

# ***Oslo Børs VPS Holding ASA 1st quarter 2017***

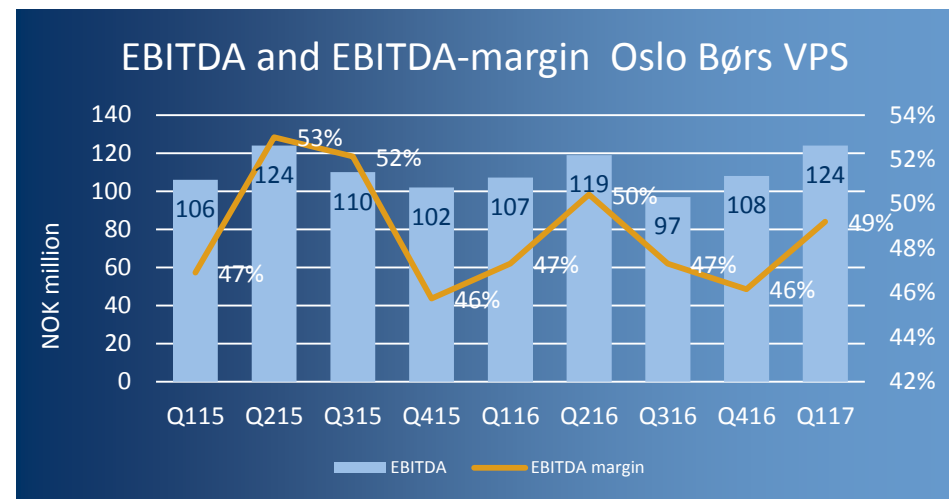
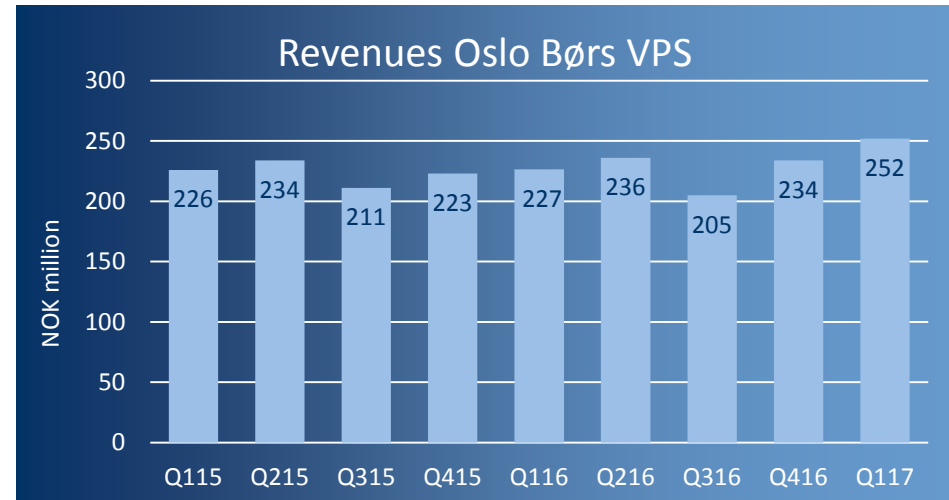
27 April 2017

## *1st quarter at a glance*

- High level of activity in the primary market
- Higher levels of trading and settlement activity in equities than in preceding quarters
- VPS combining its fund and asset management services
- The Board of Directors of VPS starting work on finding a new CEO for VPS
- Oslo Børs acquires the remaining 50% of NOTC AS
- Successful launch of Millennium Exchange 9.1
- VPS' roadmap, including Share Savings Account, according to plan

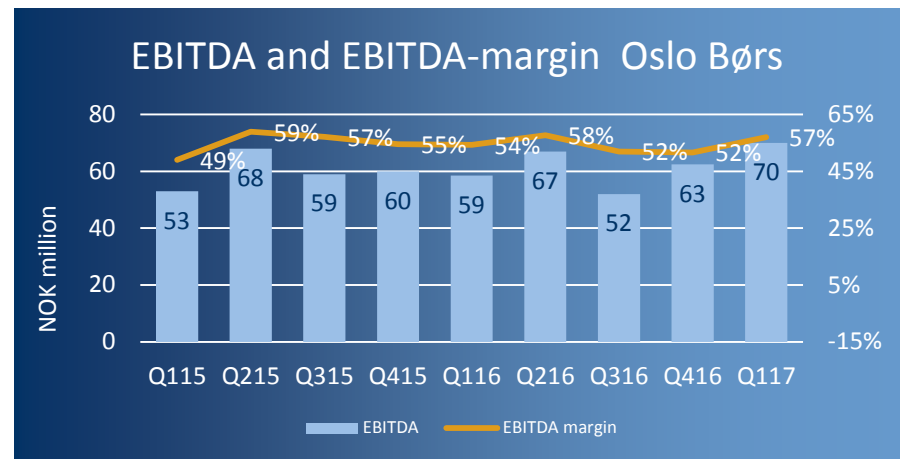
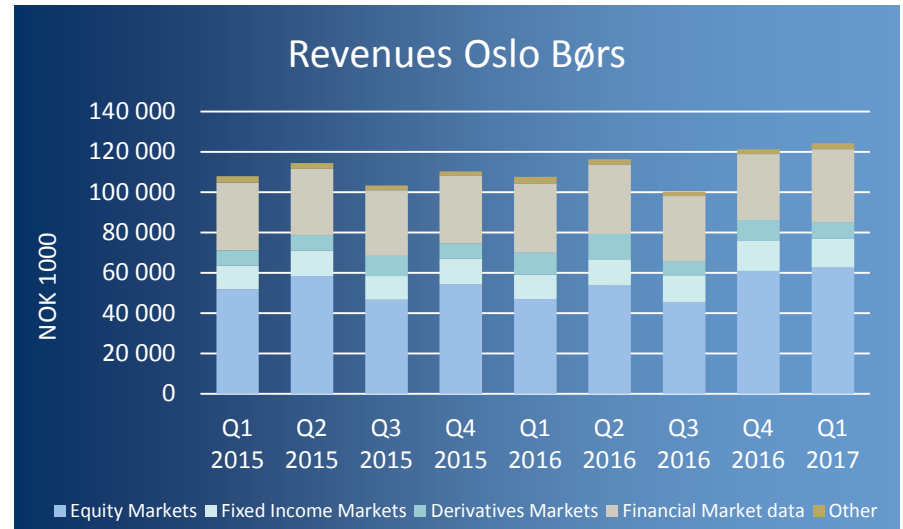
# 1st quarter at a glance

