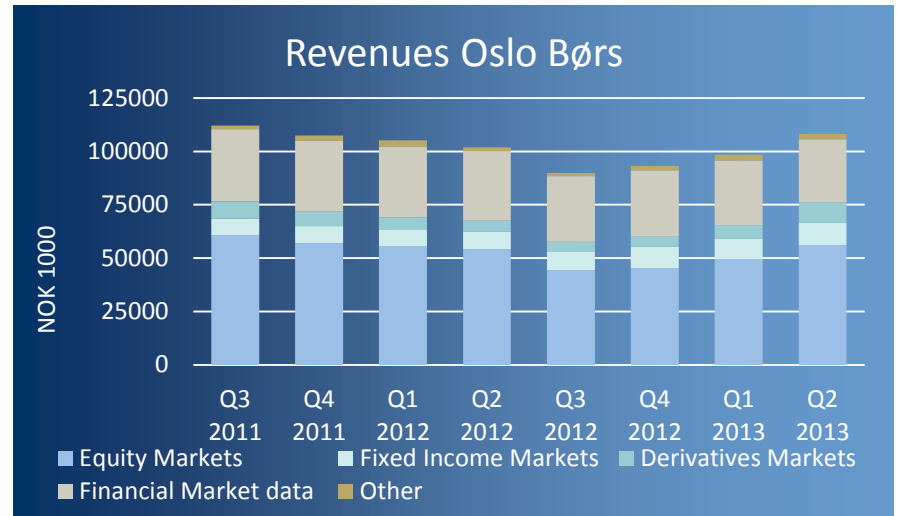
## 2nd quarter at a glance

- Revenues up 6% to NOK 231 million from Q212
- Expenses up 8% to NOK 120 million from Q212
- EBITDA up 4% to NOK 111 million from Q212
- Burgundy and Fish Pool – revenues and EBITDA NOK 20 million and NOK 6 million respectively in Q213



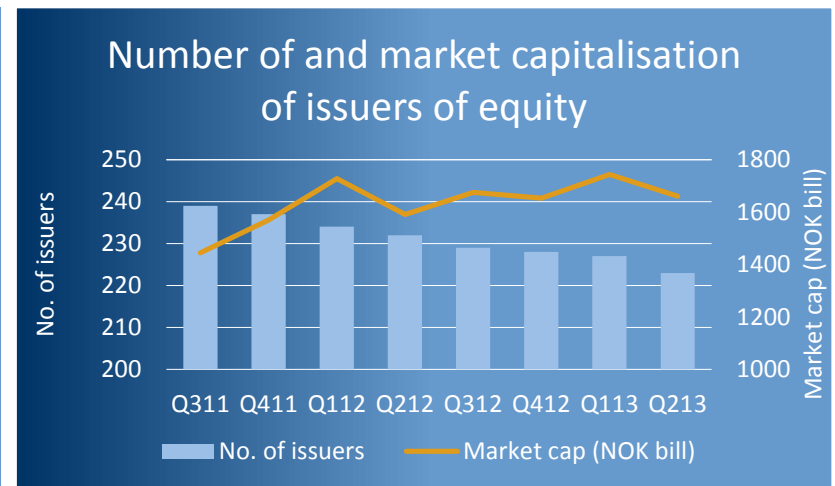
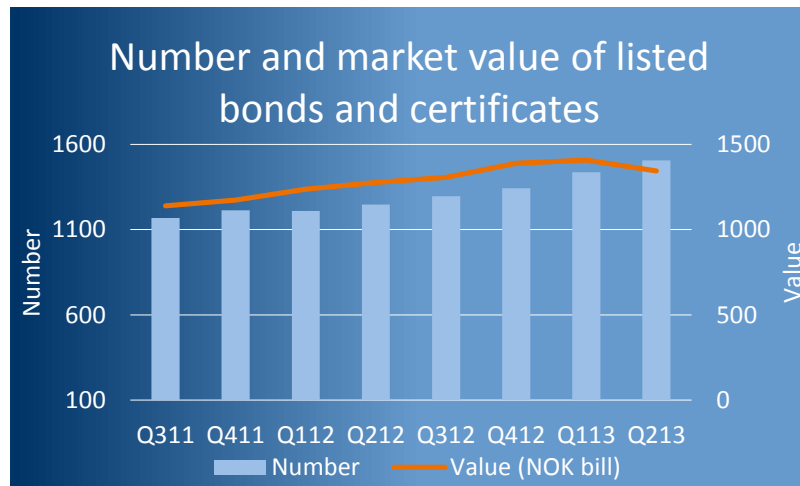
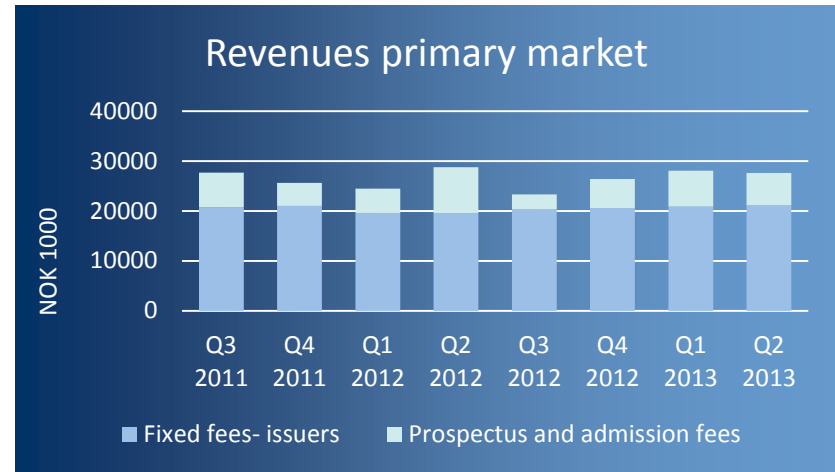
# Oslo Børs

- Revenues up 6% to NOK 108 million from Q212
- EBITDA down 5% to NOK 54 million from Q212
- Revenues and EBITDA from Burgundy and Fish Pool NOK 20 million and NOK 6 million in Q213
- Reduced activity in equities
- Increased activity in fixed income instruments



