

**First quarter 2021
results presentation**

Q1

Norwegian Finans Holding Group
April 28, 2021

Not yet out of the pandemic - well positioned for the future



Covid-19 and currency effects impact revenues temporarily



Early signs of recovery



European expansion – Important milestones achieved

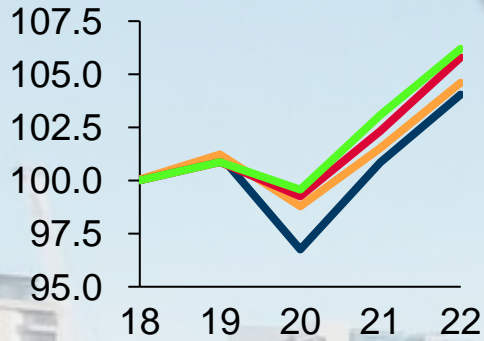


NOK 6 (5 + 1) dividend per share confirmed

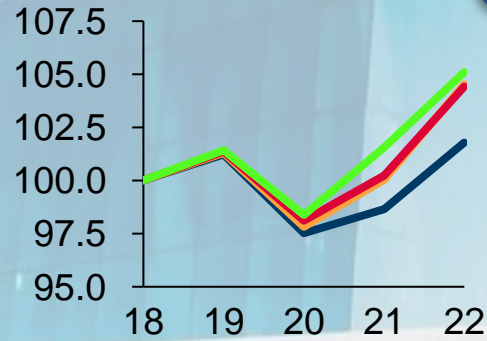
Positive forecast revisions for economic development continue

GDP development, indexed

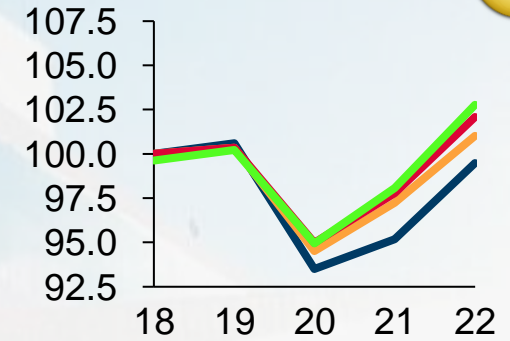
Norway



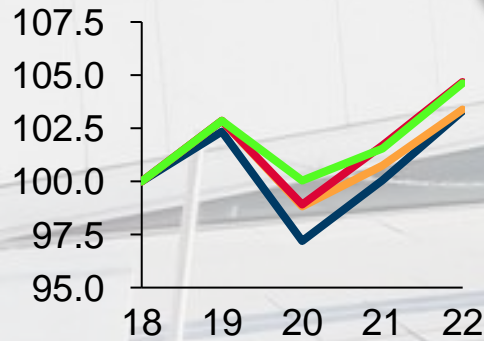
Sweden



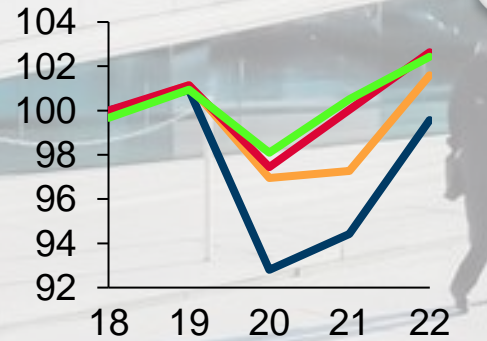
Germany



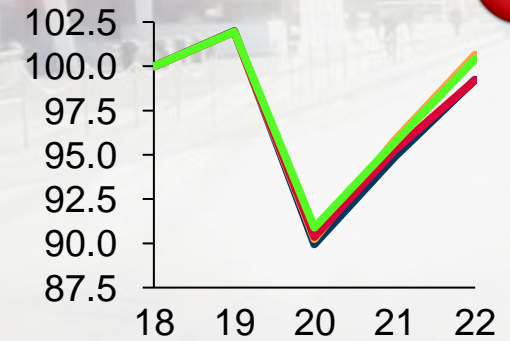
Denmark



Finland

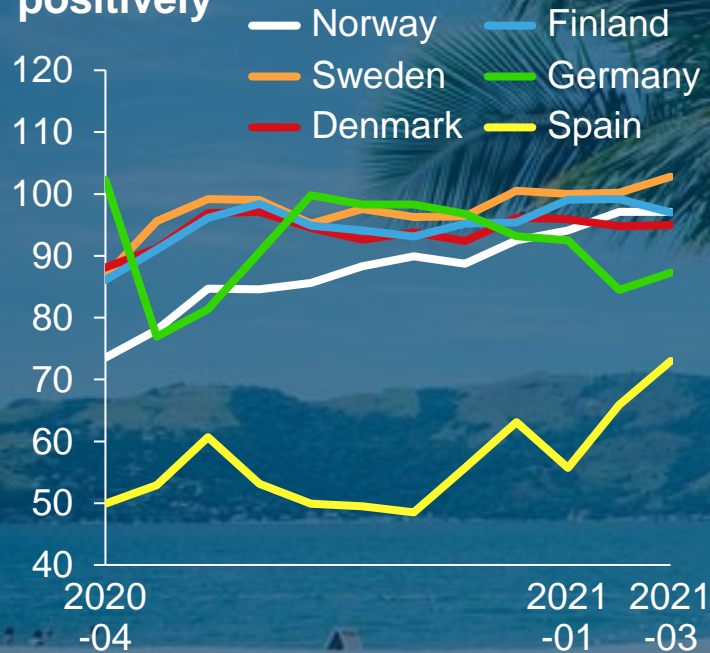


Spain



Gradual normalization in travel and spending patterns

Consumer confidence developing positively



Norway - increase in summer holiday bookings in February compared to December

+100%

Traveling is on top of the wish list – Swedish example



Markets continue to be affected by COVID-19

Norway



- Debt registry data indicates that consumer finance market continued to decline throughout quarter*
- Instalment loan payout volume increased while runoff continues to be high, resulting in negative loan growth

