

# ***Oslo Børs VPS Holding ASA 3rd Quarter 2016***

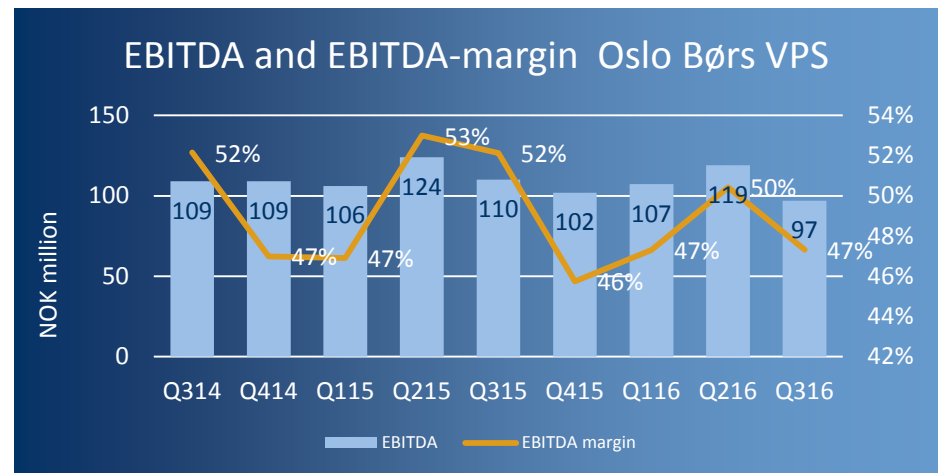
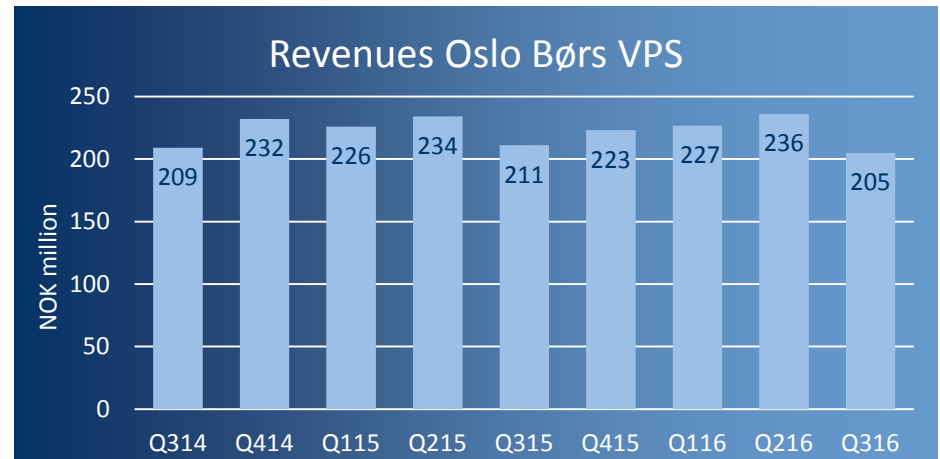
27 October 2016

## *3rd quarter at a glance*

- Two new companies admitted to listing in the quarter
- Continued growth in listing and registration of fixed income issues – 124 new issues admitted to listing and 390 new issues registered in VPS in the quarter
- High corporate actions activity in VPS within the equity space in the quarter – 30 new ISINs registered in VPS in the quarter
- Moderate trading and settlement activity in the quarter
- VPS accepted 2 new market participants in the quarter
- VPS launches Road Map 1.0 – an overview of developments in the period 2016-2018 to make the Norwegian market compliant with new regulation
- Oslo Børs launches new tradable shipping index

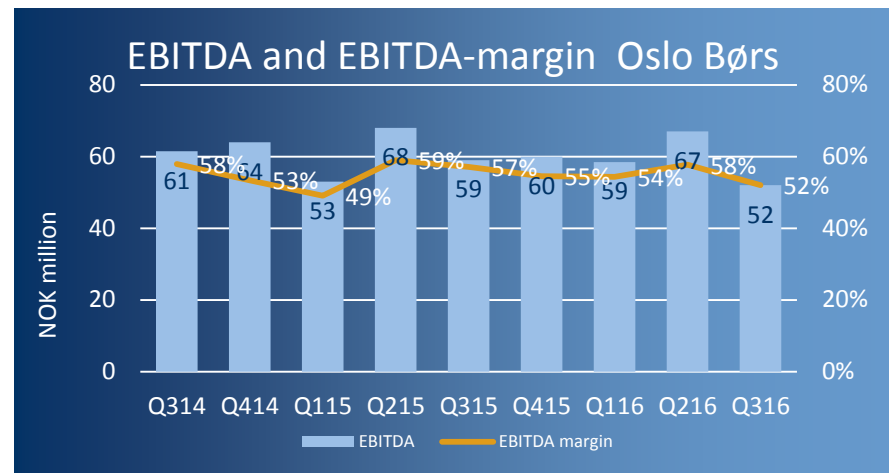
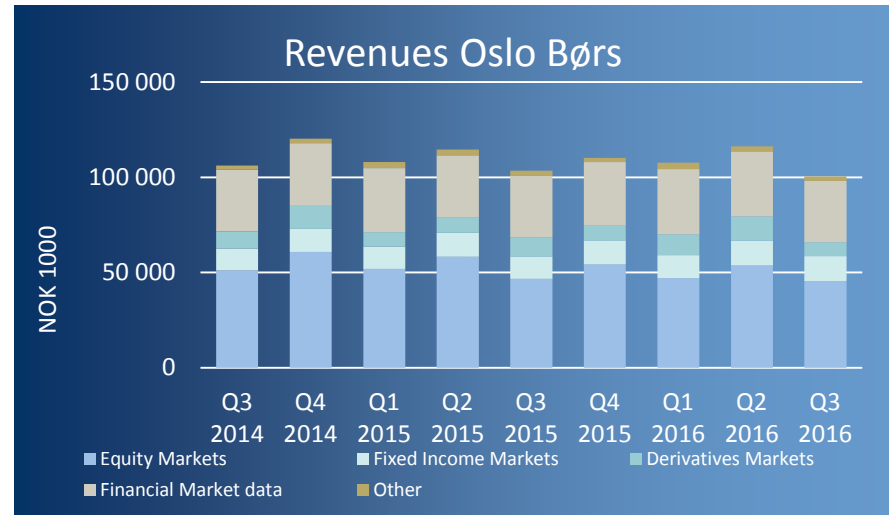
## 3rd quarter at a glance