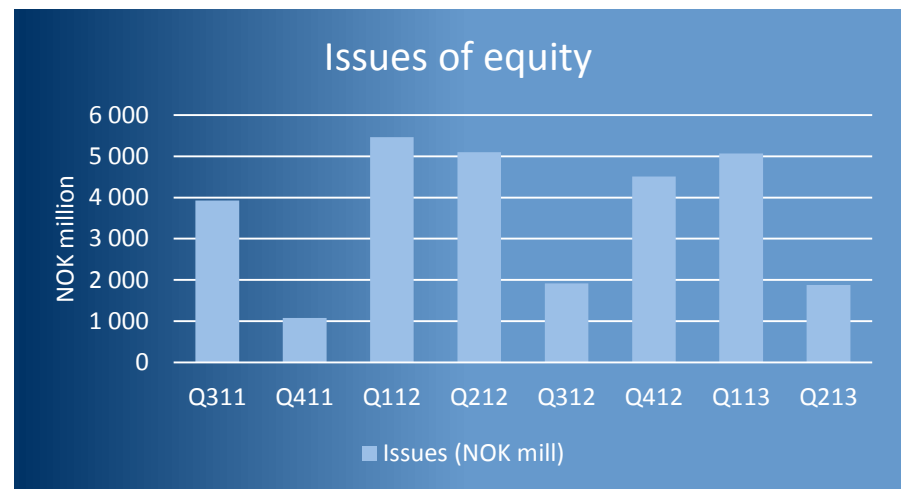
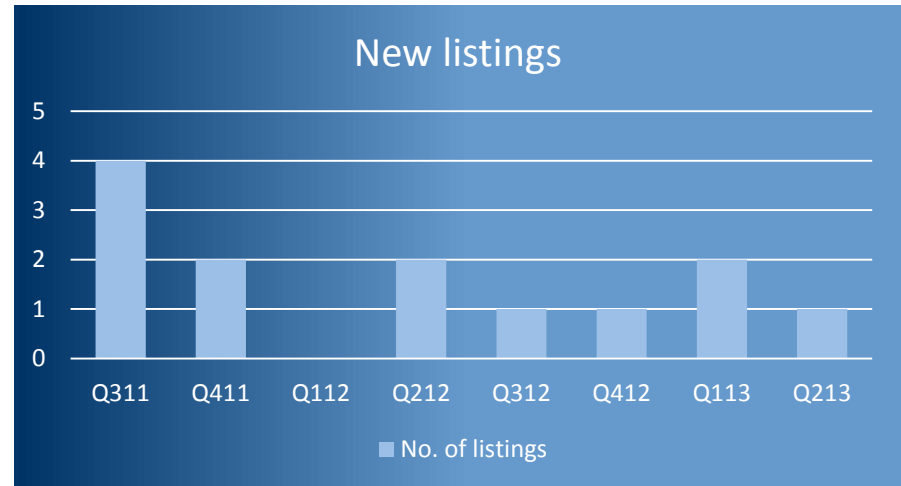
# Oslo Børs – primary market

- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers up 8% from Q212
- Fixed fees driven by number of issuers and market capitalisation January 1
- Market cap. issuers up 4% from 2012



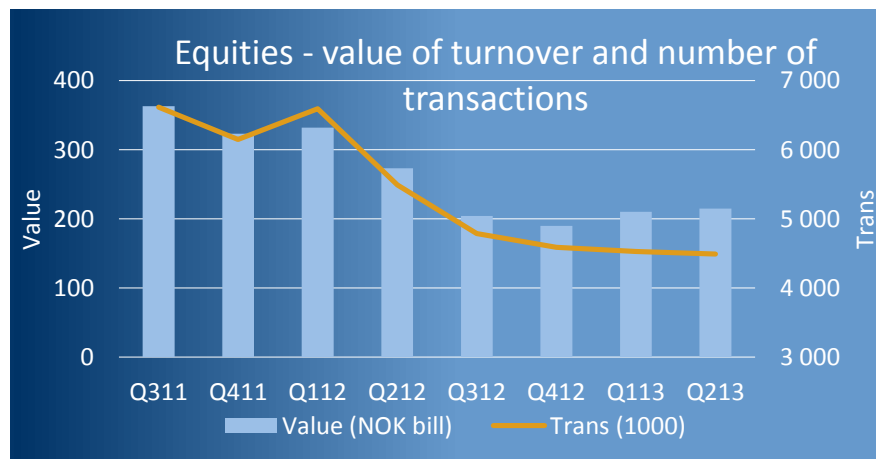
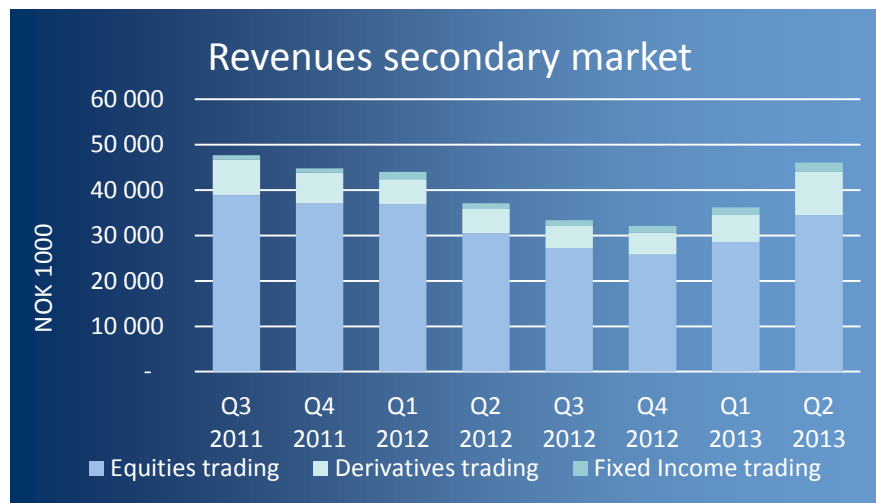
# Oslo Børs – primary market

- Prospectus and admission fees down NOK 3 million or 30% from Q212
- Revenues driven by number and size of IPOs and issues
- One new listings in Q213
- Continued low level of issues of equity
- High level of issues of fixed income instruments



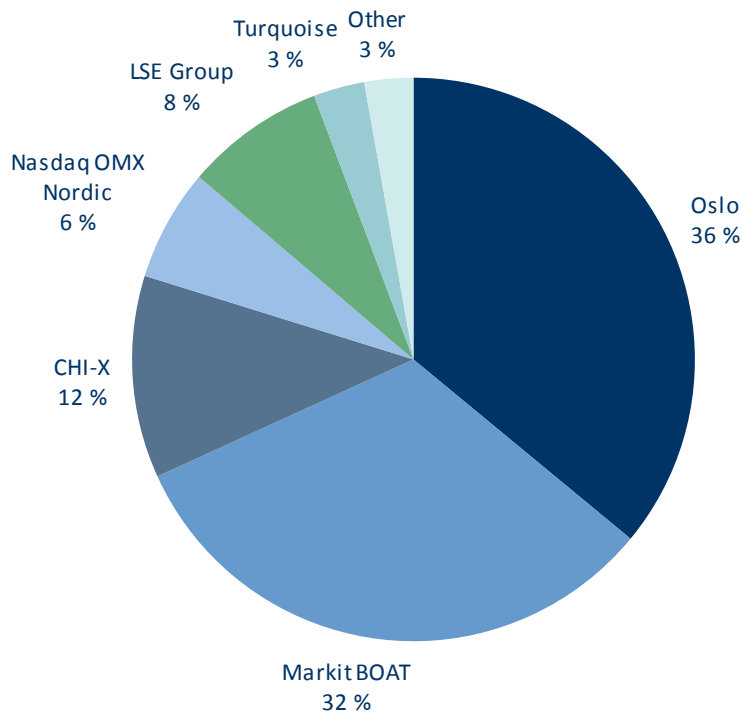
# Oslo Børs – secondary market

- Revenues from trading on Oslo Børs down 29% from Q212
- Revenues from Burgundy and Fish Pool NOK 20 million
- Value of turnover down 21% from Q212
- Value of turnover up 2% from Q113
- Reduction in fees from 2013
- Derivatives revenues driven by activity level and composition of derivatives trading
  - No of contracts on Oslo Børs up 8% from Q212
  - Revenues up 8% from Q212