- Revenues up NOK 25 million to 252 million from Q116
- Expenses up NOK 8 million to NOK 126 million from Q116
- EBITDA up NOK 17 million to NOK 124 million from Q116



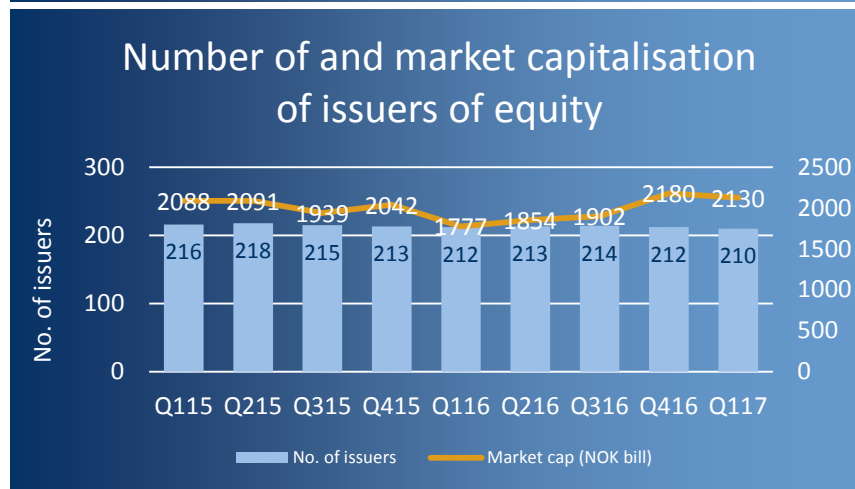
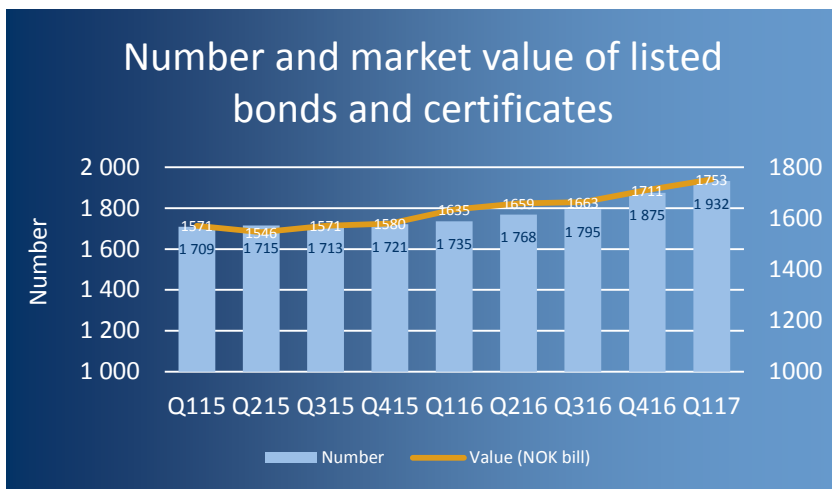
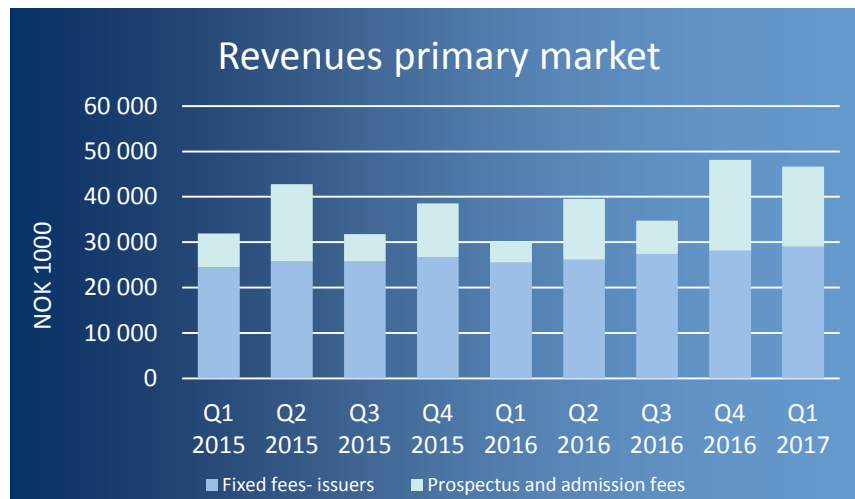
# Oslo Børs

- Revenues up NOK 17 million to NOK 124 million from Q116
- EBITDA up NOK 12 million to NOK 70 million from Q116