- Revenues down NOK 7 million to 205 million from Q315
- Expenses up NOK 6 million to NOK 117 million from Q315
- EBITDA down NOK 13 million to NOK 97 million from Q315



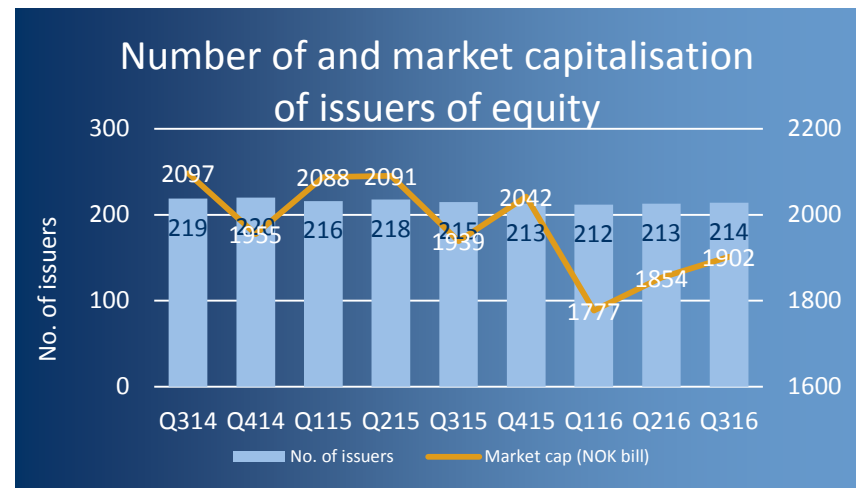
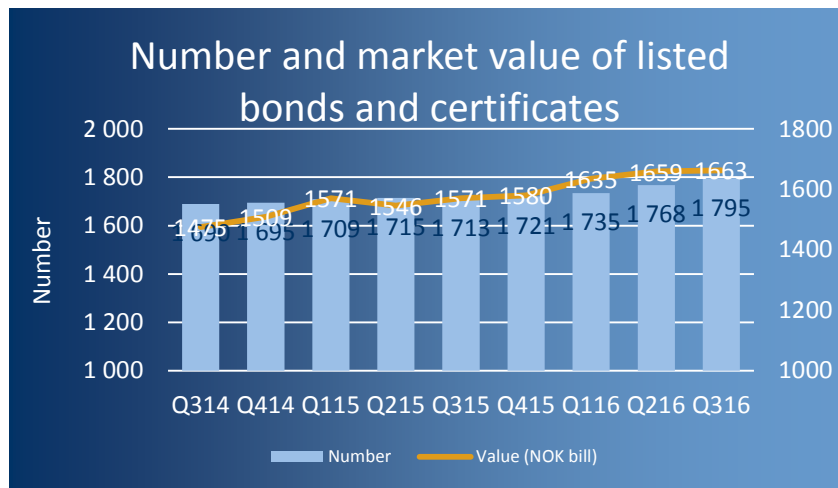
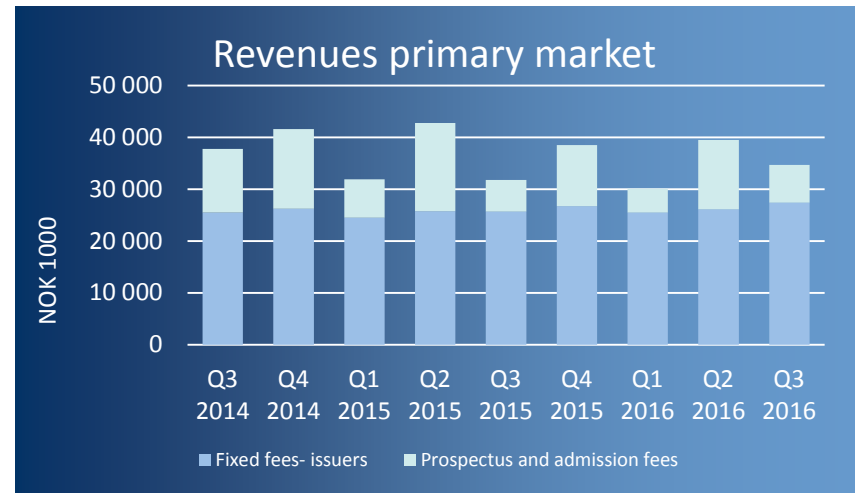
# Oslo Børs

- Revenues down NOK 3 million to NOK 100 million from Q315
- EBITDA down NOK 7 million to NOK 52 million from Q315



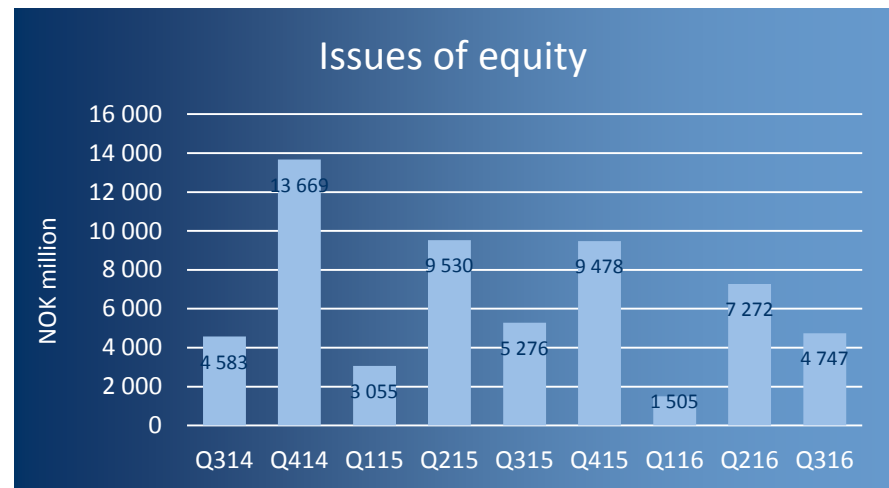
# Oslo Børs – primary market

- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers NOK 27 million – up NOK 1 million from Q315
- Fixed fees driven by number of issuers and market capitalisation January 1
  - Market cap. equity issuers 1 January 2016 up 4% from 2015