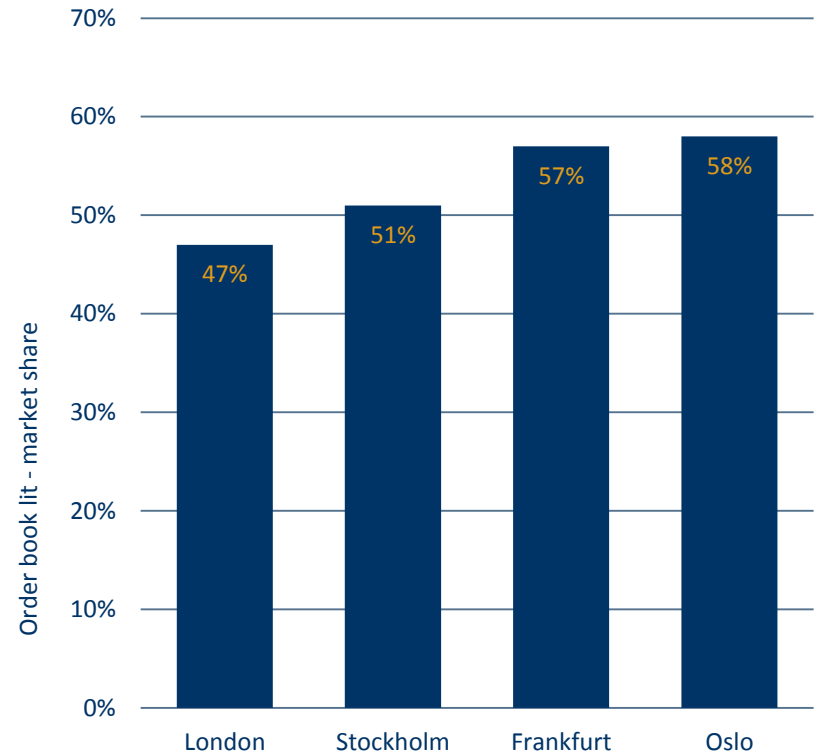


# Market share – equities trading

YTD 2013



June 2013



Increased use of Smart Order Routers

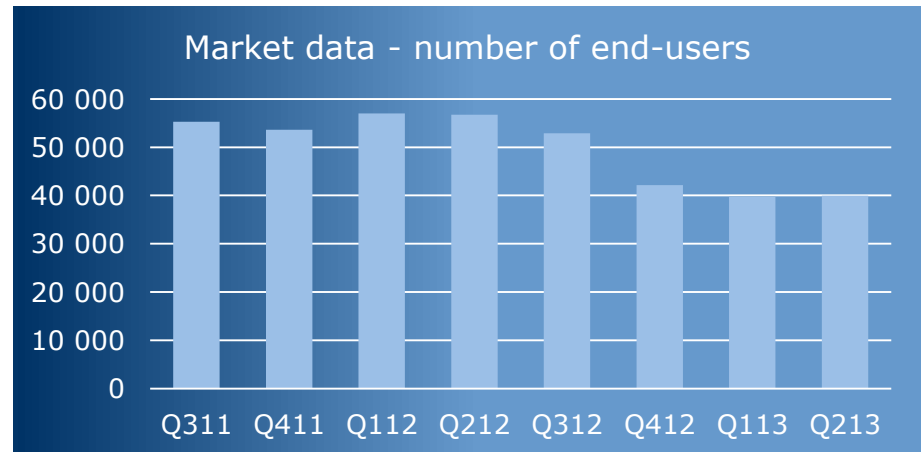
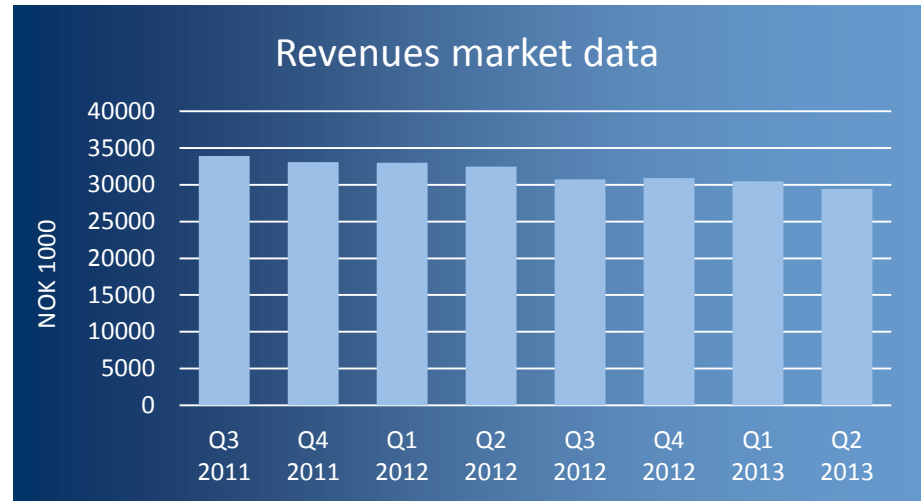
Increased internalisation in Europe

(Source: Thomson Reuters)



# Oslo Børs – market data

- Revenues down 9% from Q212
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Professional users down 9% from Q212



# Key market activities

- Integration and marketing of Burgundy ahead of schedule
  - Burgundy market on Millennium June 3
  - Streamlining of operations
  - Rebuild Burgundy market share
- 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
  - New opening hours
- Efficient post trade
  - Interoperability