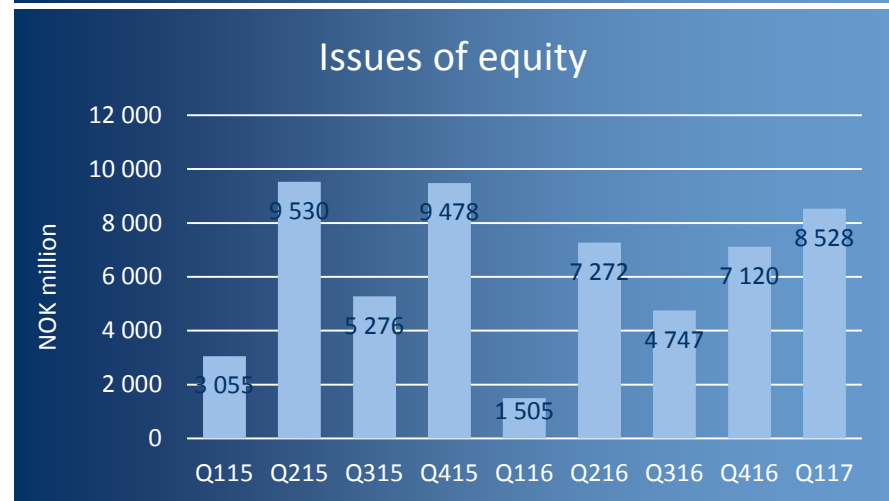
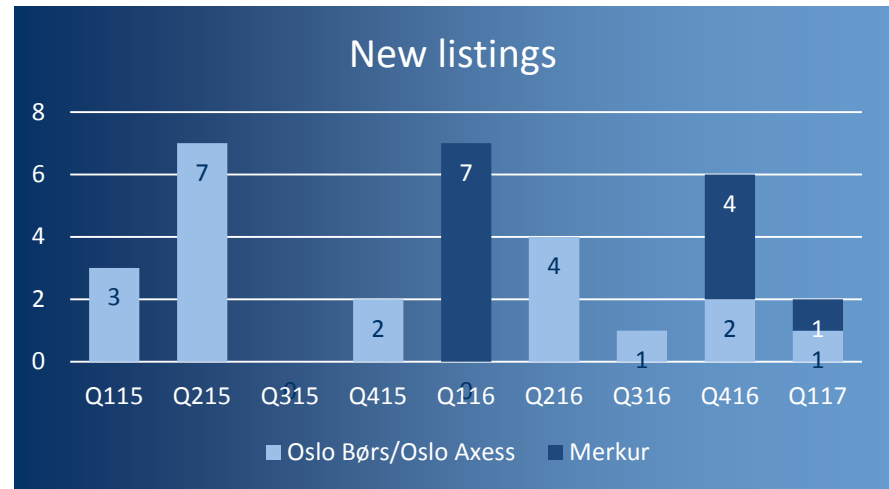
# Oslo Børs – primary market

- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers NOK 29 million – up NOK 3 million from Q116
- Fixed fees driven by number of issuers and market capitalisation January 1
  - Market cap. equity issuers 1 January 2017 up 7% from 2016



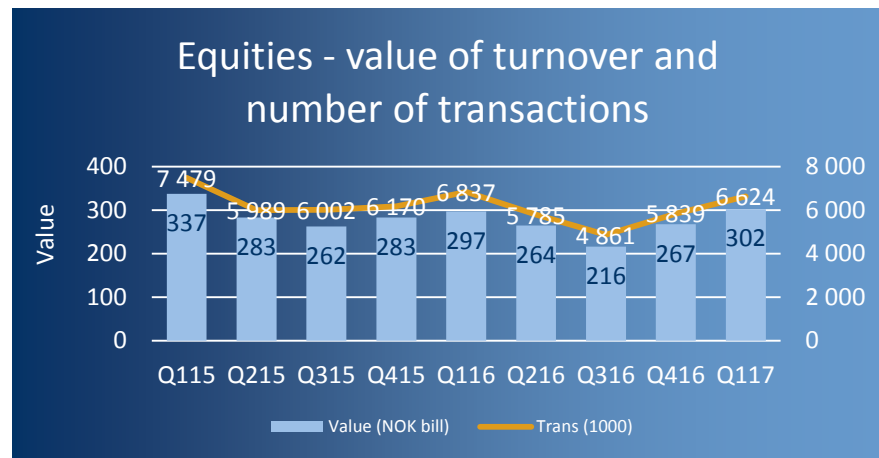
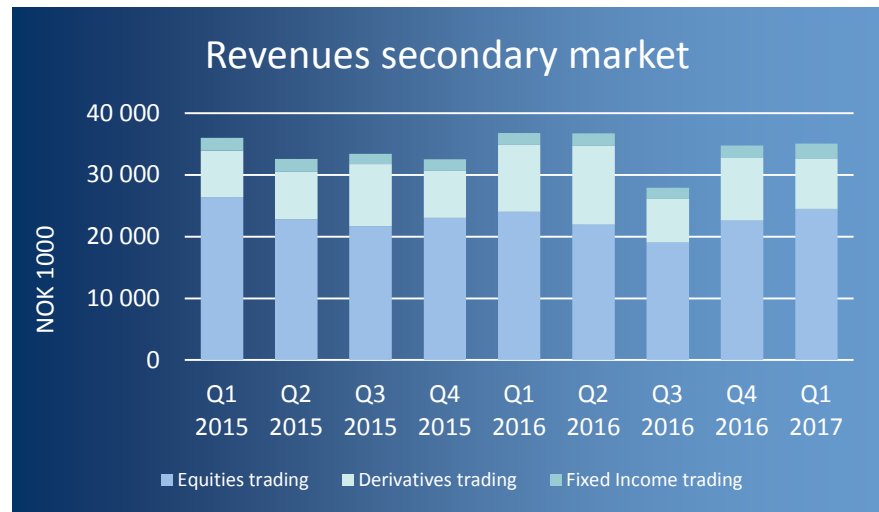
# Oslo Børs – primary market

- Prospectus and admission fees up NOK 13 million to NOK 18 million from Q116
- Revenues driven by number and size of IPOs and issues
- One new equity listing on Oslo Børs and Oslo Axess in Q117
- One new equity admitted to trading on Merkur Market in Q117
- Continued interest for listing of both equities and fixed income