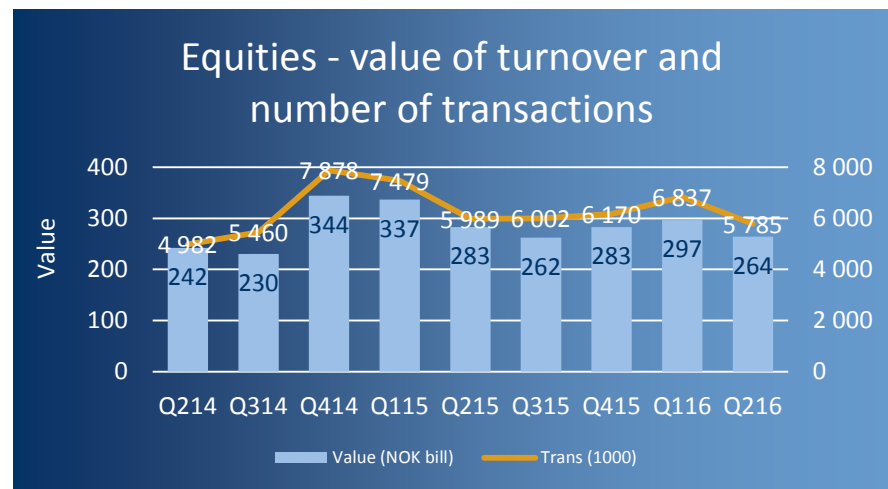
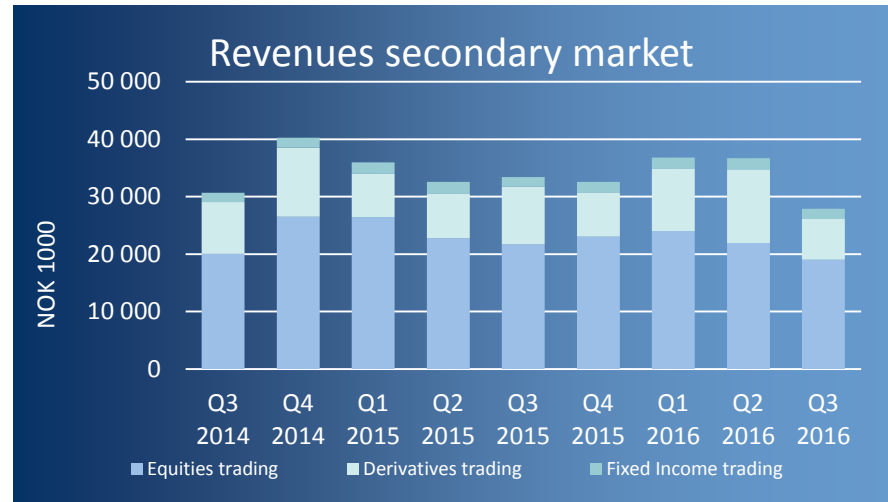
# Oslo Børs – primary market

- Prospectus and admission fees up NOK 1 million to NOK 7 million from Q315
- Revenues driven by number and size of IPOs and issues
- Six new equity listings on Oslo Børs and Oslo Axess in Q216
- Continued interest for listing of both equities and fixed income
- Merkur Market launched 13 January 2016
  - Seven companies admitted for trading



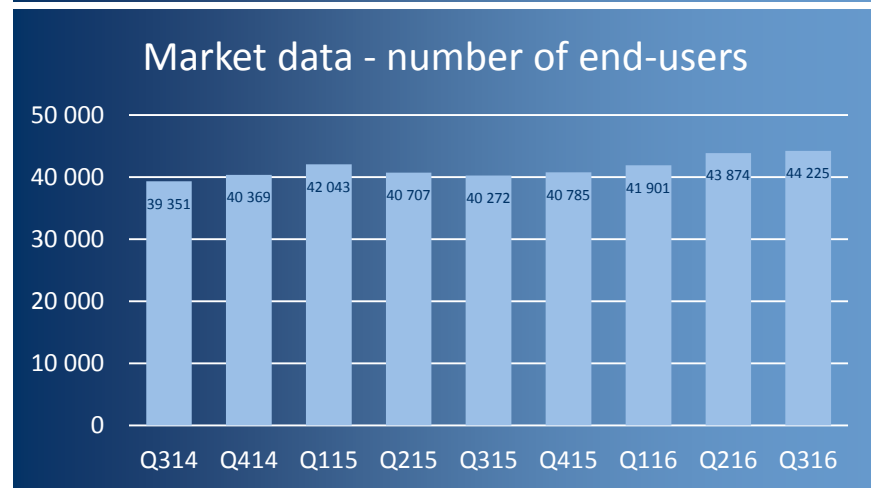
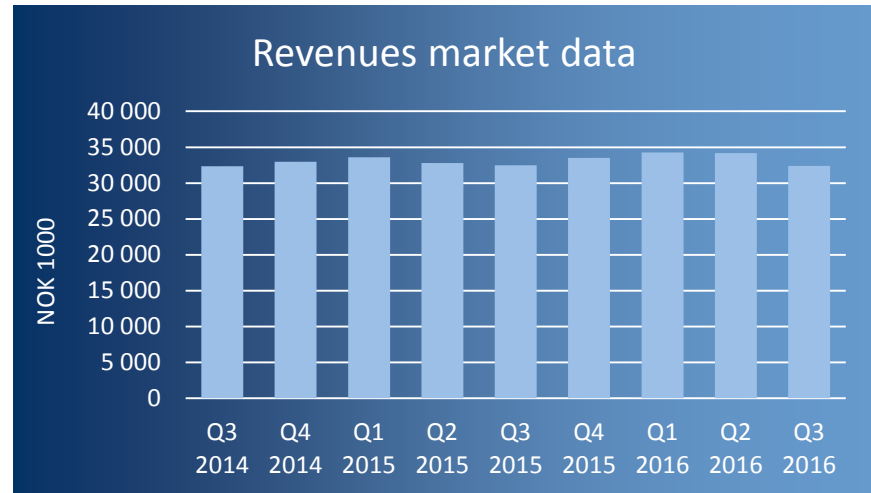
# Oslo Børs – secondary market