Sweden



- Instalment loan volumes continue positive trend with growth in local currency for third consecutive quarter
- Strong volume growth through indirect channels

Denmark



- Gradual opening of society since March, with associated pickup in credit card spend
- Reduction in available marketing channels due to regulation

Finland



- Continued growth despite increased decline rates from interest rate cap
- New loan volumes develop positively while refinancing market continues to be muted due to temporary 10% rate cap, limiting access to refinancing for certain segments

March represents first month since summer of 2020 with increase in share of active cards

Europe – Important milestones achieved

Good progress during quarter

- Signed contracts confirm low-cost roll-out assumptions
- Passporting of license confirmed by authorities in both countries
- Ability to provide the same digital experience as in current geographies

Digital onboarding

Information collection

Operational setup

Payments



eID



Credit bureaus and PSD2 solutions



Banking platform



SEPA payment infrastructure

Revenues impacted by Covid-19 and currency effects

Norwegian Finans Holding Group

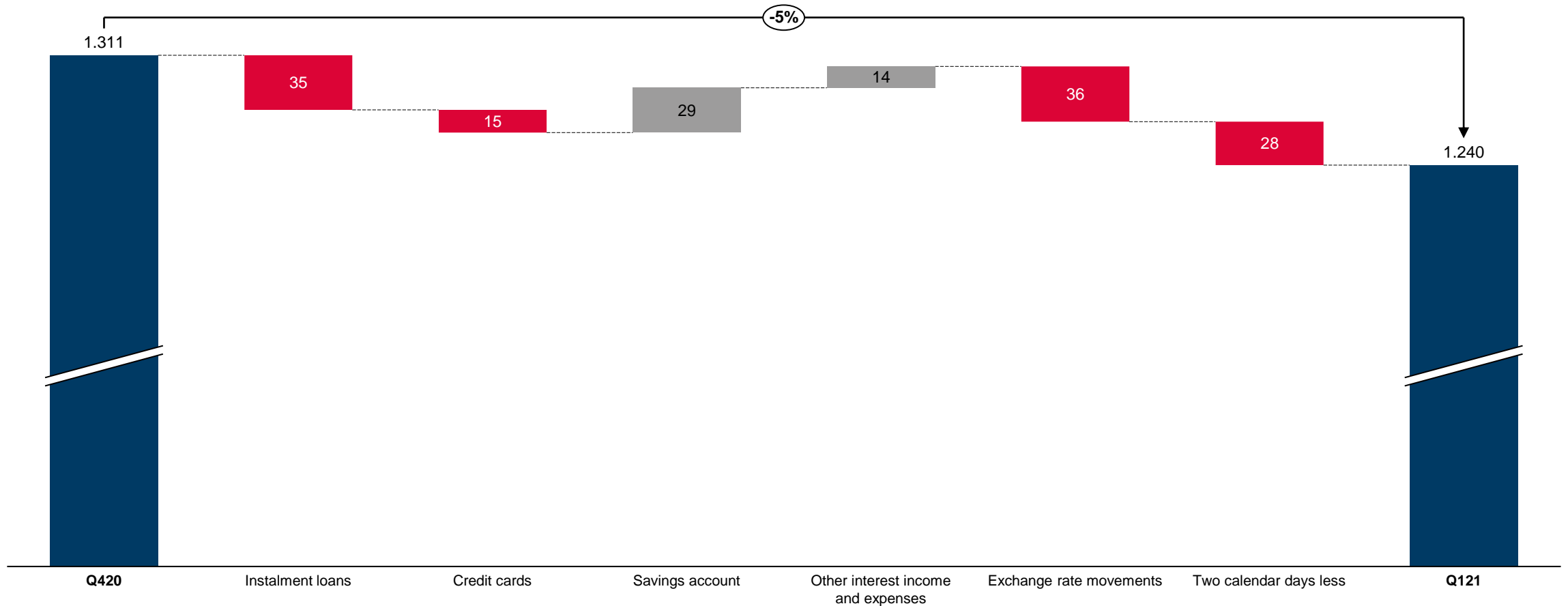
<i>MNOK</i>	Q1 2021	Q4 2020	Change
Interest income	1 355.5	1 470.2	-114.7
Interest expenses	115.3	158.9	-43.6
Net interest income	1 240.1	1 311.3	-71.1
Commission and bank services income	85.1	73.7	11.3
Commission and bank services expenses	43.4	52.4	-9.1
Net change in value on securities and currency, dividend	-28.4	-32.4	4.0
Net other operating income	13.3	-11.1	24.4
Total income	1 253.4	1 300.1	-46.7
Personnel expenses	34.1	35.9	-1.8
General administrative expenses	262.1	257.8	4.3
Depreciation and impairment of fixed and intangible assets	26.9	24.0	2.9
Other operating expenses	12.7	13.1	-0.5
Total operating expenses	335.7	330.8	4.9
Provision for loan losses	389.9	397.7	-7.7
Profit before tax	527.8	571.6	-43.9
Tax charge	130.9	135.4	-4.5
Profit after tax	396.8	436.2	-39.4
Earnings per share (NOK)	2.08	2.30	-0.22