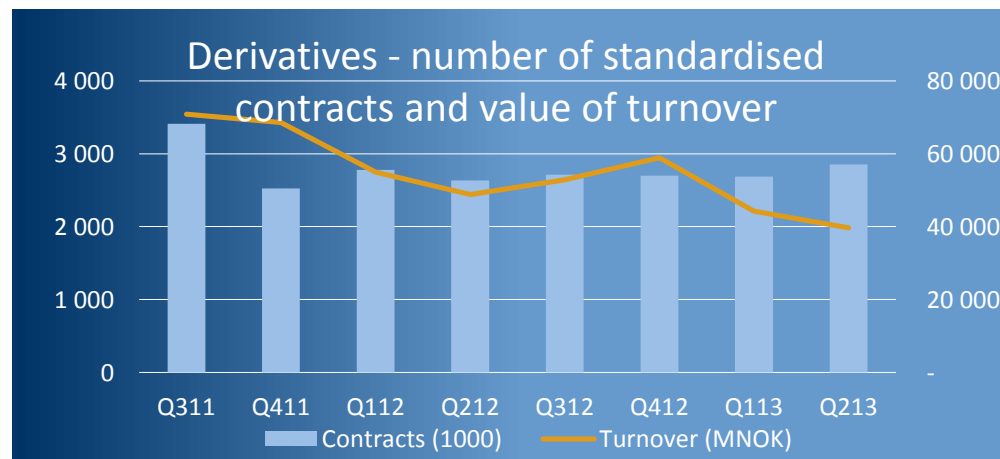
Fish Pool  
part of Oslo Børs ASA

**burgundy**<sup>®</sup>  
part of Oslo Børs ASA

**nordic abm**  
part of Oslo Børs ASA

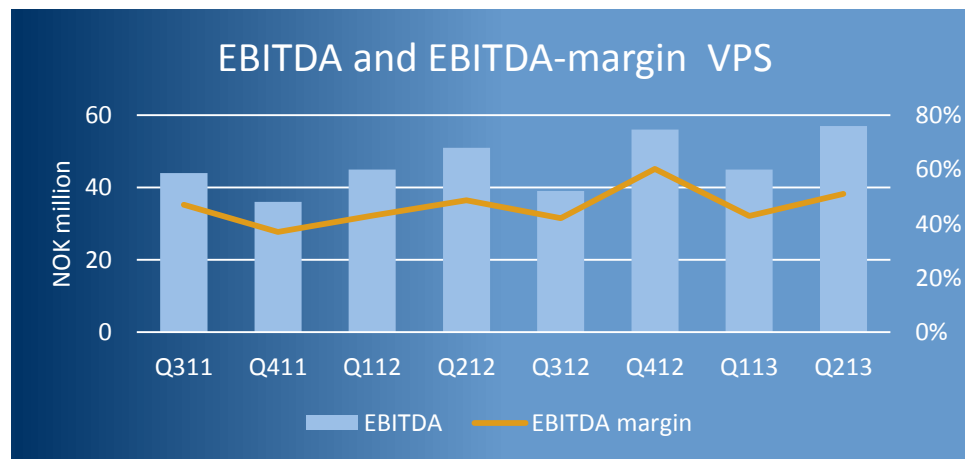
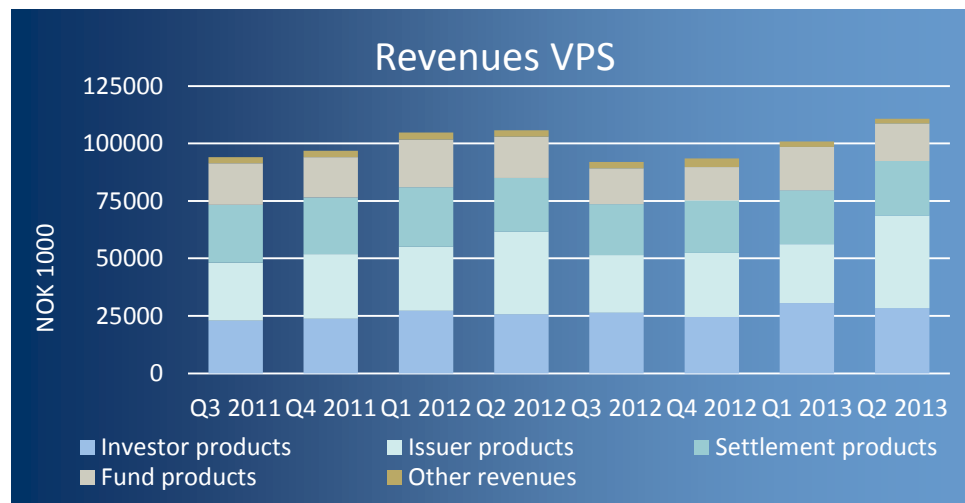
# Oslo Clearing

- Revenues up 18% from Q212
- EBITDA up to NOK 3 million
- Equity turnover (value) down 21% from Q212
- Derivatives turnover (contracts) up 8% from Q212
- Clearing revenues driven by
  - trading activity and members choice of fee structures
  - activity level and composition of derivatives trading
- Interoperability with LCH in 2013
- Magica – increased competitiveness in clearing
  - MNOK 885 in cash collateral under management as of Q213
  - Development of functionality for clearing of derivatives



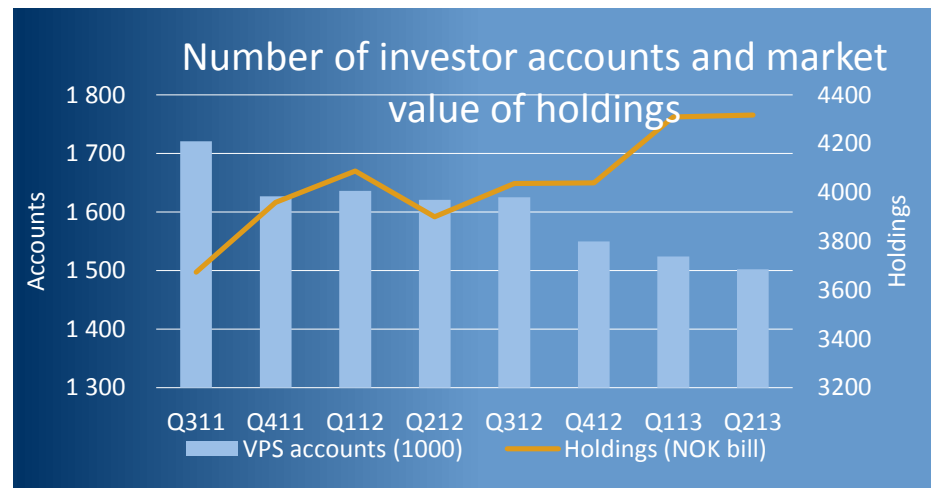
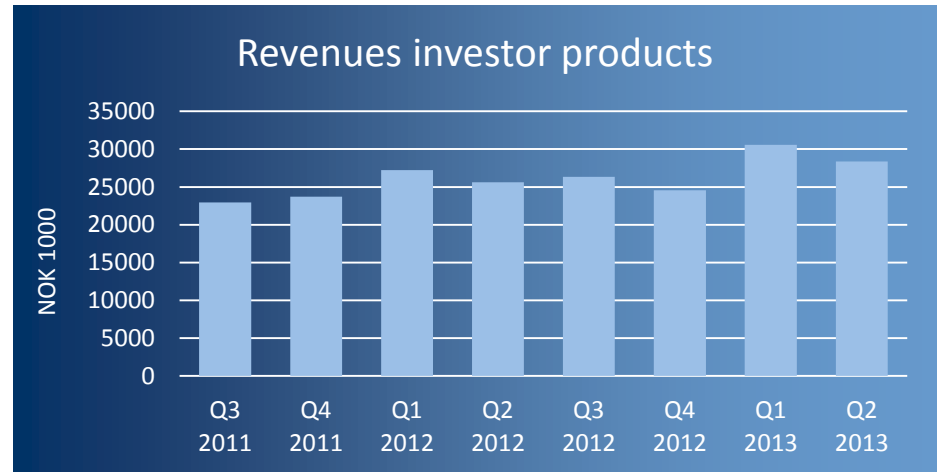
# VPS