- Revenues from trading on Oslo Børs and Fish Pool down NOK 6 million to NOK 28 million from Q315
- Value of equity turnover on Oslo Børs down 18% from Q315
  - Revenues down NOK 3 million
- Derivatives revenues driven by activity level and composition of derivatives trading
  - No of contracts on Oslo Børs down 33% from Q315
  - Volume on Fish Pool down 62% from Q315 – up 46% YTD
  - Revenues down NOK 3 million from Q315



# Oslo Børs – market data

- Revenues NOK 32 million – in line with Q315
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Underlying number of professional users estimated down 6% from Q315





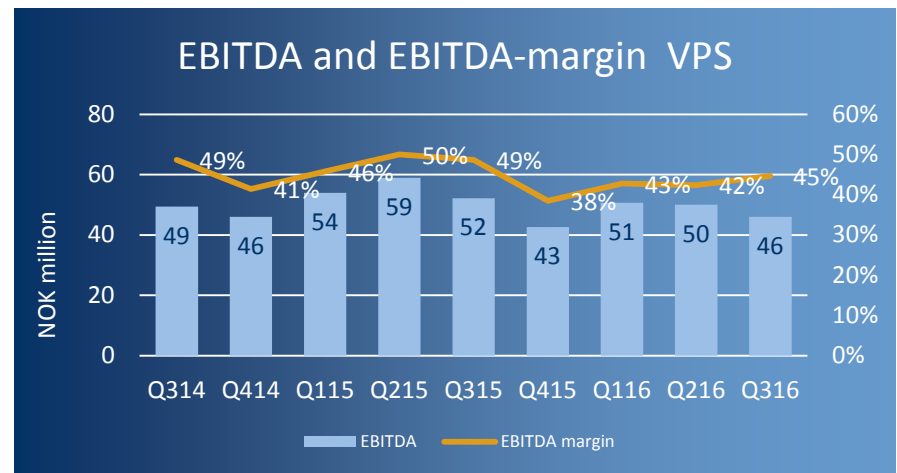
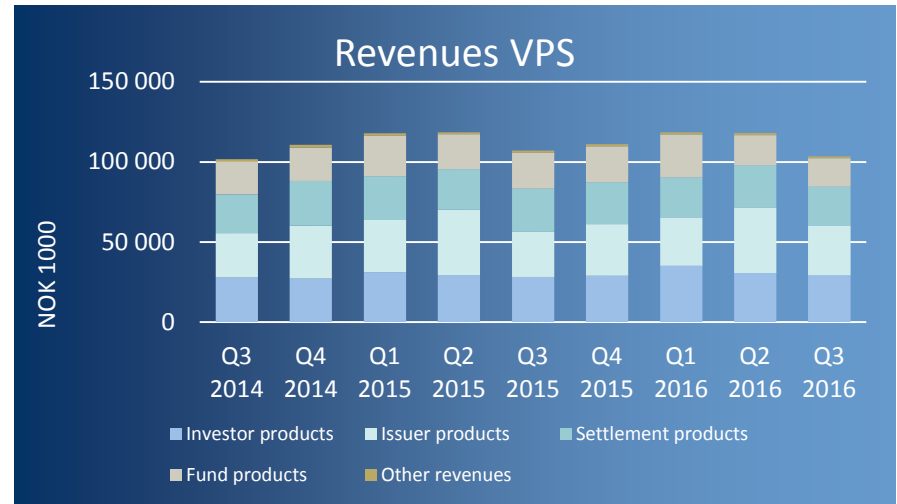
# Key market activities

- Market activities to attract issuers
  - Domestic and international
  - Equities and fixed income
- Marketing Merkur Market
- Market activities to attract new trading members and increase market share in trading
  - Continuous improvement of microstructure
  - Efficient post trade
- Millennium release January 2016
- Preparing for MiFID 2



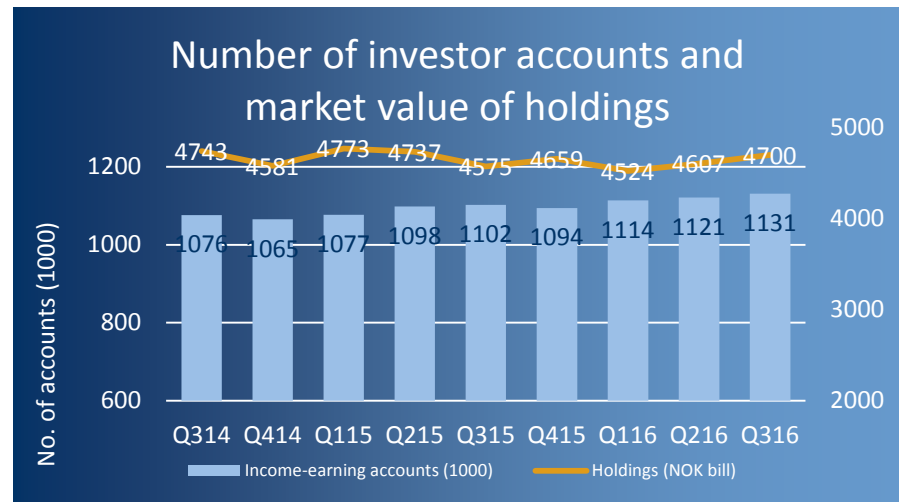
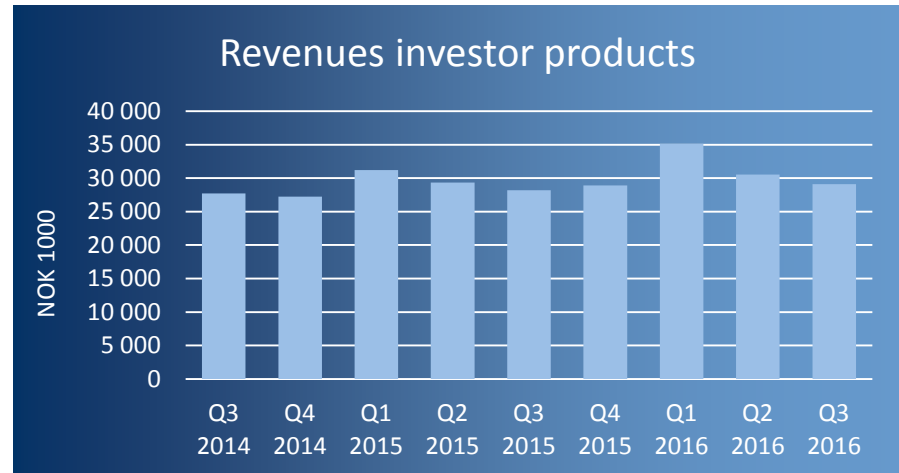
# VPS

