

Report for the third quarter 2017

Norwegian Finans Holding ASA

Norwegian Finans Holding ASA

Report for the third quarter 2017

Norwegian Finans Holding ASA (NFH) owns 100% of the shares in Bank Norwegian AS. The company does not engage in any other operations. The ownership of NFH is divided between institutional and private investors in Norway and abroad, of which Norwegian Air Shuttle ASA is the largest owner with a stake of 17.5%. Norwegian Finans Holding ASA is listed on the Oslo Stock Exchange with the ticker code NOFI.

Bank Norwegian started its operations in November 2007 and offers consumer loans, credit cards and deposit accounts to retail customers distributed through the Internet in the Nordic market. Bank Norwegian offers, in cooperation with the airline Norwegian, a combined credit card and reward card. The bank started operations in Sweden in May 2013. In December 2015, the bank launched operations in Denmark and Finland where it initially offered consumer loans and deposit accounts. Credit cards were launched in June 2016.

The strategy is based on leading digital solutions, synergies with the airline Norwegian, attractive terms for our customers, cost-effective operations and effective risk selection.

At the end of the third quarter 2017 the bank had a customer base of 1,167,000 customers, which can be broken down into 843,900 credit card customers, 164,200 loan customers and 158,900 deposit customers.

Profit and loss as of September 30, 2017

The NFH Group's comprehensive income amounted to MNOK 1,162.3 as of September 30, 2017, compared with MNOK 634.0 for the same period in 2016. Net interest income totalled MNOK 2,655.6, net other operating income amounted to MNOK 142.3, while total operating expenses were MNOK 781.6. Provisions for loan losses were MNOK 473.3.

Profit and loss for the third quarter of 2017

The NFH Group's comprehensive income amounted to MNOK 433.9 compared with MNOK 400.0 in the second quarter 2017. Annual return on equity in the third quarter was 39.0%, while return on assets was 4.4%.

Net interest income amounted to MNOK 937.7, an increase of MNOK 45.4 from the second quarter. The increase is explained by loan growth. The net interest margin was 9.5%, compared with 9.7% in the second quarter.

Net other operating income amounted to MNOK 49.9 compared with MNOK 48.2 in the second quarter. Net commission income increased MNOK 5.6 to MNOK 49.2 due to increased credit card activity. Net gain on securities and currency amounted to MNOK 0.7, compared with a net gain of MNOK 4.6 in the second quarter.

Total operating expenses amounted to MNOK 269.8 compared with MNOK 253.5 in the second quarter. Personnel expenses increased MNOK 2.4, due to accrual effects. Administrative expenses increased MNOK 14.2, and is explained by increased marketing expenses partly offset by reduced running IT costs due to consolidation of core systems and that the second quarter included non-recurring expenses related to SDC core system conversion. Depreciation decreased MNOK 0.5. Other operating expenses increased MNOK 0.2.

The bank's write-downs on loans were MNOK 140.9, a decrease of MNOK 14.3 from the second quarter. The decrease is mainly explained by gains from the sale of non-performing loans in Norway of MNOK 50.0, combined with lower write-downs in Norway and Sweden after the portfolio sales. Write-downs in the second quarter included gains from a portfolio sale of MSEK 43.2. Write-downs in the third quarter equalled 1.9% of average gross loans, compared with 2.2% in the second quarter. The decrease is mainly due to the sale of non-performing loans in Norway. Gross delinquent loans were MNOK 1,978, compared with MNOK 1,853 at the end of second quarter. Delinquent loans accounted for 6.4% of gross loans, compared with 6.2% at the end of the previous quarter. Gross non-performing loans accounted for 4.8% of gross loans, compared with 4.3% as of 30.6.2017.

Balance sheet as of September 30, 2017

Total assets increased MNOK 1,815 in the quarter and amounted to MNOK 40,614.

Net loans to customers increased MNOK 1,267 and amounted to MNOK 30,135. Consumer loans amounted to MNOK 22,739 and credit card loans amounted to MNOK 8,321. The growth in net loans is affected by sale of non-performing loans.