Q1 2021 vs Q4 2020

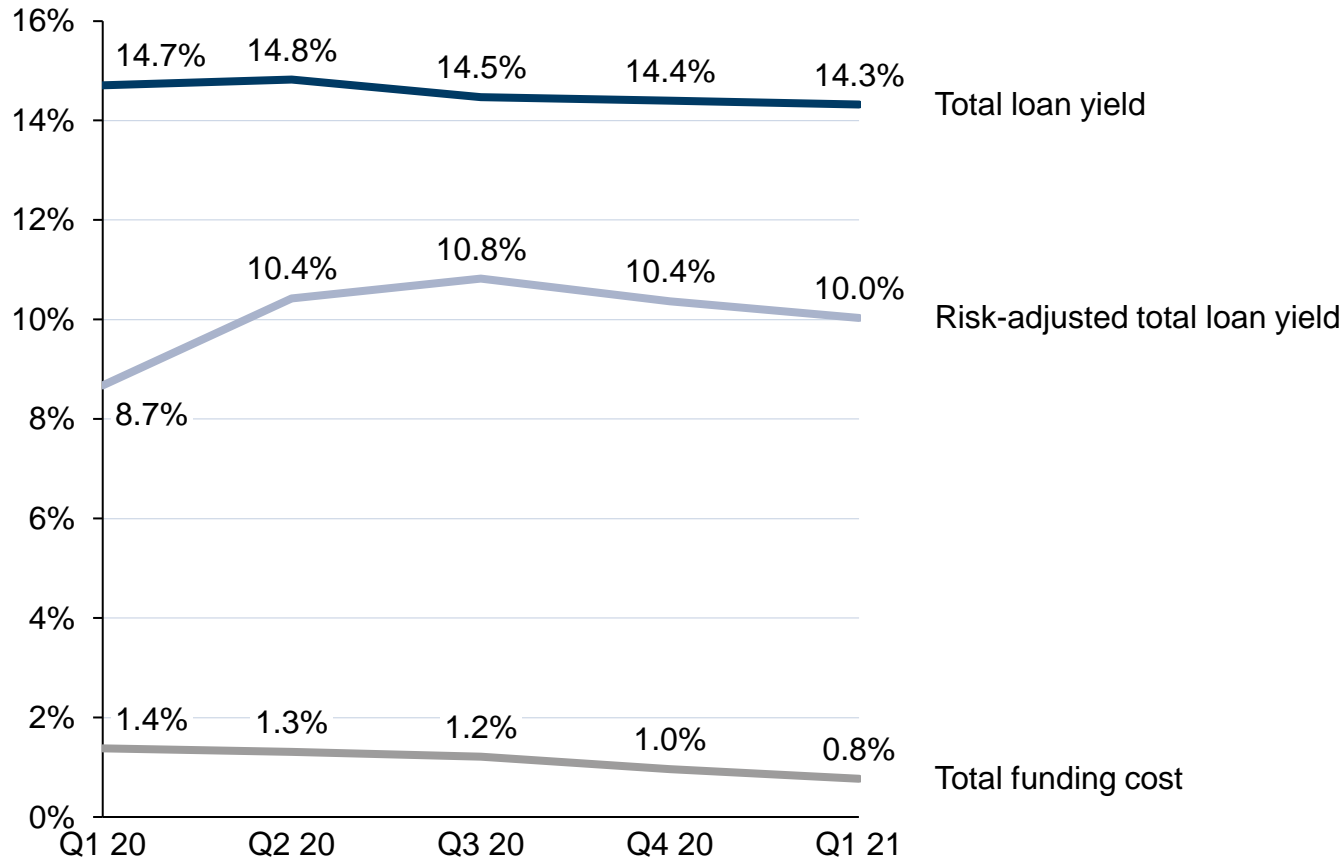
- Total income down 3.6% from previous quarter, mainly from currency and reduced activity level due to the pandemic
- Seasonal kick back of MNOK 29.8 from VISA accounted for in March, still low net commission income in the start of 2021
- Slight increase in operating expenses in Q1 compared to low levels in Q4
- Loan loss provisions reduced, reflecting improved credit quality partly offset by implementation effects of new EBA Definition of Default regulations (DoD)