- Revenues down NOK 4 million to NOK 104 million from Q315
- EBITDA down NOK 6 million to NOK 46 million from Q315



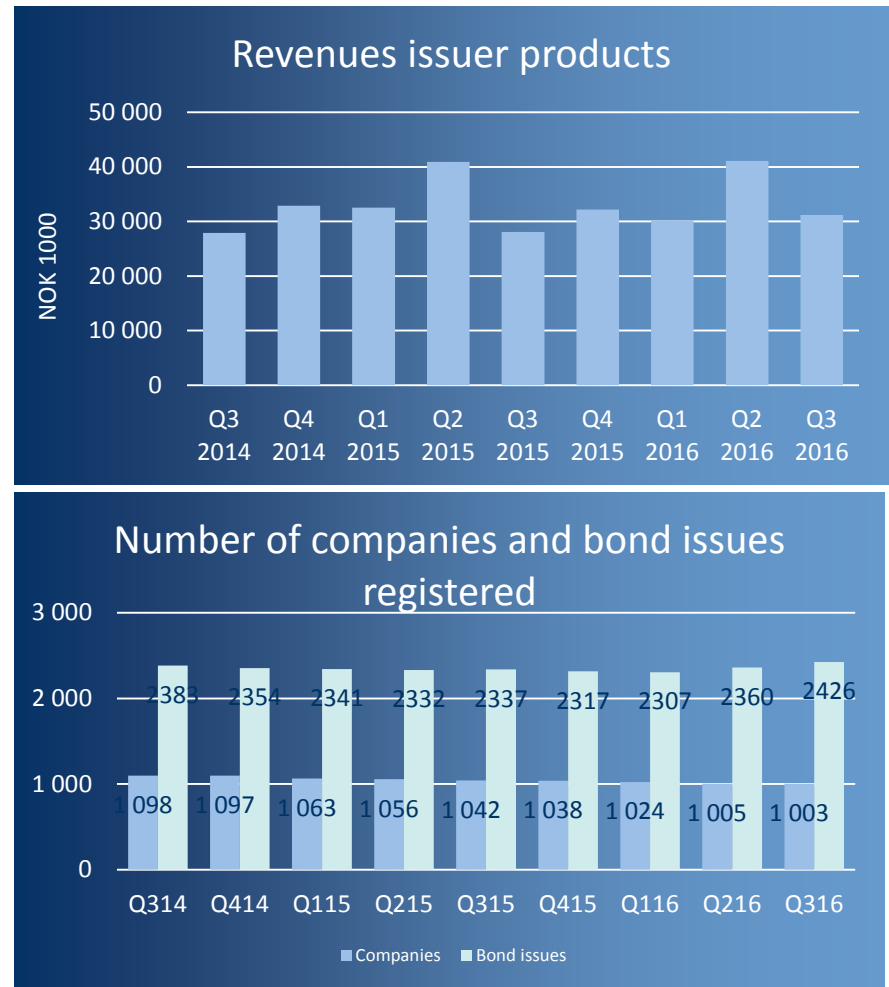
# VPS – investor products

- Revenues NOK 29 million – up NOK 1 million from Q315
- Revenues primarily driven by number of VPS accounts and market value of holdings  
January 1