Customer deposits increased MNOK 1,066 and amounted to MNOK 31,988 at the end of the quarter.

Liquid assets increased MNOK 554 and amounted to MNOK 10,196, equivalent to 25.1% of total assets.

Total equity amounted to MNOK 5,278, compared with MNOK 4,851 as of 30.6.2017. The total capital ratio was 20.8%, the core capital ratio was 19.0% and the common equity tier 1 ratio was 16.7%.

There has been a limited review of the accounts as of 30.9.2017, and the full result is added to retained earnings.

Outlook for the remaining of the year

The economic trends are somewhat different in the Nordic markets where the NFH Group operates and the development is positive in all markets. The Norwegian economy shows increasing growth and falling unemployment. The Swedish economy shows growth and falling unemployment. The Danish and

Finnish economies show moderate growth and an improved labor market.

The interest rate levels in countries where the NFH Group is represented are expected to remain low. The NFH Group is expected to gain advantage of the interest rate level through low funding costs.

The earnings growth is expected to continue through loan growth, stable margins, cost control and good credit quality, even though the Nordic market for unsecured credit is impacted by increasing competition. Increased competition may lead to higher customer acquisition cost, margin pressure or lower growth.

The bank has a broad Nordic platform and loan volumes grow faster outside of Norway. The recently implemented regulations from the Norwegian authorities are anticipated to have a limited impact on the bank's total development in the future. Increase in installment loan run-off in line with a growing portfolio may, however, affect future loan growth in Norway.

A high deposit to loans ratio and good access to the securities market are expected to maintain the bank's strong liquidity position.

The investment portfolio has provided a satisfactory return. The portfolio's low risk mandate will remain.

The credit quality of the loan portfolio in Norway shows a stable development and the levels of write-downs are expected to remain stable going forward. After the sale of non-performing loans portfolios in Norway and Sweden, the delinquency is expected to gradually increase to a normalized level. The Danish and Finnish loan portfolios show a stable development. Relatively high write-downs in Denmark are still expected for a period going forward.

The bank's framework for IFRS 9 is under implementation. The accounting standard is generally expected to lead to increased write-downs on loans, as under IFRS 9, an impairment allowance must be made for expected credit losses at the reporting date. Preliminary calculations indicate a moderate change in impairment losses.

The Norwegian Ministry of Finance has maintained the Norwegian Financial Supervisory Authority's decision on the Pillar 2-requirements. Common equity tier 1 ratio was 16.7% at the reporting date and exceeds the current minimum common equity tier 1 ratio requirement of 15.3% with a wide margin. The bank aims to maintain a good margin to the minimum capital adequacy requirements.

The current capital base and internal generation of capital are considered sufficient to ensure the bank's growth ambitions, while maintaining the goal of dividend payments in 2018.

Bærum, October 30, 2017
Board of directors of Norwegian Finans Holding ASA

Bjørn H. Kise
Chairman of the Board

Anita Aarnæs
Board Member

John Høstelend
Board Member

Brede G. Huser
Board Member

Christine Rødsæther
Board Member

Tine Wollebakk
CEO

Profit and loss account

		Norwegian Finans Holding Group				
<i>Amounts in NOK 1000</i>		Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
	Note					
Interest income		1,069,793	740,707	3,020,301	1,944,491	2,791,102
Interest expenses		132,140	86,367	364,701	243,954	337,640
Net interest income	9	937,653	654,339	2,655,600	1,700,536	2,453,461
Commission and bank services income	10	104,415	67,989	279,035	183,845	246,613
Commission and bank services expenses	10	55,250	29,834	147,517	78,568	119,415
Net change in value on securities and currency	11	685	5,752	10,812	78,626	74,064
Other income		-	170	-	170	170
Net other operating income		49,850	44,077	142,330	184,073	201,432
Total income		987,503	698,416	2,797,930	1,884,609	2,654,893
Personnel expenses		18,711	17,977	54,456	51,292	66,004
General administrative expenses	12	229,649	210,998	661,047	550,146	773,487
Ordinary depreciation		10,403	10,761	32,640	31,128	42,427
Other operating expenses	13	11,008	11,772	33,431	35,562	46,911
Total operating expenses		269,771	251,508	781,574	668,128	928,828
Provision for loan losses	3	140,862	119,073	473,280	323,594	468,257
Profit on ordinary activities before tax		576,870	327,836	1,543,077	892,887	1,257,808
Tax charge		144,424	81,959	385,811	223,221	298,371
Profit on ordinary activities after tax		432,446	245,877	1,157,266	669,665	959,437
Earnings per share (kroner)		2.32	1.37	6.29	3.84	5.40
Diluted earning per share (kroner)		2.32	1.37	6.29	3.84	5.40