- Revenues up 5% to NOK 111 million from Q212
- EBITDA up 10% to NOK 57 million from Q212
- Increased investor revenues
- Increase in yearly registration fees from issuers
- Increased savings in mutual funds
- Modernisation of core IT-systems
- Acquisition of Evolution



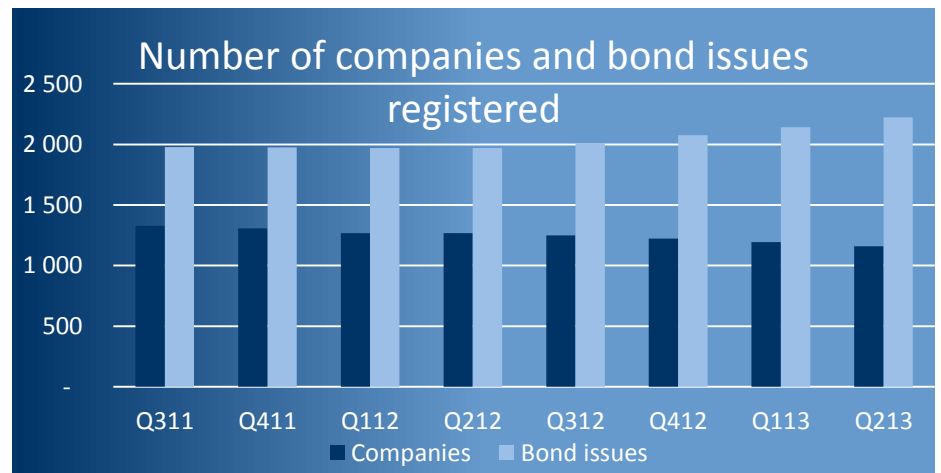
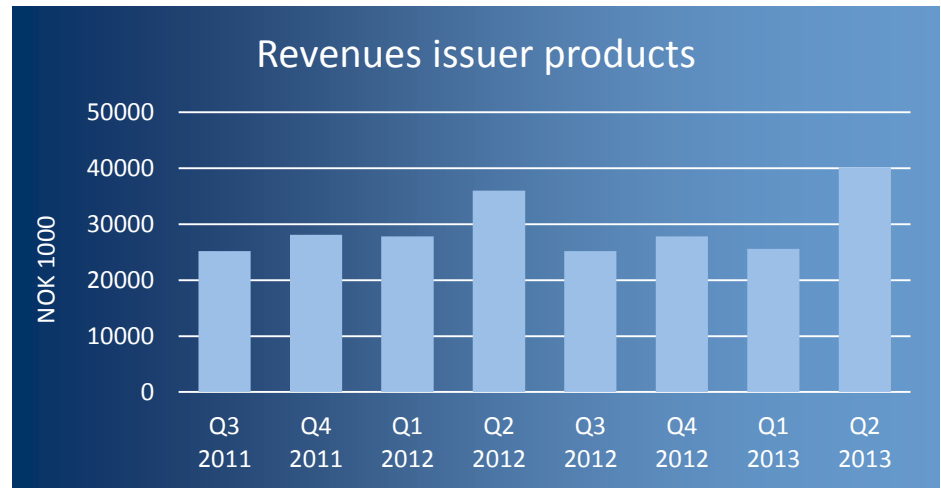
# VPS – investor products

- Revenues up 11% from Q212
- Revenues primarily driven by number of VPS accounts and market value of holdings  
January 1
- Changes to price structures in 2013



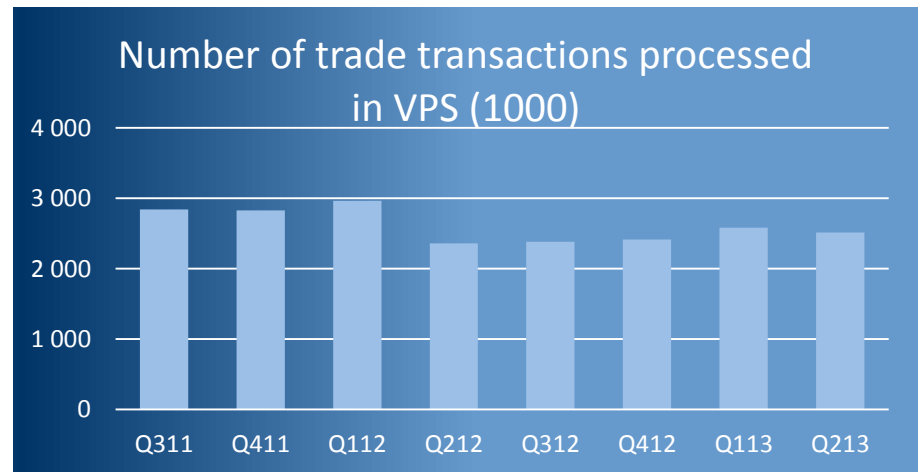
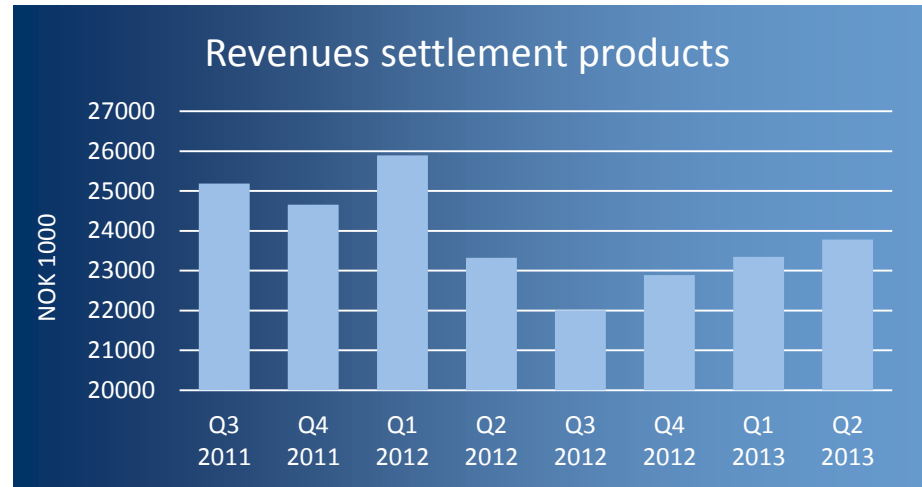
# VPS – issuer products