NII impacted by volume and currency effects

Net interest income from Q420 to Q121



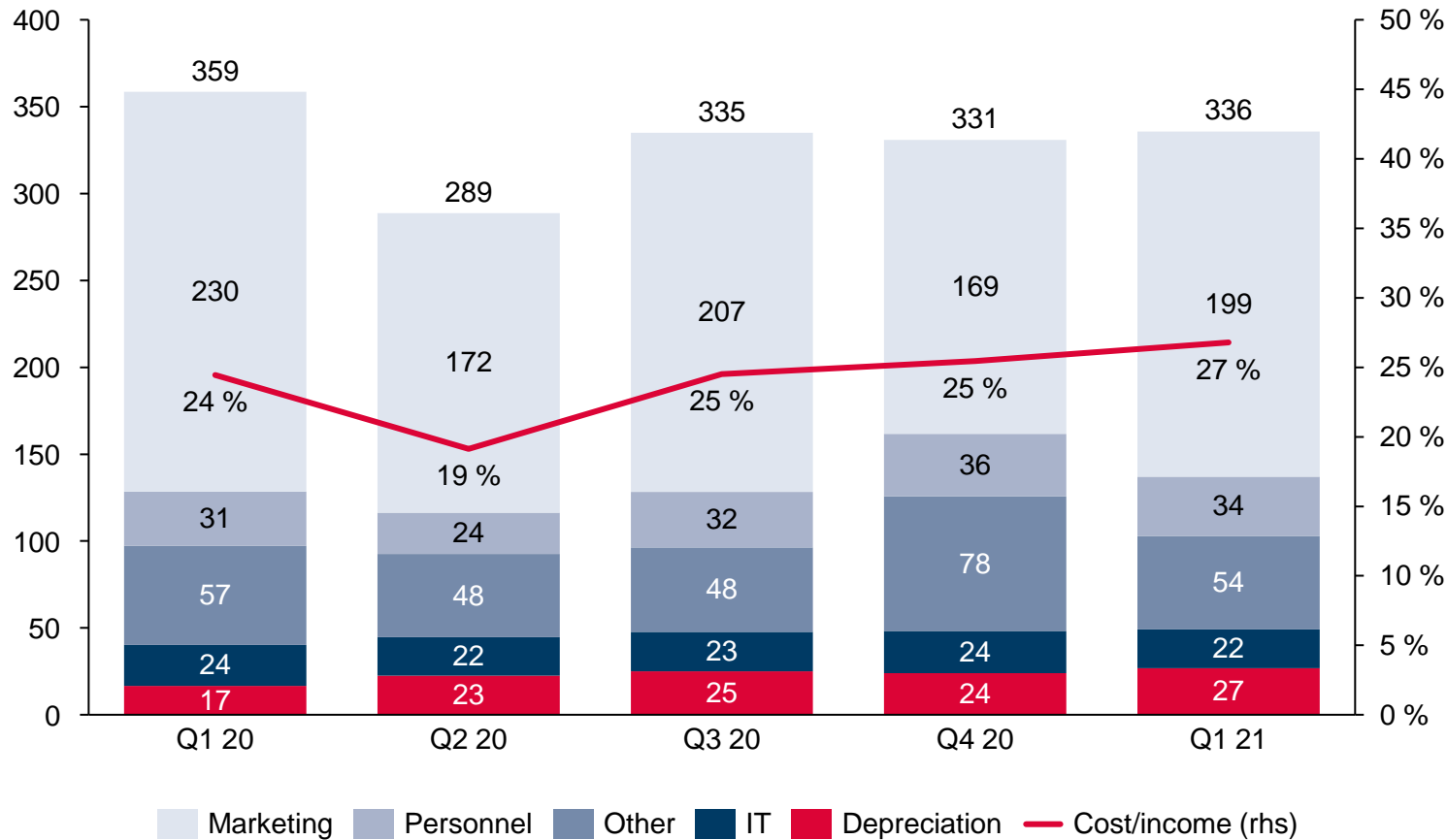
Stable risk-adjusted yield



- Risk-adjusted total loan yield affected by loan loss provision, including implementation effect of new default definition in the quarter
- Lower average funding cost due to deposit interest rate reductions
- Announced deposit interest rate reductions:
 - Norway, effective from 1.4.2021:
 - 0.90 % from 1.20 % < 250' NOK
 - 0.25 % from 0.40 % > 250' NOK
 - Norway, effective from 1.7.2021:
 - 0.60 % from 0.90 % < 250' NOK
 - 0.10 % from 0.25 % > 250' NOK

Stable costs and high operational efficiency

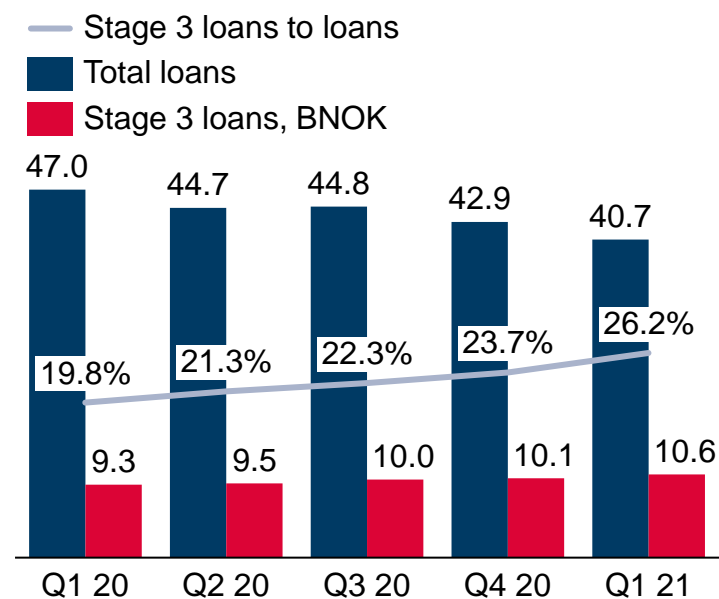
Operating expenses, MNOK



- Other costs back at normalized levels
- Lower credit card related IT costs
- No direct costs related to European expansion in Q1
- Cost/income at 27% mainly due to revenues impacted by COVID-19 and currency effects