Comprehensive income

		Norwegian Finans Holding Group				
<i>Amounts in NOK 1000</i>		Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Profit on ordinary activities after tax		432,446	245,877	1,157,266	669,665	959,437
Change in fair value for assets held for sale		1,466	1,147	5,095	-35,951	-35,700
Tax		-11	-9	-38	270	268
Other comprehensive income that may be reclassified to profit and loss		1,455	1,138	5,057	-35,681	-35,433
Comprehensive income for the period		433,901	247,015	1,162,323	633,985	924,005

Balance sheet

Amounts in NOK 1000	Note	Norwegian Finans Holding Group		
		30.9.17	30.9.16	31.12.16
Assets				
Cash and deposits with the central bank	8, 15	61,979	56,948	59,992
Loans and deposits with credit institutions	8, 15	1,769,465	791,698	1,103,359
Loans to customers	4, 5, 6, 15	30,135,429	21,194,238	24,533,983
Certificates and bonds	14	8,365,022	5,544,250	4,464,203
Financial derivatives	14	3,304	14,364	-
Shares and other securities	14	443	443	443
Assets held for sale	14, 17	29,841	24,495	24,745
Intangible assets		115,579	103,706	107,826
Deferred tax asset		8,425	9,872	7,717
Fixed assets		1,071	84	65
Receivables	18	123,584	102,448	99,919
Total assets		40,614,141	27,842,546	30,402,252
Liabilities and equity				
Deposits from customers	15	31,988,426	22,154,135	24,423,773
Debt securities issued	15, 16	2,040,270	1,991,948	1,823,973
Financial derivatives	14	11,265	-	6,780
Tax payable		382,070	221,766	297,468
Other liabilities	19	285,142	51,995	140,764
Accrued expenses	20	154,636	94,048	99,302
Subordinated loan	15, 16	474,536	274,859	274,915
Total liabilities		35,336,346	24,788,750	27,066,976
Share capital		186,689	180,104	180,105
Share premium reserve		971,182	482,827	481,980
Tier 1 capital		635,000	335,000	335,000
Retained earnings and other reserves		3,484,925	2,055,865	2,338,191
Total equity	21	5,277,796	3,053,796	3,335,276
Total liabilities and equity		40,614,141	27,842,546	30,402,252