- Revenues up 12% from Q212
- Increase in yearly registration fees, but reduced activity in corporate actions
- 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
  - Stock purchase programs
  - Nominee-ID
- Changes to price structures in Q213



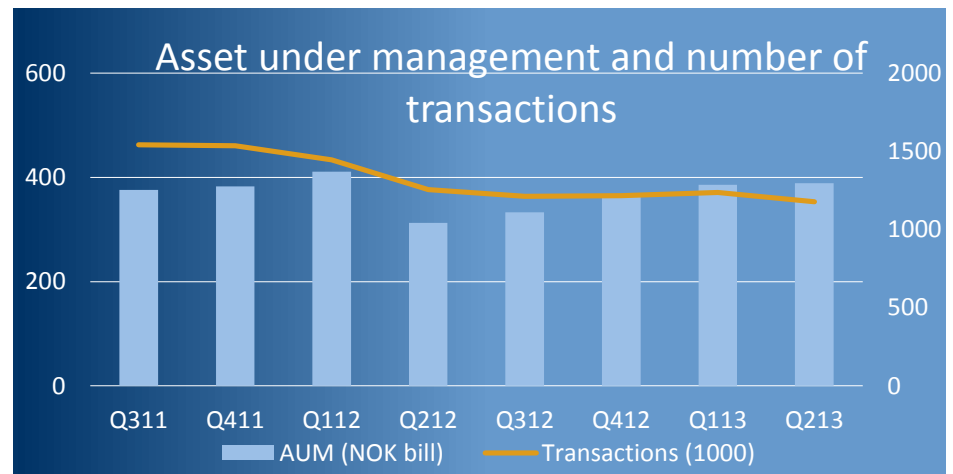
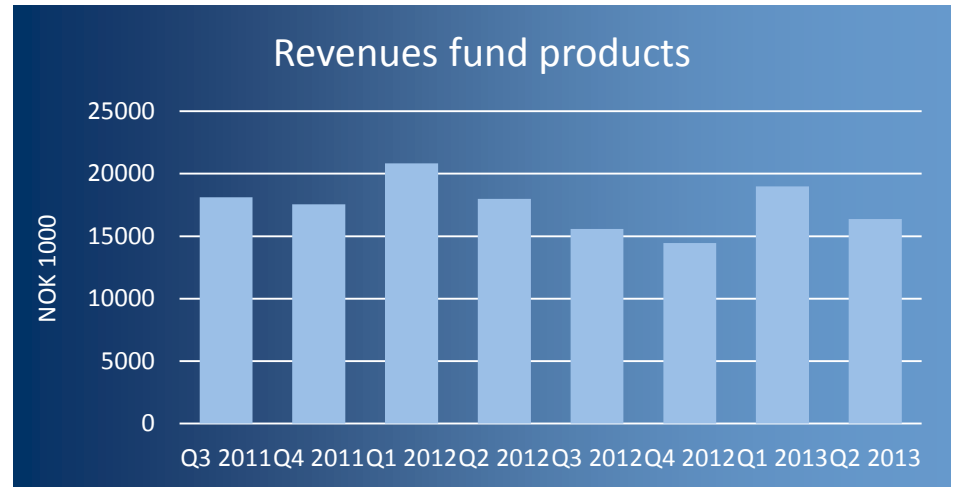
## VPS – settlement products

- Revenues up 2% from Q212
- Revenues driven by number of participants and number of settlement transactions



## VPS – fund products

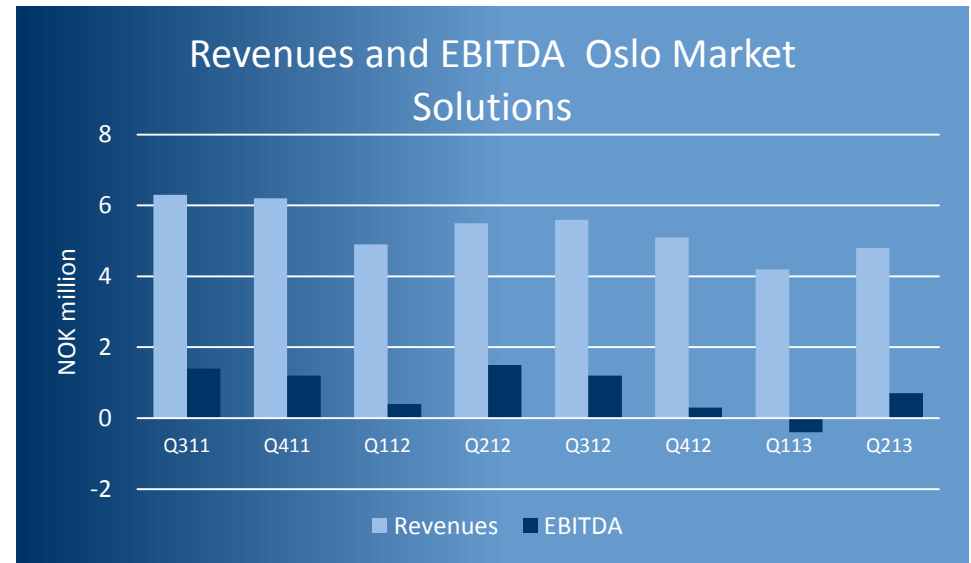
- Revenues down 9% from Q212
- Revenues primarily driven by assets under management and number of transactions
- Changes to price structures in 2013
- Main deliveries new fund system in operation and well functioning. Project will finalize its deliveries during Q413