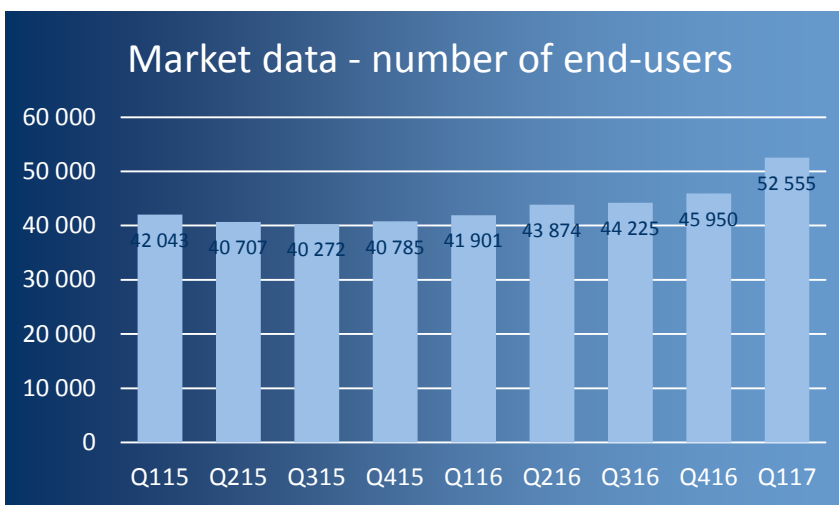
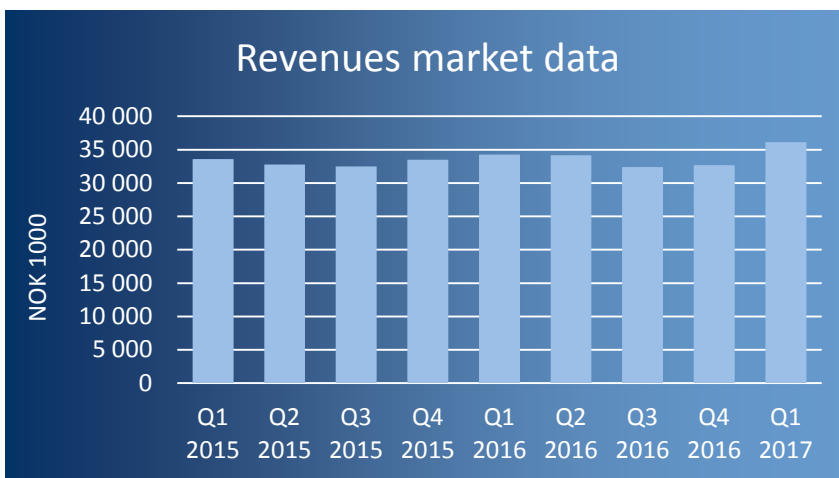
# Oslo Børs – secondary market

- Revenues from trading on Oslo Børs and Fish Pool down NOK 2 million to NOK 35 million from Q116
- Value of equity turnover on Oslo Børs up 2% from Q116
  - Revenues up 2% from Q116
- Derivatives revenues driven by activity level and composition of derivatives trading
  - No of contracts on Oslo Børs down 17% from Q116
  - Volume on Fish Pool down 30% from Q116
  - Revenues down NOK 3 million from Q116



## Oslo Børs – market data

- Revenues up NOK 2 million to NOK 36 million from Q116
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Underlying number of professional users estimated down 7% from Q116





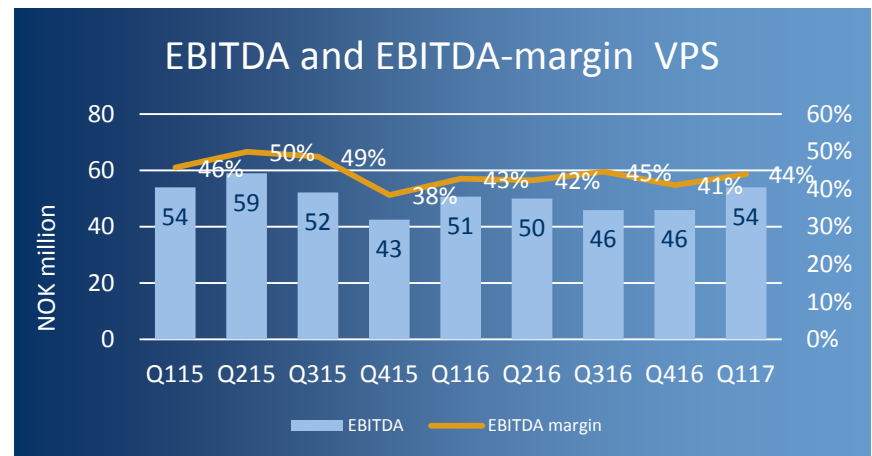
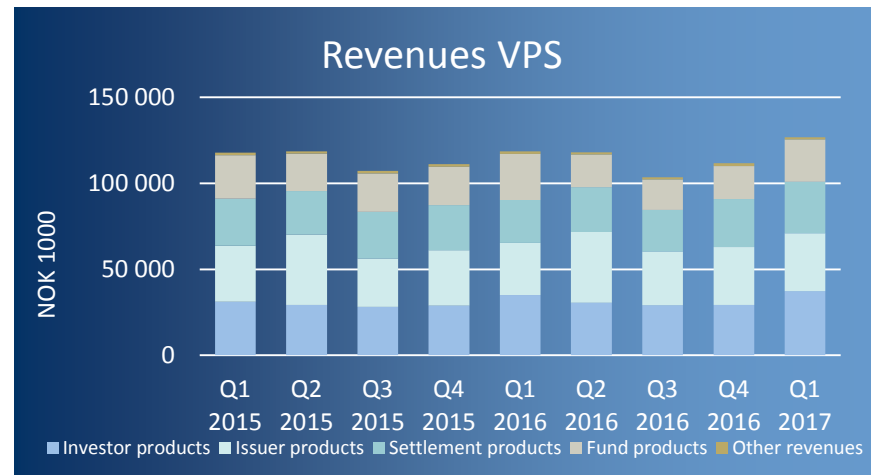
# Key market activities

- 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 release 9.1 – Q1 2017
- Millennium Exchange MiFID 2 release – Q4 2017
- Preparing for MiFID 2 and MAD/MAR