Bærum, October 30, 2017
Board of Directors of Norwegian Finans Holding ASA

Bjørn H. Kise
Chairman of the Board

Anita Aarnæs
Board Member

John Høstelend
Board Member

Brede G. Huser
Board Member

Christine Rødsæther
Board Member

Tine Wollebakk
CEO

Cash flow statement

<i>Amounts in NOK 1000</i>	Norwegian Finans Holding Group		
	Q3 2017	Q3 2016	2016
Profit / loss after tax	1,162,323	633,985	924,005
Unrealized gains or losses on currency	388,238	46,400	72,541
Depreciations and amortizations	32,640	11,494	14,092
Net gain from sale of fixed assets	-	-170	-170
Provision for loan losses	473,280	323,594	468,257
Change in loans	-6,103,417	-7,597,863	-11,062,706
Change in deposits from customers	7,564,653	8,787,545	11,057,183
Change in securities	-3,900,819	-2,575,721	-1,495,673
Change in assets held for sale, before tax	5,095	-21,709	-21,959
Change in other accruals	-27,677	-94,037	-95,284
Change in short-term liabilities	288,798	45,485	218,523
Net cash flow from operating activities	-116,885	-440,998	78,808
Proceeds from settlement of assets held for sale	-	57,659	57,659
Payment for acquisition of intangible assets	-21,849	-15,950	-22,094
Payment for acquisition of fixed assets	-1,050	-	-
Disposals of fixed assets	-	450	450
Net cash flow from investment activities	-22,899	42,159	36,016
Paid-in equity	495,786	339,334	340,637
Change in debt securities issued	216,297	112,377	-55,597
Change in subordinated loan	199,621	99,896	99,953
Issued Tier 1 capital	299,250	209,160	209,160
Payment to Tier 1 capital investors	-14,841	-3,711	-9,912
Net cash flow from financing activities	1,196,114	757,056	584,240
Currency effect on cash and cash equivalents	-388,238	-46,400	-72,541
Net cash flow for the period	668,092	311,818	626,523
Cash and cash equivalents at the start of the period	1,163,351	536,828	536,828
Cash and cash equivalents at the end of the period	1,831,444	848,646	1,163,351

Changes in equity

Norwegian Finans Holding Group

<i>Amounts in NOK 1000</i>	Share capital	Share premium reserve	Paid, not registered capital	Tier 1 capital	Retained earnings and other reserves	Total equity
Balance 31.12.16	180,105	481,980	-	335,000	2,338,191	3,335,276
This period's profit	-	-	-	-	1,157,266	1,157,266
Items that may be reclassified to profit and loss, after tax	-	-	-	-	5,057	5,057
Comprehensive income for the period	-	-	-	-	1,162,323	1,162,323
Paid interest Tier 1 capital	-	-	-	-	-14,841	-14,841
Capital increase	6,584	498,098	-	-	-	504,682
Share issue expenses	-	-8,895	-	-	-	-8,895
Issued Tier 1 capital	-	-	-	300,000	-750	299,250
Balance 30.9.17	186,689	971,182	-	635,000	3,484,925	5,277,796
Balance 31.12.15	173,195	150,402	-	125,000	1,422,685	1,871,282
This period's profit	-	-	-	-	669,665	669,665
Items that may be reclassified to profit and loss, after tax	-	-	-	-	-35,681	-35,681
Comprehensive income for the period	-	-	-	-	633,985	633,985
Paid interest Tier 1 capital	-	-	-	-	-3,711	-3,711
Capital increase	6,909	340,178	-	-	-	347,087
Share issue expenses	-	-7,753	-	-	-	-7,753
Issued Tier 1 capital	-	-	-	210,000	-840	209,160
Other equity changes	-	-	-	-	3,747	3,747
Balance 30.9.16	180,104	482,827	-	335,000	2,055,865	3,053,796

Notes for Norwegian Finans Holding Group

Note 1. General accounting principles

The interim report for the third quarter 2017 is prepared according to International Financial Reporting Standards as adopted by the European Union, hereunder *IAS 34 Interim Financial Reporting*. The interim report for the third quarter 2017 is prepared using the same accounting principles and calculation methods as described in the annual report 2016, and should be read in conjunction with this.

Accounting standards which have been adopted but not implemented in 2017

IFRS 9 - Financial Instruments

IASB has published the final version of IFRS 9 *Financial Instruments*, which will replace IAS 39 *Financial Instruments – Recognition and Measurement*. IFRS 9 introduces changes to the rules for the classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The standard is effective for annual reporting periods beginning on 1 January 2018 or later. Earlier application is permitted. The standard must be applied retrospectively, except for hedge accounting. Restatement of comparative figures is not required. The standard was approved by the EU in the fourth quarter of 2016.

The rules for classification and measurement of financial assets in IFRS 9 are more principle-based than the rules in IAS 39. Under IFRS 9, financial assets are assessed based on the entity's business model and the asset's cash flows. The bank has made an initial assessment of the balance sheet with regard to classification and measurement of financial assets. The bank has identified two financial instruments where changes from the current classification will be required. The classification and measurement of the bank's financial liabilities are not affected by the transition to IFRS 9.