# Oslo Market Solutions

- Revenues down 12% from Q212
- EBITDA down 55% from Q212

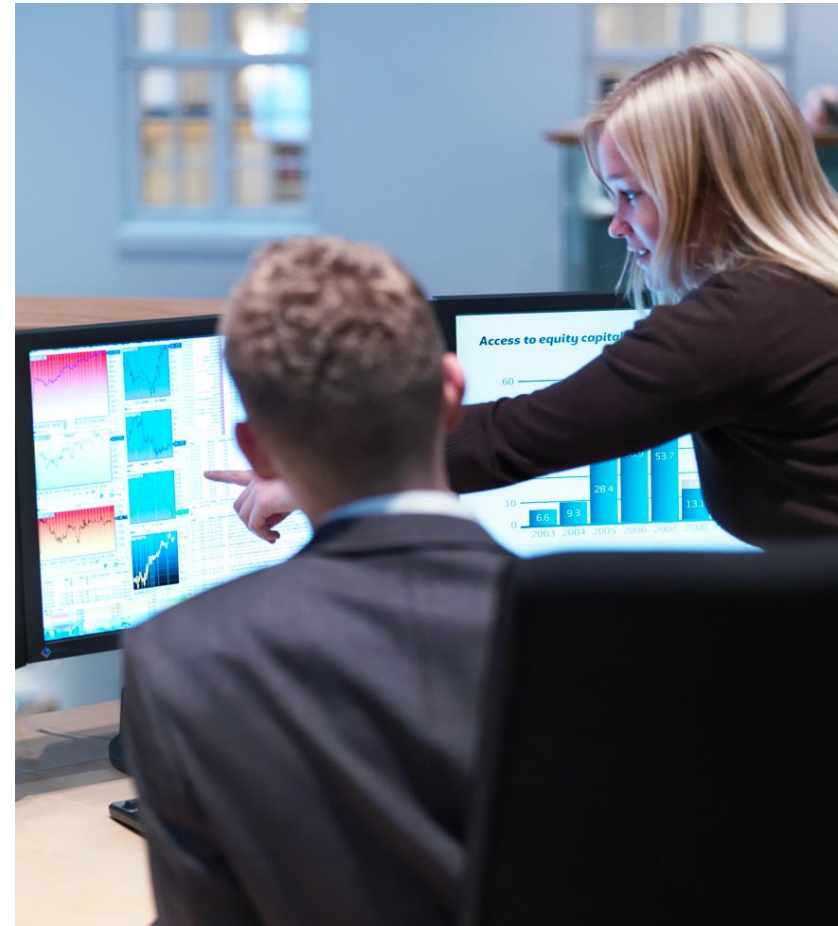


# *European regulation - implications*

- MiFID II and MiFIR
  - More level playing field and increased transparency
- EMIR
  - Opportunity for CCPs in mandatory clearing
  - Requirements for CCPs – organisation, capital and access and interoperability
- CSD-legislation
  - Increased competition – opportunity and threat
- Limited political support for implementation of financial transactions tax in Norway for the time being

# Summary

- Continued low activity in the capital markets
- Continued intense competition and pressure on market share
- Continuous focus on operating costs
- Structural changes to take new positions and adapt to challenging competitive environment
- Focus forward
  - Attract new listings/registrations and members
  - Increased sale to existing customers
  - Strengthen competitive position in secondary market
  - Successful execution of projects
    - Magica, Fund project, modernisation of VPS IT
  - Market activities with Burgundy, Fish Pool and Evolution



# *Appendix*

# P&L

	2nd Quarter 2013	2nd Quarter 2012	Change in %	30. June 2013	30. June 2012	Change in %	2011
<b>Operating revenues</b>	<b>231 103</b>	<b>217 820</b>	<b>6 %</b>	<b>525 434</b>	<b>439 647</b>	<b>20 %</b>	<b>830 309</b>
<b>Operating expenses</b>							
Capitalisation of internal resources	-1 879	-1 977		-3 165	-3 719		-8 028
Salary and other personnel expenses	61 261	61 414		143 573	134 916		233 221
Other operating expenses	58 346	49 785		165 913	96 041		193 019
Depreciations and write-downs	16 924	17 021		59 158	34 224		66 139
Amortisations	19 860	23 441		39 720	46 883		99 138
<b>Operating expenses before capitalisation of internal resources, depreciations and amortisations</b>	<b>119 607</b>	<b>111 199</b>	<b>8 %</b>	<b>309 486</b>	<b>230 957</b>	<b>34 %</b>	<b>426 240</b>
<b>Total operating expenses</b>	<b>154 512</b>	<b>149 684</b>	<b>3 %</b>	<b>405 199</b>	<b>308 344</b>	<b>31 %</b>	<b>583 489</b>
<b>EBITDA</b>	<b>111 496</b>	<b>106 621</b>	<b>5 %</b>	<b>215 948</b>	<b>208 690</b>	<b>3 %</b>	<b>404 069</b>
<b>Operating profit (EBIT)</b>	<b>76 591</b>	<b>68 136</b>	<b>12 %</b>	<b>120 235</b>	<b>131 304</b>	<b>-8 %</b>	<b>246 820</b>
Net financial items	8 183	6 146		12 957	11 801		22 509
<b>Ordinary pre-tax profit</b>	<b>84 774</b>	<b>74 281</b>		<b>133 192</b>	<b>143 105</b>		<b>269 329</b>
Tax	23 777	20 848		37 418	40 159		75 296
<b>Earnings for the period</b>	<b>60 997</b>	<b>53 433</b>	<b>14 %</b>	<b>95 774</b>	<b>102 946</b>	<b>-7 %</b>	<b>194 033</b>
Actuarial gains/losses defined benefit pension plans	0	0		0	0		<b>19 007</b>
Tax-effect	0	0		0	0		<b>-5 322</b>
<b>Total comprehensive income</b>	<b>60 997</b>	<b>53 433</b>	<b>14 %</b>	<b>95 774</b>	<b>102 946</b>	<b>-7 %</b>	<b>207 718</b>
Earnings per share (NOK)	1,42	1,24	14 %	2,23	2,39	-7 %	4,51
Diluted earnings per share (NOK)	1,42	1,24	14 %	2,23	2,39	-7 %	4,51
Earnings per share (NOK) before amorisations	1,75	1,63	7 %	2,89	3,18	-9 %	6,17

## Breakdown revenues – Oslo Børs segment

<b>Revenues per area</b>	<b>Q2 2013</b>	<b>Q2 2012</b>	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>2012</b>
Equity Markets	56 165	54 144	105 577	109 556	199 244
Fixed Income Markets	10 442	8 093	20 245	16 210	34 612
Derivatives Markets	9 545	5 312	15 646	10 829	20 490
Financial Market data	29 449	32 456	59 915	65 437	127 097
Other	2 584	1 918	5 209	5 115	8 773
<b>Total Oslo Børs</b>	<b>108 185</b>	<b>101 923</b>	<b>206 592</b>	<b>207 147</b>	<b>390 216</b>
<b>Revenues per category</b>	<b>Q2 2013</b>	<b>Q2 2012</b>	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>2012</b>
Fixed fees- issuers	21 157	19 561	42 023	39 187	80 046
Trading fees	46 045	37 142	82 271	80 720	146 184
Prospectus and admission fees	6 443	9 238	13 678	14 091	22 950
Financial market data	29 449	32 456	59 915	65 437	127 097
Other income	5 092	3 526	8 706	7 712	13 939
<b>Total Oslo Børs</b>	<b>108 185</b>	<b>101 923</b>	<b>206 592</b>	<b>207 147</b>	<b>390 216</b>