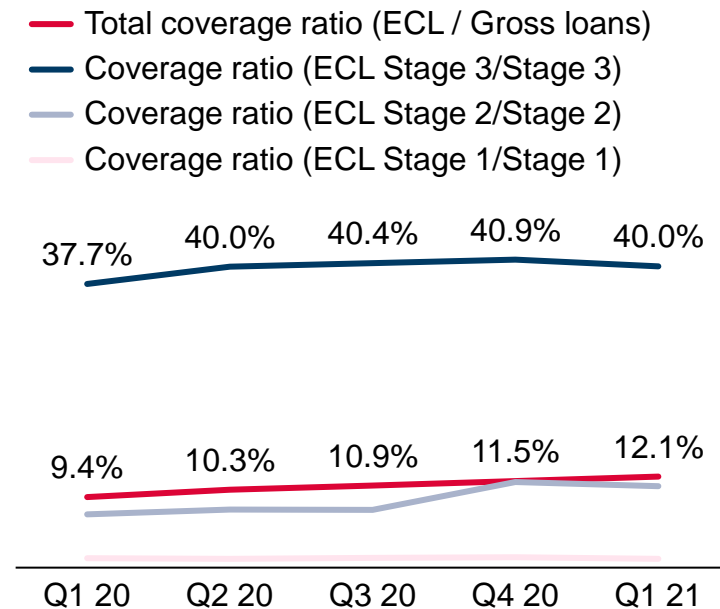
Credit quality and coverage ratios

Stage 3 loans



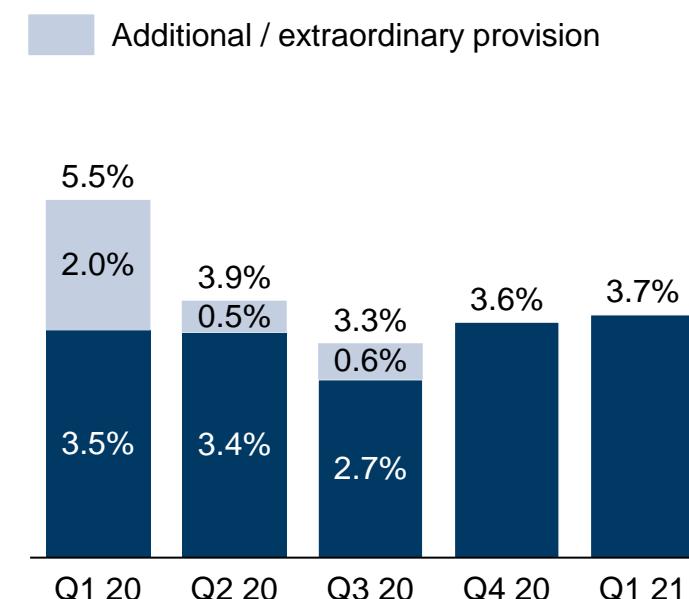
- Reduced overall lending affects Stage 3 loans to loans ratio
- New Definition of Default (DoD) increase Stage 3 with NOK 200m implementation effect

Loan loss allowance coverage ratios



- Change in Stage composition due to new DoD affects allowance coverage ratio in Stage 3
- Total coverage ratio has increased to 12.1% in Q1 from 11.5% in Q4
- Sale of debt collection portfolio net positive effect MNOK ~30 (Q2 2021)

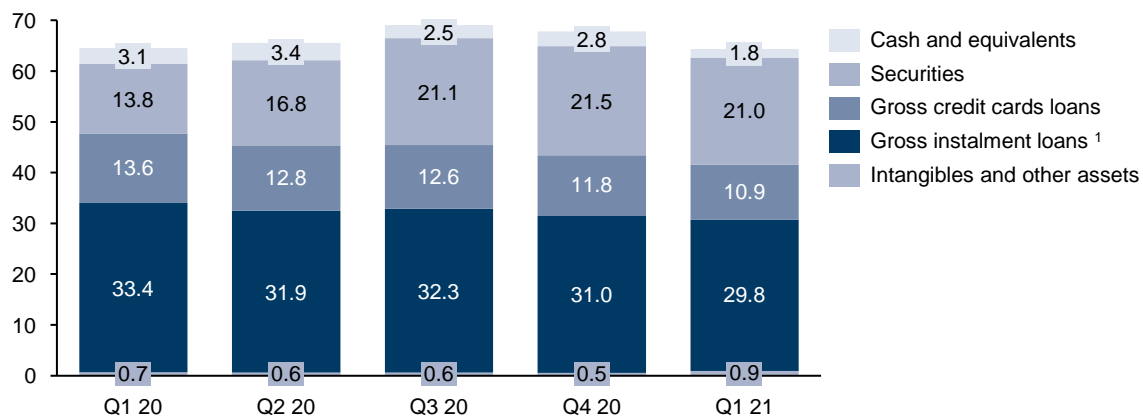
Loan loss provisions



- Loan loss provisions of MNOK 390 in Q1 includes MNOK 22 related to new DoD implementation effect

Resilient and highly liquid balance sheet

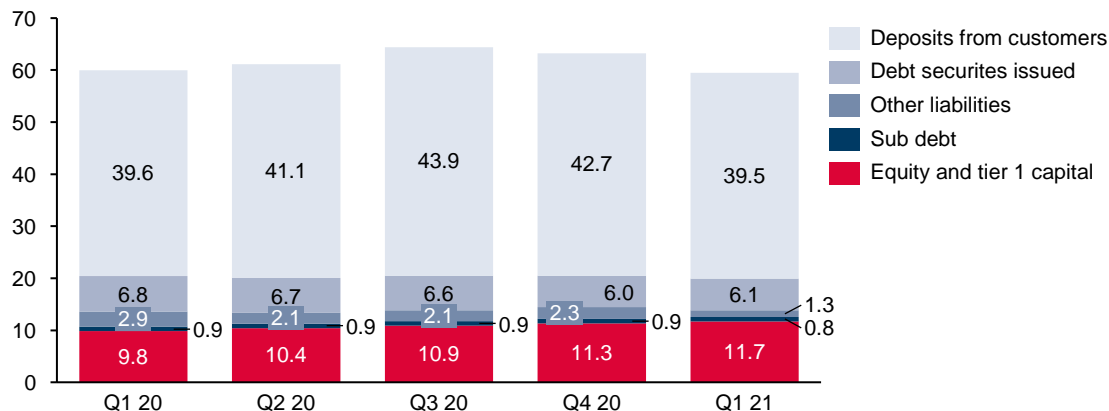
Assets, BNOK



Quarterly development

- Highly resilient balance sheet
- Ratios of liquid assets to assets high at 38.3 %
- Issue of MREL eligible senior preferred bonds of MNOK 700 and MSEK 300 at attractive spread levels
- Continued growth in equity due to retained earnings