The bank's investments in certificates and bonds are held for the purpose of receiving cash flows from contracts and for sale. These should therefore be classified at fair value through other comprehensive income (with recycling), while under IAS 39 they are classified at fair value through profit or loss. Furthermore, assets held for sale, which consist of the bank's ownership interest in Visa Norge FLI, are classified at fair value through other comprehensive income (with recycling). This asset is held for sale, and should under IFRS 9 be classified at fair value through profit or loss.

The bank has so far not drawn any conclusions as to what will constitute a significant increase in credit risk for the bank's loans. The bank's credit exposure is significant, and it is therefore expected that changes will be made to the bank's impairment losses as a result of the transition to IFRS 9. Reliable quantitative estimates of such changes in impairment losses are not yet available.

A strict development and implementation plan has been prepared for the construction of impairment models for all markets that will need to meet IFRS 9 requirements. The work is on schedule according to the planned progress and includes an upgrade of the bank's existing set of models and the development of specific sub-models for IFRS 9. The sub-models will be implemented in parallel with the current models as they are completed, partly to ensure a good qualitative implementation. The whole set of models will run in parallel upon completion and will be finally implemented from 1 January 2018.

The set of models will include forward-looking models for PD (probability of default), LGD models (loss given default) for pre- and post-default, EAD models (exposure at default) as well as triggers for the classification of exposures in class 1, 2 or 3 (classification according to IFRS 9 regulations; 1: Performing, 2: Underperforming, 3: Non-performing). The final modelling technique for the individual models will be selected based on the maturity of each portfolio and access to relevant data in the market concerned. The models will be validated in accordance with best practice for each model type. This normally includes both "out-of-time" validation (validation for a different time period than that on which the model is based) and "out-of-sample" validation (validation of a part of the data/observations that were not included in the construction of the model). In addition to the initial construction of IFRS 9 models, the bank is in the process of establishing a robust set of models for daily operation, maintenance and development.

The preliminary definition defines default as a loan that is more than 90 days in arrears in relation to the agreed payment schedule and where the amount overdue amounts to at least €100 or the equivalent in local currency.

The bank has not decided which transitional rules will be used in the transition to IFRS 9. It is not expected that the comparative figures will be restated on transition.

Agent commissions

The accounting of agent commissions was in the first quarter reclassified in accordance with IAS 38 Intangible Assets and IAS 39 Financial Instruments - Recognition and Measurement. Agent commissions were reclassified from *Receivables to Loans to customers* and *Intangible assets*, with reclassification of associated expenses in the profit and loss accounts from *General administrative expenses* to *Interest income* and *Ordinary depreciation*. The reclassifications did not have any effect on the profit after tax. Comparative figures and corresponding notes (2, 4, 5, 9, 12, 18, 21) has been revised accordingly.

Note 2. Segments

Profit and loss and balance sheet presentation for segments are based on internal financial reporting as it is reported to group management. The figures are based on Bank Norwegian's governance model and accounting principles. Norwegian Finans Holding ASA is defined as the other segment.

Profit and loss account Q3 2017

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Net interest income	1,443,668	486,005	725,884	43	2,655,600
Net other operating income	96,810	39,813	6,006	-298	142,330
Total income	1,540,478	525,818	731,890	-255	2,797,930
Total operating expenses	375,431	177,982	225,846	2,316	781,574
Provision for loan losses	136,802	103,391	233,087	-	473,280
Profit on ordinary activities before tax	1,028,246	244,445	272,957	-2,571	1,543,077
Tax charge	257,173	61,111	68,235	-708	385,811
Profit on ordinary activities after tax	771,073	183,334	204,722	-1,863	1,157,266
Other comprehensive income that may be reclassified to profit and loss	5,057	-	-	-	5,057
Comprehensive income for the period	776,130	183,334	204,722	-1,863	1,162,323

Balance sheet 30.9.17

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Loans to customers	16,030,958	5,289,494	8,814,977	-	30,135,429
Other assets	7,503,612	1,387,289	1,575,915	11,897	10,478,712
Total assets	23,534,570	6,676,783	10,390,892	11,897	40,614,141
Deposits from customers	17,763,796	5,554,010	8,670,621	-	31,988,426
Other liabilities and equity	5,770,774	1,122,773	1,720,271	11,897	8,625,715
Total liabilities and equity	23,534,570	6,676,783	10,390,892	11,897	40,614,141