## *Breakdown revenues – VPS segment*

<b>VPS</b>	<b>Q2 2013</b>	<b>Q2 2012</b>	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>2012</b>
Investor products	28 346	25 625	58 907	52 867	103 777
Issuer products	40 206	36 027	65 805	63 832	116 856
Settlement products	23 777	23 325	47 120	49 215	94 108
Fund products	16 363	18 000	35 353	38 821	68 875
Other revenues	2 048	2 695	4 424	5 638	12 159
<b>Total VPS</b>	<b>110 740</b>	<b>105 672</b>	<b>211 609</b>	<b>210 373</b>	<b>395 775</b>

# Balance sheet

	30. June 2013	30. June 2012	31. Dec 2011
<b>Fixed assets</b>			
IT-systems	206 312	300 600	245 701
Customer relations	23 223	38 715	30 969
Registrations	13 500	10 000	10 000
Goodwill	475 826	464 233	464 233
Deferred tax assets	71 452	89 043	69 619
Tangible assets	62 827	59 520	65 697
Treasury bills and bonds	105 093	30 243	339 300
Financial fixed assets	15 151	43 513	48 668
<b>Current assets</b>			
Market value of outstanding derivatives positions	332 909	511 328	134 689
Receivables	111 588	89 343	76 808
Treasury bills and bonds	228 514	-	20 057
Cash and cash equivalents	1 296 718	771 086	1 303 533
<b>Assets</b>	<b>2 943 113</b>	<b>2 407 624</b>	<b>2 809 275</b>
<b>Equity</b>			
Contributed equity	1 245 848	1 346 390	1 450 871
Earned equity	-	-	-
Total equity	1 246 772	1 346 390	1 450 871
<b>Liabilities</b>			
Pension liabilities	167 335	224 448	169 209
Deferred tax liabilities	36 499	62 252	47 621
Cash collateral	885 471	-	814 386
Market value of outstanding derivatives positions	332 909	511 328	134 689
Current liabilities	274 127	263 206	192 499
<b>Equity and liabilities</b>	<b>2 943 113</b>	<b>2 407 624</b>	<b>2 809 275</b>



# Cash flow

	2nd Quarter 2013	2nd Quarter 2012	2nd Quarter 2013	2nd Quarter 2012	2012
<b>Cash flow from</b>					
- operational activities	47 162	36 855	172 277	160 585	258 001
- investment activities	-1 129	-17 876	122 742	-23 962	411 978
- investments in systems and tangible assets	-12 584	-24 104	-18 533	-36 146	-63 849
- investments in treasury bills and bonds	-69 882	0	25 750	0	-329 114
- received cash collateral from members	76 119	0	71 085	0	781 290
- financial income	5 218	6 228	10 366	12 184	23 651
- financing activities	-301 166	-258 106	-301 835	-258 407	-259 315
<b>Cash and cash equivalents at period's start</b>	<b>1 551 851</b>	<b>1 010 212</b>	<b>1 303 533</b>	<b>892 870</b>	<b>892 870</b>
Change in cash and cash equivalents	-255 133	-239 127	-6 816	-121 784	410 664
<b>Cash and cash equivalents at period's end</b>	<b>1 296 718</b>	<b>771 086</b>	<b>1 296 718</b>	<b>771 086</b>	<b>1 303 534</b>
<b>Cash flow per share (NOK)</b>	<b>-5,93</b>	<b>-5,56</b>	<b>-0,16</b>	<b>-2,83</b>	<b>9,55</b>
Treasury bills, bonds and bank deposits			1 630 325	801 329	1 662 891
Cash collateral from members			885 471	0	814 386
Net after deduction for cash collateral from members			744 854	801 329	848 505

# Equity

	2nd Quarter 2 013	2nd Quarter 2012	30. June 2013	30. June 2012	2012
<b>Equity at period's start</b>	1 489 840	1 550 834	<b>1 450 871</b>	<b>1 501 325</b>	<b>1 501 325</b>
Total comprehensive income	60 997	53 433	95 774	102 946	194 033
Dividends	-300 827		-300 827	-257 878	-257 878
Purchase of own shares			0	0	-295
Actuarial gains/losses in the period					13 685
Change in non-controlling interests	66	0	953	0	0
Translation effects	-3 304	0		0	0
<b>Equity at period's end</b>	<b>1 246 772</b>	<b>1 346 390</b>	<b>1 246 772</b>	<b>1 346 390</b>	<b>1 450 871</b>
<b>Equity ratio</b>	<b>42 %</b>	<b>57 %</b>	<b>42 %</b>	<b>57 %</b>	<b>52 %</b>

# Largest shareholders 5 August 2013

Investor	Number of shares	% of top 20	% of total	Type	Country
DNB LIVSFORSIKRING ASA	8,522,045	24.70%	19.82%	Comp.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4,300,200	12.47%	10.00%	Comp.	NOR
JP MORGAN CLEARING CORP.	3,929,660	11.39%	9.14%	Nom.	USA
PARETO AS	3,662,230	10.62%	8.52%	Comp.	NOR
LANDSBANKINN HF	2,112,930	6.12%	4.91%	Nom.	ISL
ARENDALS FOSSEKOMPANI ASA	1,996,000	5.79%	4.64%	Comp.	NOR
THE NORTHERN TRUST CO.	1,491,869	4.32%	3.47%	Nom.	GBR
ORKLA ASA	1,285,700	3.73%	2.99%	Comp.	NOR
MSF-MUTUAL FINANCIAL SERVI FD	911,000	2.64%	2.12%	Comp.	USA
NORSK HYDROS PENSJONSKASSE	871,456	2.53%	2.03%	Comp.	NOR
NORDEA NORDIC SMALL CAP FUND	718,841	2.08%	1.67%	Comp.	FIN
MUST INVEST AS	708,520	2.05%	1.65%	Comp.	NOR
SUNDT AS	657,500	1.91%	1.53%	Comp.	NOR
MORGAN STANLEY & CO INTERNAT. PLC	625,895	1.81%	1.46%	Nom.	GBR
FRANKLIN TEMPLETON EXCLUSIVE	622,000	1.80%	1.45%	Comp.	LUX
HSBC TRINKAUS & BURKHARDT AG	500,000	1.45%	1.16%	Nom.	DEU
MP PENSJON PK	465,000	1.35%	1.08%	Comp.	NOR
BANQUE DE LUXEMBURG S.A	427,160	1.24%	0.99%	Nom.	LUX
BERGEN KOMMUNALE PENSJONSKASSE	350,000	1.01%	0.81%	Comp.	NOR
MSF-MUTUAL EUROPEAN FUND	340,000	0.99%	0.79%	Comp.	USA
<b>Total number owned by top 20</b>	<b>34,498,006</b>	<b>100%</b>	<b>80.22%</b>		
<b>Total number of shares</b>	<b>43,004,000</b>		<b>100%</b>		

# Share price Oslo Børs VPS Holding ASA