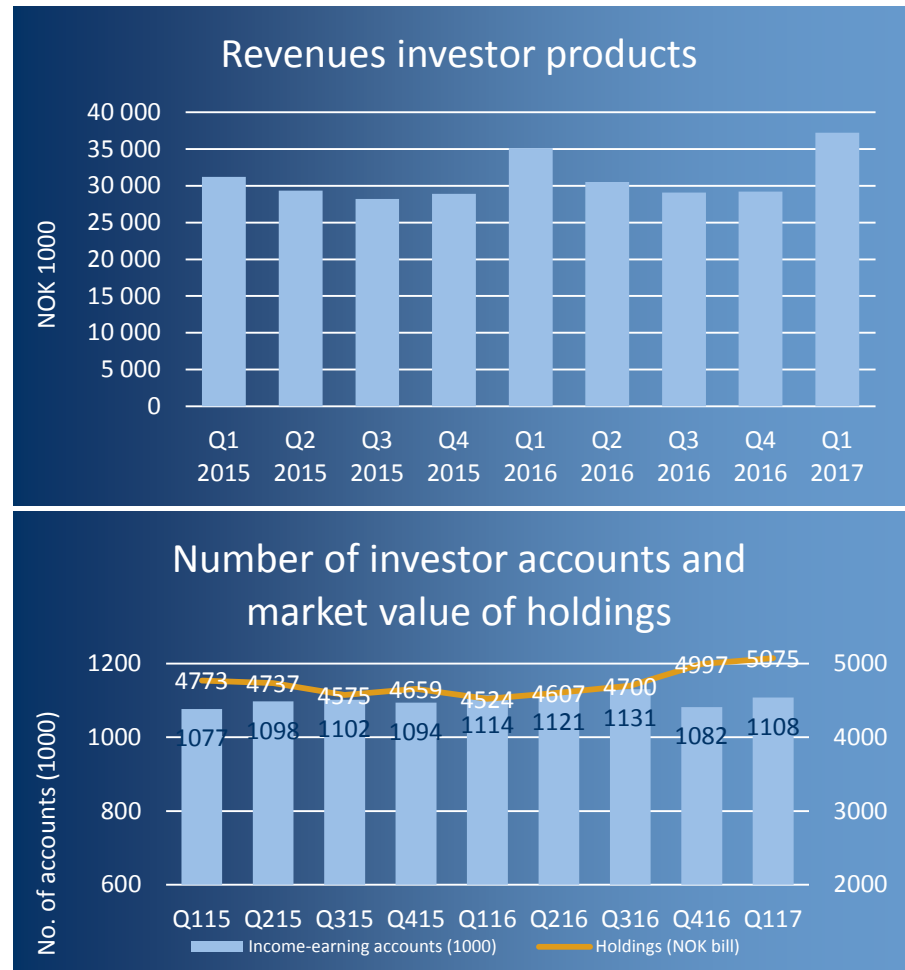
# VPS

- Revenues up NOK 8 million to NOK 127 million from Q116
- EBITDA up NOK 5 million to NOK 56 million from Q116



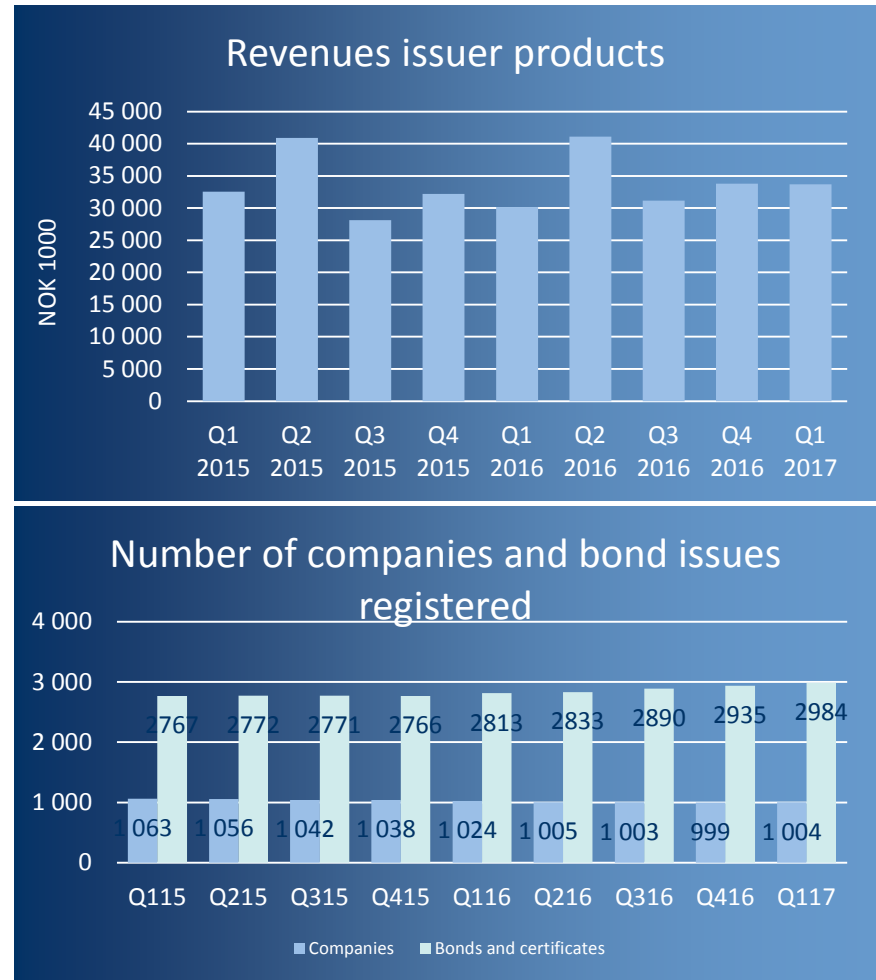
## VPS – investor products

- Revenues up NOK 2 million to NOK 37 million from Q116
- Revenues primarily driven by number of VPS accounts and market value of holdings  
January 1