Profit and loss account Q3 2016

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Net interest income	1,137,633	393,205	169,685	12	1,700,536
Net other operating income	159,201	15,232	9,921	-282	184,073
Total income	1,296,834	408,438	179,607	-269	1,884,609
Total operating expenses	338,138	171,874	151,737	6,380	668,128
Provision for loan losses	140,398	97,627	85,569	-	323,594
Profit on ordinary activities before tax	818,298	138,937	-57,700	-6,649	892,887
Tax charge	204,575	34,734	-14,425	-1,662	223,221
Profit on ordinary activities after tax	613,724	104,203	-43,274	-4,987	669,665
Other comprehensive income that may be reclassified to profit and loss	-35,681	-	-	-	-35,681
Comprehensive income for the period	578,043	104,203	-43,274	-4,987	633,985

Balance sheet 30.9.16

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Loans to customers	13,212,396	4,623,973	3,357,870	-	21,194,238
Other assets	4,912,342	1,264,834	458,376	12,756	6,648,308
Total assets	18,124,737	5,888,807	3,816,246	12,756	27,842,546
Deposits from customers	13,698,817	5,698,888	2,756,429	-	22,154,135
Other liabilities and equity	4,425,920	189,918	1,059,817	12,756	5,688,411
Total liabilities and equity	18,124,737	5,888,807	3,816,246	12,756	27,842,546

Profit and loss account 2016

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Net interest income	1,595,344	541,796	316,306	15	2,453,461
Net other operating income	169,526	20,439	11,789	-323	201,432
Total income	1,764,871	562,235	328,096	-308	2,654,893
Total operating expenses	454,939	239,906	227,108	6,875	928,828
Provision for loan losses	198,553	139,747	129,957	-	468,257
Profit on ordinary activities before tax	1,111,379	182,581	-28,969	-7,183	1,257,808
Tax charge	261,764	45,645	-7,243	-1,796	298,371
Profit on ordinary activities after tax	849,615	136,936	-21,727	-5,387	959,437
Other comprehensive income that may be reclassified to profit and loss	-35,433	-	-	-	-35,433
Comprehensive income for the period	814,182	136,936	-21,727	-5,387	924,005

Balance sheet 31.12.16

Amounts in NOK 1000	Denmark /				Total
	Norway	Sweden	Finland	Other	
Loans to customers	14,243,563	5,237,858	5,052,562	-	24,533,983
Other assets	4,665,798	659,918	529,964	12,588	5,868,269
Total assets	18,909,361	5,897,776	5,582,526	12,588	30,402,252
Deposits from customers	14,696,396	5,560,880	4,166,497	-	24,423,773
Other liabilities and equity	4,212,965	336,896	1,416,029	12,588	5,978,479
Total liabilities and equity	18,909,361	5,897,776	5,582,526	12,588	30,402,252

Note 3. Loss on loans and guarantees

The Group has no guarantees as at 30.9.2017.

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Realized losses in the period	10,253	5,471	7,176
Individual write-downs on loans including gains/losses from sale of NPL portfolio	119,474	110,715	143,635
Net individual write-downs on loans	129,727	116,186	150,811
The period's change in write-downs on groups of loans including gains/losses from sale of NPL portfolio	343,552	207,408	317,446
Write-downs on loans	473,280	323,594	468,257

Note 4. Loans to customers

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Overdraft facilities and lines of credit	-	2,701	2,147
Credit cards	8,320,599	5,415,179	6,309,014
Instalment loans	22,739,133	16,459,780	19,054,145
Gross loans	31,059,732	21,877,659	25,365,307
Individual write-downs on loans	-72,305	-168,613	-201,116
Write-downs on groups of loans	-851,998	-514,809	-630,208
Net loans to and receivables from customers	30,135,429	21,194,238	24,533,983