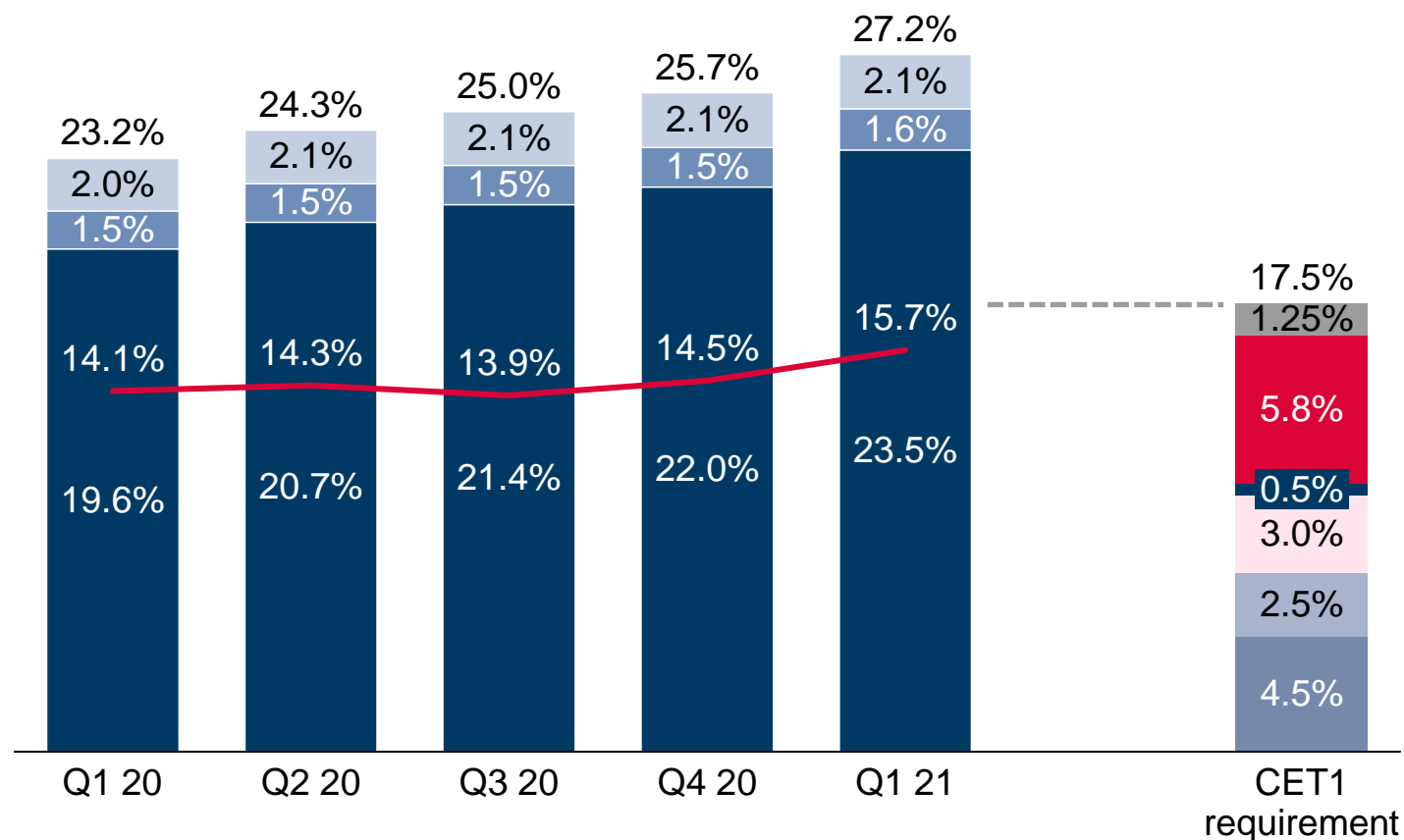
Liabilities and equity, BNOK



¹ Includes sales financing and other loans

Strong capital position supports growth and expansion

Capital ratios



- 23.5% CET 1 capital ratio compared with 16.3% minimum requirement and 17.5% target
- CET 1 calculation includes 325 bp set aside for dividends for 2020 and Q1 2021
- Significant loss absorption capacity through high internal capital generation and high capital buffers

■ Common equity tier 1
 ■ Pillar 1 Minimum Requirement
 ■ Countercyclical Buffer *
 ■ Leverage ratio
■ Tier 1 capital
 ■ Capital Conservation Buffer
 ■ Pillar 2 Requirement (P2R)
■ Total capital
 ■ Systemic Risk Buffer
 ■ Pillar 2 Guidance (P2G) and management buffer

* Current countercyclical buffers as of 31.03.2021: Norway 1.0 %, Sweden 0.0 %, Denmark 0.0 % and Finland 0.0 %.