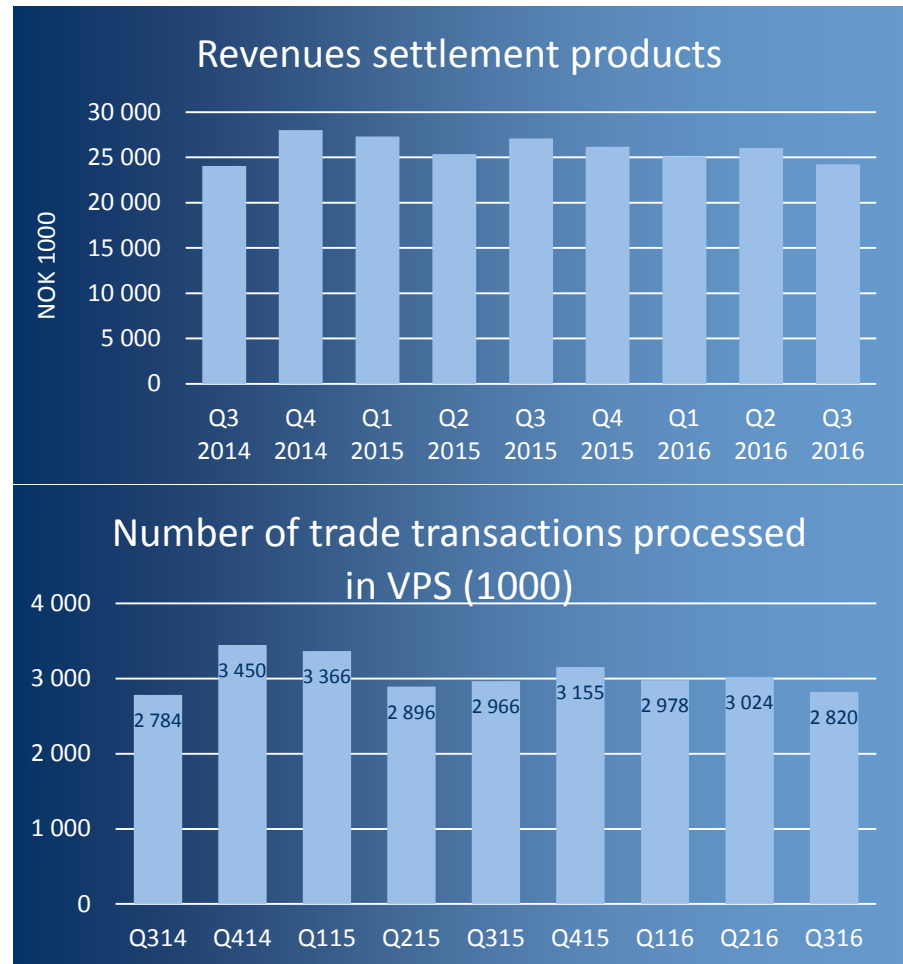
## VPS – issuer products

- Revenues up NOK 3 million to NOK 31 million from Q315
- 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



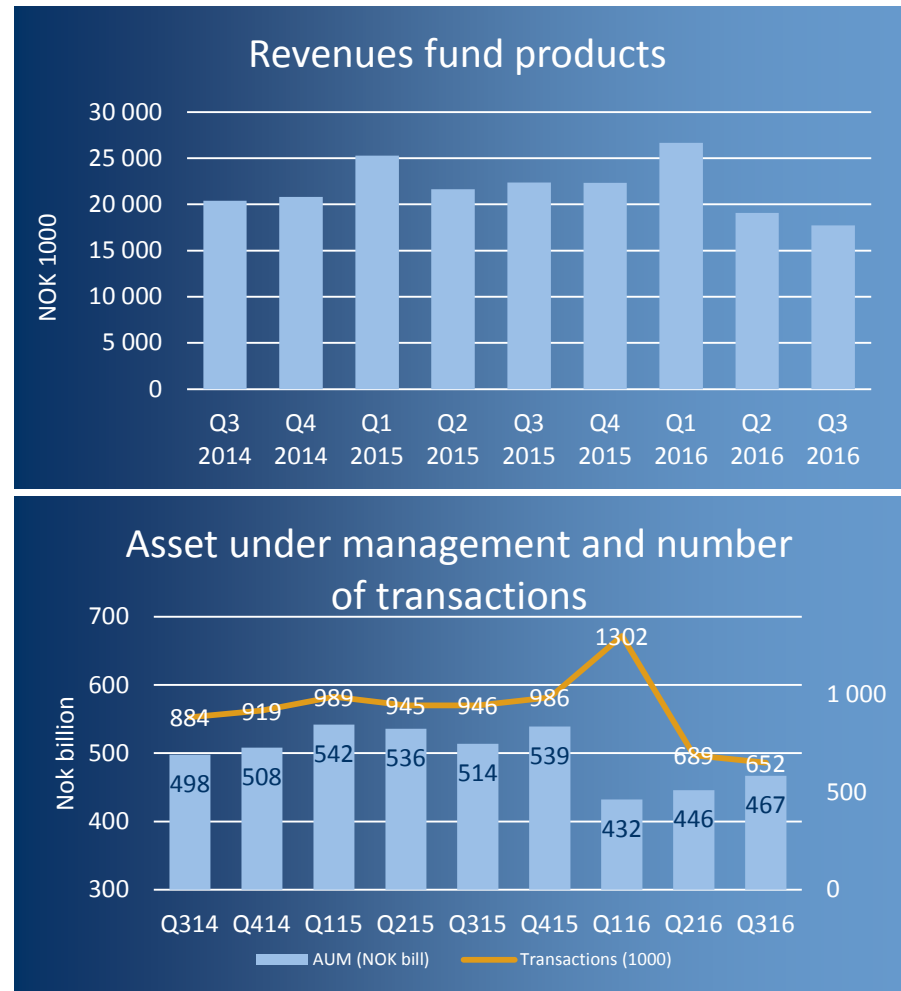
## VPS – settlement products

- Revenues down NOK 3 million to NOK 24 million from Q315
- Revenues driven by number of participants and number of settlement transactions
- No of transactions processed down 5% from Q315



## VPS – fund products

- Revenues in Q316 down NOK5 million to NOK 18 million from Q315
- Evolution in line with Q315 – NOK 5 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

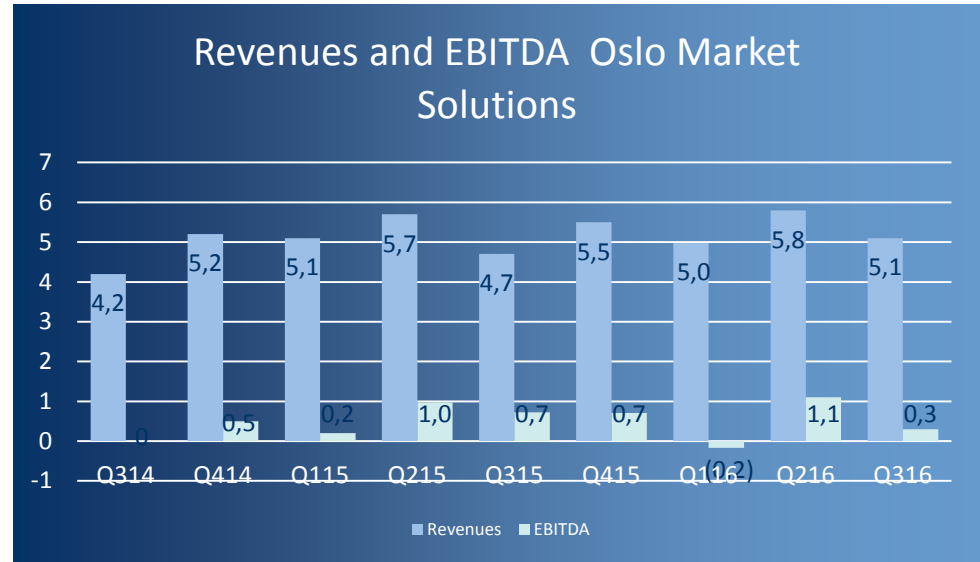


## *Key market activities*

- Market activities to attract settlement participants
  - Domestic and international
  - Focus on low risk and efficient settlement (settlement rate)
- Marketing Tax Services
  - FATCA and CRS Reporting
- Market activities to anchor VPS Road Map among the clients
  - Preparing for the upcoming changes
- Preparing for CSDR