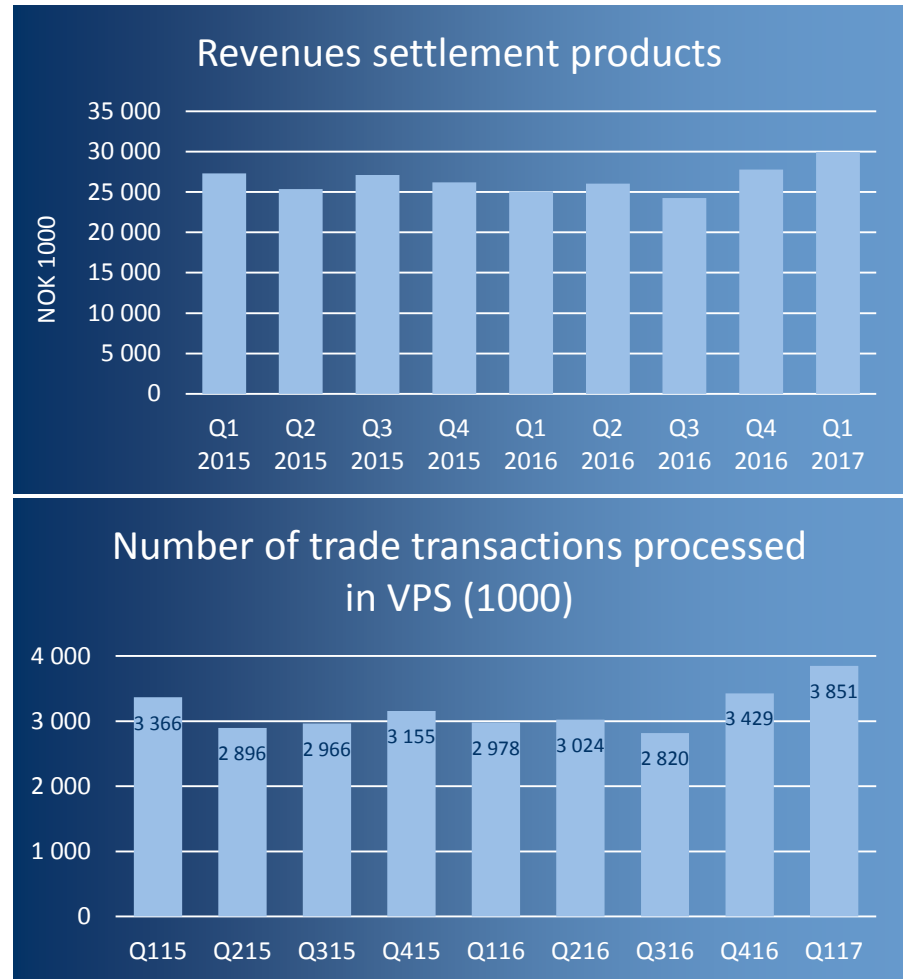
## VPS – issuer products

- Revenues up NOK 3 million to NOK 34 million from Q116
- 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



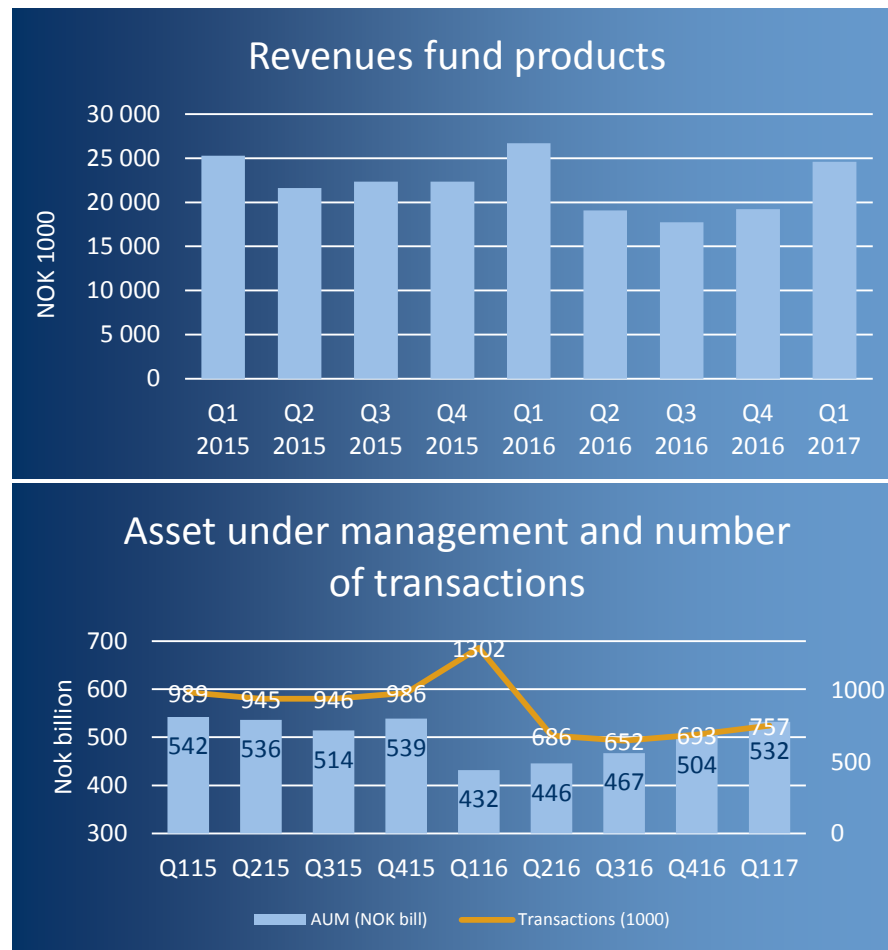
## VPS – settlement products

- Revenues up NOK 5 million to NOK 30 million from Q116
- Revenues driven by number of participants and number of settlement transactions
- No of transactions processed up 29% from Q116



## VPS – fund products

- Revenues down NOK 2 million to NOK 25 million from Q116
  - One-off revenue NOK 2 million in Q117
- Evolution in line with Q116 – NOK 6 million
- Revenues in VPS primarily driven by assets under management and number of transactions
- Strong competition from international providers and internal IT in targeted markets