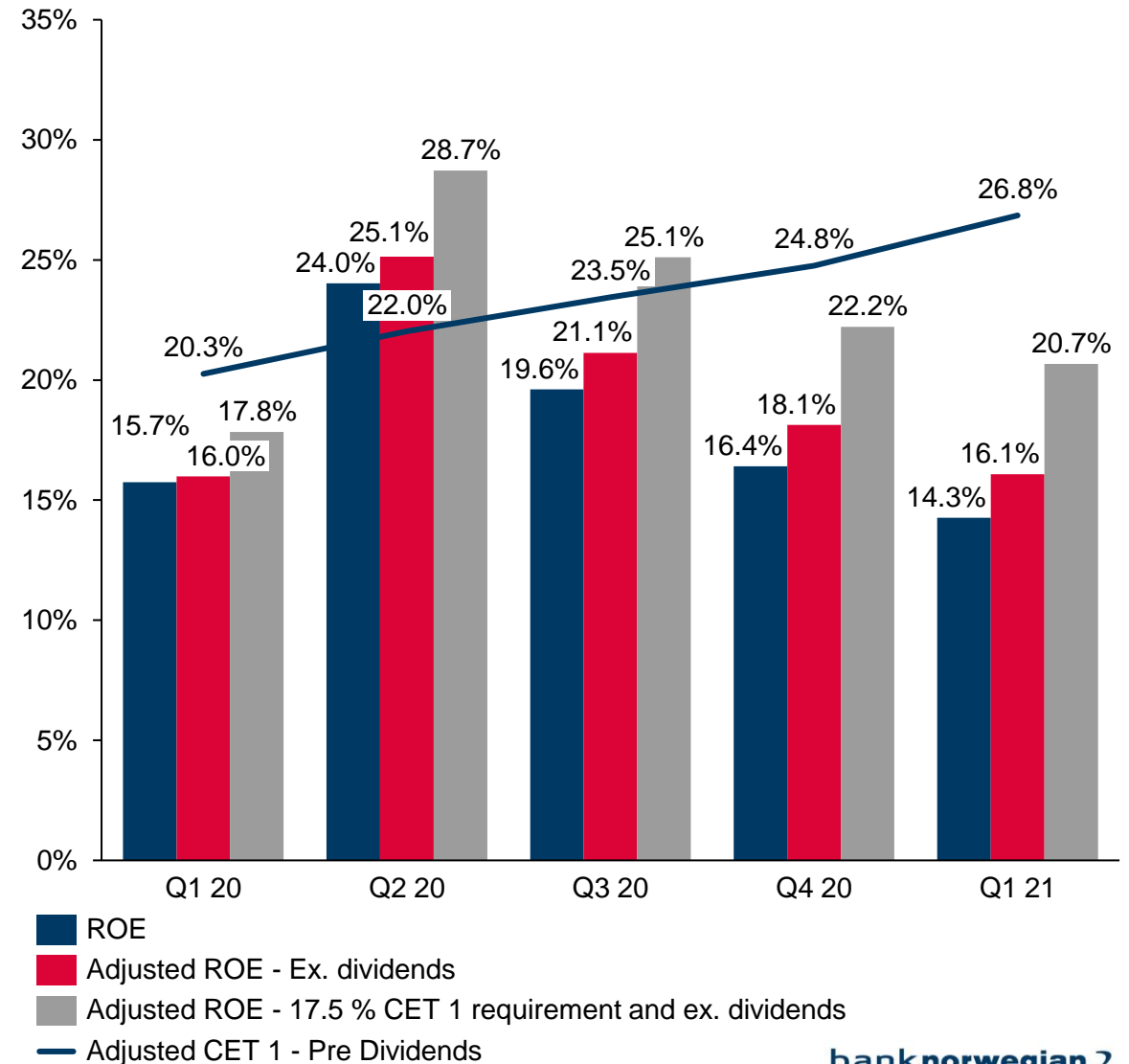
AGM* approved dividend per share of NOK 6

- COVID-19 Effects on ROE
 - Lower net interest income as loan portfolio decreases
 - Lower net commission income caused by lower credit card usage
 - High equity due to deferred dividends

- ROE was 14.3% in Q1

- ROE ex. dividend was 16.1%

- Proposed dividend of NOK 6 per share was approved at the Annual General Meeting
 - NOK 5 per share to be paid on May 6
 - Remaining NOK 1 per share to be paid Q4



* Annual General Meeting

AGM approved merger – BANO to replace NOFI

- The merger of Bank Norwegian ASA and Norwegian Finans Holding ASA was approved at the AGM April 27th – positive MREL and administrative effects
- Bank Norwegian converted to ASA in April 2021
- Ticker BANO to replace NOFI
- Indicative timeline for execution of merger:
 - 28 April – Notification to FSA and Company register
 - 10 June – Creditor notification period ends
 - 11 June – Merger notification to Company register, assuming no creditor issues
 - 14 June – Last day of NOFI shares traded - Merger registered after end of business
 - 15 June – First day of BANO shares traded
 - 16 June – Settlement day in VPS of NOFI vs BANO

Despite pandemic – on track to deliver on strategy

Sustainable industry leading cost efficient and fully digital operating model

Well positioned for the re-opening post pandemic

European expansion – Important milestones achieved



Long term profitable lending growth - CAGR above 10%

Expected break-even after 13-15 months in Spain and Germany



ROE above 20% in 2023

Continue to deliver world class operational efficiency



Distribute excess capital

Prioritize growth
Deliver on dividend policy (30-60%)



Thank you!

In the second quarter 2021 we will be pleased to present the numbers of

BANO

Appendix

Quarterly profit and loss account

<i>Amounts in NOK 1000</i>	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Interest income, effective interest method	1 301 374	1 416 244	1 447 485	1 503 855	1 513 862
Other interest income	54 099	53 944	51 103	61 764	67 068
Interest expenses	115 327	158 935	177 518	179 319	186 500
Net interest income	1 240 146	1 311 252	1 321 070	1 386 301	1 394 430
Commission and bank services income	85 058	73 716	79 379	66 364	192 558
Commission and bank services expenses	43 386	52 439	42 839	48 138	51 627
Income from shares and other securities	-	24 029	-	-	-
Net change in value on securities and currency	-28 375	-56 420	9 212	104 964	-69 114
Net other operating income	13 297	-11 114	45 751	123 190	71 817
Total income	1 253 443	1 300 139	1 366 822	1 509 491	1 466 247
Personnel expenses	34 058	35 905	32 040	23 719	31 168
General administrative expenses	262 141	257 849	263 320	227 532	294 882
Depreciation and impairment of fixed and intangible assets	26 888	23 965	25 031	22 518	16 700
Other operating expenses	12 653	13 120	14 641	14 972	15 801
Total operating expenses	335 740	330 839	335 031	288 741	358 550
Provision for loan losses	389 933	397 662	365 623	447 027	620 636
Profit before tax	527 771	571 638	666 168	773 723	487 060
Tax charge	130 926	135 404	165 545	191 635	119 028
Profit after tax	396 845	436 234	500 622	582 087	368 032

<i>Amounts in NOK 1000</i>	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Profit on ordinary activities after tax	396 845	436 234	500 622	582 087	368 032
Comprehensive income for the period	396 845	436 234	500 622	582 087	368 032