# Oslo Market Solutions

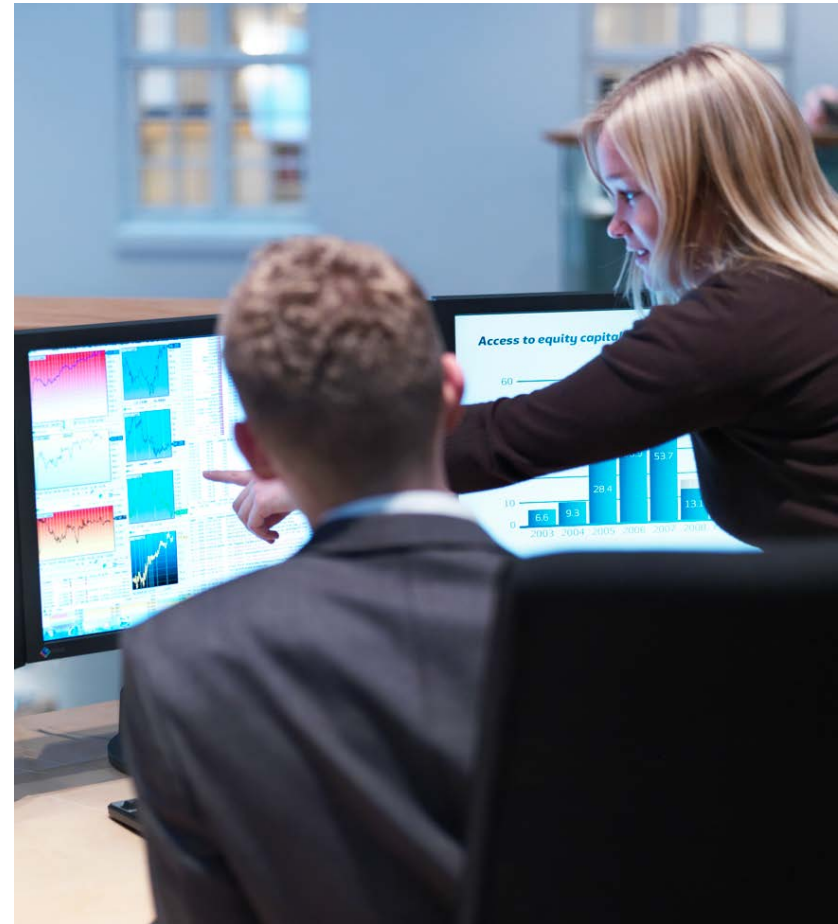
- Revenues up NOK 0.4 million from Q315
- EBITDA down NOK 0.4 million from Q315





# Summary

- Continued relatively good 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
  - Strengthen competitive position in secondary market
  - Deliver VPS Road Map 1.0
  - Implementation of new regulation



# *Appendix*

# P&L

	3rd Quarter 2016	3rd Quarter 2015	Change in %	30 Sept 2016	30 Sept 2015	Change in %	2015
<b>Operating revenues</b>	<b>204 834</b>	<b>211 418</b>	<b>-3 %</b>	<b>667 422</b>	<b>671 928</b>	<b>-1 %</b>	<b>894 858</b>
<b>Operating expenses</b>							
Capitalisation of internal resources	0	0		0	0		0
Salary and other personnel expenses	65 136	61 867		201 803	194 716		267 094
Other operating expenses	42 906	39 879		143 029	137 952		186 563
Depreciations and write-downs	10 326	11 108		65 012	35 925		49 267
Amortisations	940	815		2 819	2 446		3 261
<b>Operating expenses before capitalisation of internal resources, depreciations and amortisations</b>	<b>108 042</b>	<b>101 746</b>	<b>6 %</b>	<b>344 832</b>	<b>332 668</b>	<b>4 %</b>	<b>453 657</b>
<b>Total operating expenses</b>	<b>119 308</b>	<b>113 669</b>	<b>5 %</b>	<b>412 663</b>	<b>371 039</b>	<b>11 %</b>	<b>521 278</b>
<b>EBITDA</b>	<b>96 792</b>	<b>109 672</b>	<b>-12 %</b>	<b>322 590</b>	<b>339 260</b>	<b>-5 %</b>	<b>441 201</b>
<b>Operating profit (EBIT)</b>	<b>85 526</b>	<b>97 749</b>	<b>-13 %</b>	<b>254 759</b>	<b>300 889</b>	<b>-15 %</b>	<b>373 580</b>
Net financial items	2 199	2 363		6 009	9 460		14 382
<b>Ordinary pre-tax profit</b>	<b>87 725</b>	<b>100 112</b>		<b>260 768</b>	<b>310 349</b>		<b>387 962</b>
Tax	21 739	27 022		65 002	84 971		89 269
<b>Earnings for the period</b>	<b>65 986</b>	<b>73 091</b>	<b>-10 %</b>	<b>195 766</b>	<b>225 378</b>	<b>-13 %</b>	<b>298 693</b>
Actuarial gains/losses defined benefit pension plans	0	0		0	0		8 025
Tax-effect	0	0		0	0		-2 167
<b>Total comprehensive income</b>	<b>65 986</b>	<b>73 091</b>	<b>-10 %</b>	<b>195 766</b>	<b>225 378</b>	<b>-13 %</b>	<b>304 551</b>
Earnings per share (NOK)	1,53	1,70	-10 %	4,55	5,24	-13 %	6,95
Diluted earnings per share (NOK)	1,53	1,70	-10 %	4,55	5,24	-13 %	6,95
Earnings per share (NOK) before amorisations and write-down	1,55	1,71	-9 %	5,20	5,28	-2 %	7,35