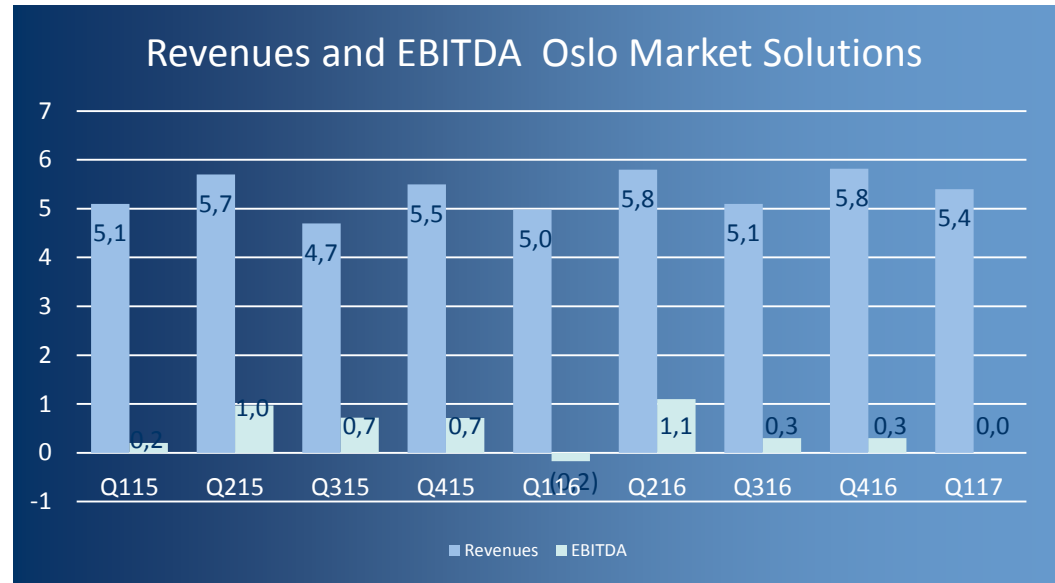


## *Key market activities*

- Market activities to attract settlement participants
  - Domestic and international – one new participant in Q117
  - Continued focus on low risk and efficient settlement (settlement rate)
    - *high performance and improved settlement rate in Q117*
- Realisation of VPS Road Map going well
  - Q1 milestones delivered according to plan
- Introduction of Share Savings Account in the Norwegian retail market
  - Phase 1 delivered in Q117
- Proof of Concept of a blockchain solution for cross-border collateral transfer in cooperation with three other CSDs
- Passed NOK 5,000 billion in total market value of registered securities
- Preparing for CSDR

# Oslo Market Solutions

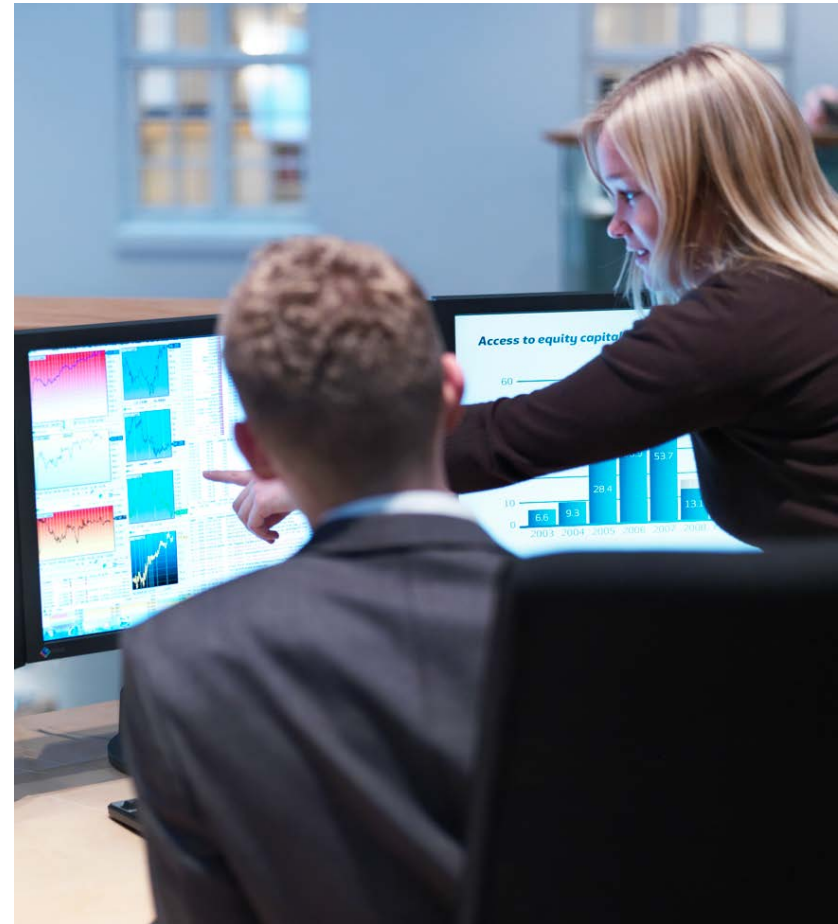
- Revenues up NOK 0.4 million from Q116
- EBITDA up NOK 0.2 million from Q116





# Summary

- Relatively good activity in the capital markets
- 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
  - Strengthen competitive position in secondary market
  - Deliver VPS Road Map 1.0
  - Implementation of new regulation



# *Appendix*

# P&L

	1st Quarter 2017	1st Quarter 2016	Change in %	2016
<b>Operating revenues</b>	<b>251 613</b>	<b>226 606</b>	<b>11 %</b>	<b>901 052</b>
<b>Operating expenses</b>				
Salary and other personnel expenses	78 764	73 286		278 304
Other operating expenses	49 059	46 052		192 571
Depreciations and write-downs	8 689	44 463		77 248
Amortisations	940	940		3 759
<b>Operating expenses before capitalisation of internal resources, depreciations and amortisations</b>	<b>127 823</b>	<b>119 338</b>	<b>7 %</b>	<b>470 875</b>
<b>Total operating expenses</b>	<b>137 452</b>	<b>164 741</b>	<b>-17 %</b>	<b>551 881</b>
<b>EBITDA</b>	<b>123 790</b>	<b>107 269</b>	<b>15 %</b>	<b>430 177</b>
<b>Operating profit (EBIT)</b>	<b>114 162</b>	<b>61 866</b>	<b>85 %</b>	<b>349 171</b>
Net financial items	1 410	1 891		9 507
<b>Ordinary pre-tax profit</b>	<b>115 572</b>	<b>63 757</b>		<b>358 678</b>
Tax	28 861	15 939		89 257
<b>Earnings for the period</b>	<b>86 711</b>	<b>47 818</b>	<b>81 %</b>	<b>269 421</b>
Actuarial gains/losses defined benefit pension plans	0	0		-7 665
Tax-effect	0	0		1 916
<b>Total comprehensive income</b>	<b>86 711</b>	<b>47 818</b>	<b>81 %</b>	<b>263 672</b>
Earnings per share (NOK)	2,02	1,11	81 %	6,27
Diluted earnings per share (NOK)	2,02	1,11	81 %	6,27
Earnings per share (NOK) before amorisations and write-down	2,03	1,72	18 %	6,93