Quarterly balance sheet

<i>Amounts in NOK 1000</i>	31.3.21	31.12.20	30.9.20	30.6.20	31.3.20
Assets					
Cash and deposits with the central bank	69 945	69 451	69 511	69 623	69 905
Loans and deposits with credit institutions	1 694 562	2 774 788	2 462 788	3 361 585	3 014 698
Loans to customers	35 749 207	37 943 688	39 962 311	40 101 034	42 378 471
Certificates and bonds	21 005 806	21 520 427	21 054 167	16 790 787	13 764 305
Financial derivatives	387 965	341 309	205 245	161 158	59 020
Shares and other securities	49 040	50 692	51 491	51 124	46 017
Intangible assets	427 805	448 701	470 235	490 433	506 426
Deferred tax asset	5 784	4 107	7 702	5 849	4 179
Fixed assets	4 855	4 883	1 184	1 082	1 153
Receivables	58 538	33 965	79 322	92 057	110 908
Total assets	59 453 506	63 192 011	64 363 956	61 124 733	59 955 081
Liabilities and equity					
Loans from credit institutions	300 667	1 313 710	1 033 695	1 000 781	1 400 000
Deposits from customers	39 509 888	42 677 703	43 880 046	41 090 855	39 561 112
Debt securities issued	6 107 413	6 034 387	6 649 351	6 679 216	6 813 624
Financial derivatives	162 758	64 862	112 604	200 428	657 621
Tax payable	446 089	557 675	498 291	634 825	441 519
Deferred tax	58 234	58 234	3 821	3 821	3 821
Other liabilities	29 870	42 999	193 813	55 452	193 945
Accrued expenses	282 226	236 463	217 251	175 744	177 062
Subordinated loan	840 454	877 820	876 049	876 143	876 073
Total liabilities	47 737 600	51 863 850	53 464 921	50 717 265	50 124 777
Share capital	186 847	186 847	186 847	186 695	186 695
Share premium	978 201	978 201	978 201	972 295	972 295
Tier 1 capital	635 000	635 000	635 000	635 000	635 000
Paid, not registered capital	-	-	-	6 058	-
Retained earnings and other reserves	9 915 857	9 528 112	9 098 987	8 607 419	8 036 314
Total equity	11 715 906	11 328 161	10 899 035	10 407 467	9 830 304
Total liabilities and equity	59 453 506	63 192 011	64 363 956	61 124 733	59 955 081

Quarterly key figures and alternative performance measures

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Return on equity (ROE) ^{1 3}	14.3 %	16.4 %	19.6 %	24.0 %	15.7 %
Return on assets (ROA) ¹	2.6 %	2.7 %	3.2 %	3.9 %	2.5 %
Earnings per share (EPS) ⁴	2.08	2.30	2.63	3.06	1.91
Dividend per share (DPS)		6.00			
Common equity tier 1 (CET 1)	23.5 %	22.0 %	21.4 %	20.7 %	19.6 %
Leverage ratio	15.7 %	14.5 %	13.9 %	14.3 %	14.1 %
Liquidity coverage ratio (LCR)	366 %	569 %	494 %	385 %	234 %
Net interest margin (NIM) ¹	8.2 %	8.2 %	8.3 %	9.3 %	9.5 %
Cost/income ratio ¹	0.27	0.25	0.25	0.19	0.24
Loan loss provisions to average loans ¹	3.7 %	3.6 %	3.3 %	3.9 %	5.5 %
Stage 3 loans to loans ^{1 2}	26.2 %	23.7 %	22.3 %	21.3 %	19.8 %
Loan loss allowance coverage ratio stage 3 ^{1 2}	40.0 %	40.9 %	40.4 %	40.0 %	37.7 %
Loan loss allowance coverage ratio to loans ¹	12.1 %	11.5 %	10.9 %	10.3 %	9.9 %

1) Average calculated on a monthly basis.

2) The APMs "Non-performing loans to loans" and "Loan loss allowance to non-performing loans", which has been in use since reporting under IAS 39, was in Q2 2020 replaced by the new APMs "Stage 3 loans to loans" and "Loan loss allowance coverage ratio stage 3" due to established market practice and reduced relevance after the implementation of IFRS 9.

3) Definition for ROE was updated in Q3 2020 based on established market practice. Previous periods are recalculated.

4) EPS is not considered an APM, calculation included for information purposes.

Top 20 shareholders

SHAREHOLDER		# OF SHARES	
1 CIDRON XINGU LTD		30 646 498	16.40 %
2 FOLKETRYGDFONDET		17 467 545	9.35 %
3 SAMPO PLC		11 826 105	6.33 %
4 GOLDMAN SACHS & CO. LLC	NOMINEE	10 243 872	5.48 %
5 BANQUE DEGROOF PETERCAM LUX. SA	NOMINEE	8 337 159	4.46 %
6 BRUMM AS		5 408 482	2.89 %
7 STENSHAGEN INVEST AS		4 551 416	2.44 %
8 MP PENSJON PK		3 429 798	1.84 %
9 KBC BANK NV		3 387 000	1.81 %
10 VARMA MUTUAL PENSION INSURANCE COMP		3 312 292	1.77 %
11 SWEDBANK AB		3 100 347	1.66 %
12 VERDIPAPIRFONDET ALFRED BERG GAMBAK		3 044 994	1.63 %
13 GREEN 91 AS		2 964 900	1.59 %
14 STATE STREET BANK AND TRUST COMP	NOMINEE	2 164 619	1.16 %
15 TORSTEIN INGVALD TVENGE		2 000 000	1.07 %
16 THE BANK OF NEW YORK MELLON SA/NV	NOMINEE	1 933 119	1.03 %
17 VANGUARD TOTAL INTERNATIONAL STOCK		1 929 424	1.03 %
18 STATE STREET BANK AND TRUST COMP	NOMINEE	1 582 677	0.85 %
19 DIRECTMARKETING INVEST AS		1 500 000	0.80 %
20 JEFFERIES LLC	NOMINEE	1 447 471	0.77 %
Top 20		120 277 718	64.35 %
Total		186 904 268	

As of April 23, 2021

- Management holds 0.95% of shares outstanding