## *Breakdown revenues – VPS segment*

<b>VPS</b>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>30.09.2016</b>	<b>30.09.2015</b>	<b>2015</b>
Investor products	29 094	28 211	94 743	88 745	117 669
Issuer products	31 164	28 098	102 442	101 555	133 760
Settlement products	24 249	27 095	75 368	79 741	105 923
Fund products	17 729	22 353	63 465	69 245	91 576
Other revenues	1 368	1 426	4 154	4 319	5 770
<b>Total VPS</b>	<b>103 604</b>	<b>107 183</b>	<b>340 172</b>	<b>343 605</b>	<b>454 698</b>

# Balance sheet

	30 Sept 2016	30 Sept 2015	31 Dec 2015
<b>Fixed assets</b>			
IT-systems	50 573	91 935	93 143
Registrations	6 200	9 700	6 200
Goodwill	491 551	500 988	491 551
Deferred tax assets	52 813	59 581	52 496
Tangible assets	40 431	53 660	51 745
Financial fixed assets	16 989	15 949	18 989
<b>Current assets</b>			
Receivables	90 137	92 207	97 480
Cash and cash equivalents	651 225	675 239	578 482
<b>Assets</b>	<b>1 399 919</b>	<b>1 499 259</b>	<b>1 390 086</b>
<b>Equity</b>			
Contributed equity	1 034 152	1 050 098	1 017 774
Non-controlling interests	433	304	337
Total equity	1 034 585	1 050 402	1 018 111
<b>Liabilities</b>			
Pension liabilities	157 885	167 906	158 265
Deferred tax liabilities	3 411	4 413	4 031
Current liabilities	204 038	276 538	209 679
<b>Equity and liabilities</b>	<b>1 399 919</b>	<b>1 499 259</b>	<b>1 390 086</b>

# Cash flow

	3rd Quarter 2016	3rd Quarter 2015	30 Sept 2016	30 Sept 2015	2015
<b>Cash flow from</b>					
- <i>operational activities</i>	69 652	68 199	256 837	271 057	298 307
- <i>investment activities</i>	666	-8 312	-5 383	-26 135	-37 620
- investments in systems and tangible assets	-1 930	-10 739	-13 947	-35 764	-51 370
- financial income	2 596	2 427	8 564	9 629	13 750
- <i>financing activities</i>	278	522	-178 711	-350 900	-463 422
<b>Cash and cash equivalents at period's start</b>	<b>580 629</b>	<b>614 830</b>	<b>578 482</b>	<b>781 217</b>	<b>781 217</b>
Change in cash and cash equivalents	70 596	60 409	72 743	105 978	-202 735
<b>Cash and cash equivalents at period's end</b>	<b>651 225</b>	<b>675 239</b>	<b>651 225</b>	<b>675 239</b>	<b>578 482</b>
<b>Cash flow per share (NOK)</b>	<b>1,64</b>	<b>1,40</b>	<b>1,69</b>	<b>-2,46</b>	<b>-4,71</b>

# Equity

	3rd Quarter 2015	3rd Quarter 2014	30 Sept 2016	30 Sept 2015	31 Dec 2015
<b>Equity at period's start</b>	968 466	976 679	1 018 111	<b>1 177 430</b>	<b>1 177 430</b>
Total comprehensive income	65 986	73 091	195 766	225 379	298 693
Dividends	0	0	-178 395	-351 194	-462 975
Purchase of own shares	676	586	239	463	9
Acturial gains/losses in the period	0	0	0	0	5 858
Change in non-controlling interests	-543	47	-1 136	-1 675	-904
<b>Equity at period's end</b>	<b>1 034 585</b>	<b>1 050 402</b>	<b>1 034 585</b>	<b>1 050 402</b>	<b>1 018 111</b>
<b>Equity ratio</b>	<b>74 %</b>	<b>70 %</b>	<b>74 %</b>	<b>70 %</b>	<b>73 %</b>



# Largest shareholders 24 October 2016

Investor	Number of shares	% of top 20	% of total	Type	Country
DNB LIVSFORSIKRING ASA	8,522,045	25.21%	19.82%	Comp.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4,300,200	12.72%	10.00%	Comp.	NOR
PARETO AS	3,662,230	10.83%	8.52%	Comp.	NOR
ARENDALS FOSSEKOMPANI ASA	1,996,000	5.91%	4.64%	Comp.	NOR
STATE STREET BANK AND TRUST COMPAN	1,789,300	5.29%	4.16%	Nom.	CAN
JP MORGAN SECURITIES LLC	1,732,809	5.13%	4.03%	Nom.	USA
MORGAN STANLEY & CO. INTERNATIONAL	1,407,094	4.16%	3.27%	Nom.	GBR
ARMOR QUALIFIED, LP	1,207,019	3.57%	2.81%	Comp.	USA
THE NORTHERN TRUST COMPANY, LONDON	1,159,242	3.43%	2.70%	Nom.	GBR
UBS AG	1,121,597	3.32%	2.61%	Nom.	GBR
FRANKLIN MUTUAL SERIES FUNDS - FRA	911,000	2.70%	2.12%	Comp.	USA
ARMOR CAPITAL PARTNERS, LP	821,306	2.43%	1.91%	Comp.	USA
ARMOR CAPITAL OFFSHORE MASTER, LTD	745,177	2.20%	1.73%	Comp.	CYM
MUST INVEST AS	708,520	2.10%	1.65%	Comp.	NOR
SPAREBANKEN VEST	700,000	2.07%	1.63%	Comp.	NOR
SUNDT AS	657,500	1.95%	1.53%	Comp.	NOR
MP PENSJON PK	632,389	1.87%	1.47%	Comp.	NOR
NORDEA NORDIC SMALL CAP FUND	594,841	1.76%	1.38%	Comp.	FIN
GOTHIC CORPORATION	581,731	1.72%	1.35%	Comp.	USA
J.P. MORGAN BANK LUXEMBOURG SA	550,007	1.63%	1.28%	Nom.	LUX
<b>Total number owned by top 20</b>	<b>33,800,007</b>	<b>100%</b>	<b>78.60%</b>		
<b>Total number of shares</b>	<b>43,004,000</b>		<b>100%</b>		

# Share price Oslo Børs VPS Holding ASA