## *Breakdown revenues – Oslo Børs segment*

<b>Revenues per area</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>2016</b>
Equity Markets	62 710	47 038	207 195
Fixed Income Markets	14 332	12 056	53 221
Derivatives Markets	8 072	10 881	40 832
Financial Market data	36 158	34 250	133 518
Other	3 040	3 348	10 776
<b>Total Oslo Børs</b>	<b>124 312</b>	<b>107 572</b>	<b>436 063</b>
<b>Revenues per category</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>2016</b>
Fixed fees- issuers	29 004	25 489	107 138
Trading fees	35 093	36 788	136 174
Prospectus and admission fees	17 684	4 616	45 361
Financial market data	36 158	34 250	133 518
Other income	6 373	6 429	23 351
<b>Total Oslo Børs</b>	<b>124 312</b>	<b>107 572</b>	<b>436 063</b>

## *Breakdown revenues – VPS segment*

<b>VPS</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>2016</b>
Investor products	37 240	35 119	123 976
Issuer products	33 669	30 183	136 225
Settlement products	29 985	25 083	103 157
Fund products	24 597	26 673	82 682
Other revenues	1 297	1 482	5 838
<b>Total VPS</b>	<b>126 788</b>	<b>118 540</b>	<b>454 698</b>

# Balance sheet

	31 March 2017	31 March 2016	31 Dec 2016
<b>Fixed assets</b>			
IT-systems	35 690	62 247	41 235
Registrations	6 200	6 200	6 200
Goodwill	491 569	491 551	491 569
Deferred tax assets	51 934	52 602	53 413
Tangible assets	50 269	46 947	40 261
Financial fixed assets	18 913	18 989	18 913
<b>Current assets</b>			
Receivables	125 982	116 515	106 524
Cash and cash equivalents	807 935	743 043	603 862
<b>Assets</b>	<b>1 588 492</b>	<b>1 538 094</b>	<b>1 361 977</b>
<b>Equity</b>			
Contributed equity	1 076 674	1 065 225	989 916
Non-controlling interests	456	356	459
Total equity	1 077 130	1 065 581	990 375
<b>Liabilities</b>			
Pension liabilities	163 626	158 118	164 348
Deferred tax liabilities	2 997	3 824	3 204
Current liabilities	344 739	310 571	204 050
<b>Equity and liabilities</b>	<b>1 588 492</b>	<b>1 538 094</b>	<b>1 361 977</b>

# Cash flow

	1st Quarter 2017	1st Quarter 2016	2016
<b>Cash flow from</b>			
- <i>operational activities</i>	216 774	172 106	323 844
- <i>investment activities</i>	-12 252	-7 780	-6 819
- investments in systems and tangible assets	-14 092	-9 709	-17 650
- financial income	1 840	1 929	10 831
- <i>financing activities</i>	-449	235	-291 645
<b>Cash and cash equivalents at period's start</b>	<b>603 862</b>	<b>578 482</b>	<b>578 482</b>
Change in cash and cash equivalents	204 073	164 561	25 380
<b>Cash and cash equivalents at period's end</b>	<b>807 935</b>	<b>743 043</b>	<b>603 862</b>
<b>Cash flow per share (NOK)</b>	<b>4,75</b>	<b>3,83</b>	<b>0,59</b>

# Equity

	1st Quarter 2017	1st Quarter 2016	31 Dec 2016
<b>Equity at period's start</b>	990 375	1 018 111	<b>1 018 111</b>
Total comprehensive income	86 711	47 818	269 421
Dividends	0	0	-290 170
Purchase of own shares	-19	273	-284
Actuarial gains/losses in the period	0	0	-5 749
Change in non-controlling interests	64	-622	-953
<b>Equity at period's end</b>	<b>1 077 130</b>	<b>1 065 581</b>	<b>990 375</b>
<b>Equity ratio</b>	<b>68 %</b>	<b>69 %</b>	<b>73 %</b>



# Largest shareholders 24 April 2017

Investor	Number of shares	% of top 20	% of total	Type	Country
DNB LIVSFORSIKRING ASA	8,522,045	25.69%	19.82%	Comp.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4,300,200	12.97%	10.00%	Comp.	NOR
PARETO AS	3,662,230	11.04%	8.52%	Comp.	NOR
ARENDALS FOSSEKOMPANI ASA	1,996,000	6.02%	4.64%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	1,789,300	5.39%	4.16%	Nom.	USA
MORGAN STANLEY & CO. INT. PLC.	1,543,475	4.65%	3.59%	Nom.	GBR
J.P. MORGAN SECURITIES LLC	1,471,319	4.44%	3.42%	Nom.	USA
ARMOR QUALIFIED, LP	1,207,019	3.64%	2.81%	Comp.	USA
THE NORTHERN TRUST COMP, LONDON BR	1,159,242	3.50%	2.70%	Nom.	GBR
FRANKLIN MUTUAL FIN SERV FUND	911,000	2.75%	2.12%	Comp.	USA
ARMOR CAPITAL PARTNERS, LP	821,306	2.48%	1.91%	Comp.	USA
ARMOR CAPITAL OFFSHORE MASTER, LTD	745,177	2.25%	1.73%	Comp.	CYM
MUST INVEST AS	708,520	2.14%	1.65%	Comp.	NOR
SPAREBANKEN VEST	700,000	2.11%	1.63%	Comp.	NOR
SUNDT AS	657,500	1.98%	1.53%	Comp.	NOR
MP PENSJON PK	632,389	1.91%	1.47%	Comp.	NOR
UBS AG	613,086	1.85%	1.43%	Nom.	GBR
NORDEA NORDIC SMALL CAP FUND	594,841	1.79%	1.38%	Comp.	FIN
GOTHIC CORPORATION	581,731	1.75%	1.35%	Comp.	USA
J.P. MORGAN BANK LUXEMBOURG S.A.	550,007	1.66%	1.28%	Nom.	LUX
<b>Total number owned by top 20</b>	<b>33,166,387</b>	<b>100%</b>	<b>77.12%</b>		
<b>Total number of shares</b>	<b>43,004,000</b>		<b>100%</b>		

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# Share price Oslo Børs VPS Holding ASA