Gross loans by geographical regions

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Oslo	2,164,065	1,816,812	1,920,981
Akershus	2,157,120	1,787,257	1,902,542
Hordaland	1,784,597	1,460,983	1,575,081
Rogaland	1,417,148	1,164,801	1,264,380
Østfold	1,020,962	859,271	924,670
Buskerud	892,753	751,906	809,134
Sør-Trøndelag	850,328	701,731	756,027
Nordland	827,426	688,887	741,603
Vestfold	786,125	671,674	715,268
Møre og Romsdal	715,152	583,999	633,056
Troms	610,511	497,787	541,868
Hedmark	556,454	483,477	520,471
Oppland	520,472	424,625	466,573
Telemark	494,561	413,141	454,156
Vest-Agder	420,199	331,513	360,625
Nord-Trøndelag	345,543	286,594	309,964
Finnmark	321,181	272,182	297,023
Aust-Agder	298,122	241,636	261,529
Sogn og Fjordane	214,229	182,039	196,711
Svalbard	3,330	1,782	2,739
Customer does not have a Norwegian address	53,712	237	41,029
Total Norway	16,453,990	13,622,335	14,695,431
Sweden	5,422,842	4,809,088	5,487,645
Denmark / Finland	9,182,900	3,446,236	5,182,230
Gross loans in the balance sheet	31,059,732	21,877,659	25,365,307

Note 5. Risk classes

Amounts in NOK 1000	Probability of default	Gross loans			Undrawn credit limits		
		Q3 2017	Q3 2016	2016	Q3 2017	Q3 2016	2016
A	0 - 0,9 %	4,728,106	3,418,946	3,716,949	25,238,820	17,663,962	19,692,083
B	1 - 2,9 %	12,651,098	8,500,101	9,468,018	1,405,042	821,832	1,153,334
C	3 - 4,9 %	4,010,602	2,872,067	3,279,727	239,193	158,448	237,141
D	5 - 8,9 %	2,576,799	2,232,393	2,743,303	185,050	214,509	194,285
E	9 - 14,9 %	1,543,138	1,222,410	1,616,677	69,514	141,413	83,485
F	15 - 19,9 %	524,702	438,121	555,334	15,495	32,245	19,886
G	20 - 29,9 %	845,314	554,171	685,686	8,860	20,436	11,518
H	30 - 39,9 %	405,901	240,385	324,312	12,977	17,609	14,870
I	40 - 54,9 %	395,029	229,118	312,044	3,463	3,403	3,096
J	55 - 100,0 %	294,324	204,897	261,187	1,570	1,373	1,120
S	23,0 %	500,069	329,027	371,916	-	-	-
T	27,0 %	195,510	83,147	112,350	-	-	-
U	74,0 %	381,656	159,374	205,598	-	-	-
V	100,0 %	1,838,505	1,024,304	1,283,562	-	-	-
W	100,0 %	143,129	328,027	391,040	-	-	-
Total classified		31,033,883	21,836,489	25,327,702	27,179,983	19,075,231	21,410,817
Not classified	70,8 %	25,849	41,170	37,605	38,954	46,993	50,650
Total		31,059,732	21,877,659	25,365,307	27,218,937	19,122,224	21,461,468

Risk is classified as follows: A = lowest risk, W = highest risk

Risk class S consists of engagements during treatment with debt collection companies, where the customer is less than 90 days past originally agreed payment plan. If the customer is on track on engagement, but has at least one other product where payment is more than 90 days past payment plan the engagement is classified in risk class T. Risk class U consists of engagements in warning, but less than 90 days past payment plan, while risk class V consists of engagements more than 90 days past payment plan.

Risk class W consists of written-down engagements, and is engagements individually written down. The other risk classes, including risk class A - J, is included in the calculation for write-downs on groups of engagements.

"Not classified" consists of Norwegian engagements recruited through applications for sales financing and bank accounts with and without credit facilities. In a potential chance of classification of these engagements there are no indications implying that the distribution of risk classes will significantly deviate from what is observed in the classified engagements. The risks associated with customers are classified based on their application and behavioral score. This risk classification is an integrated part of the Bank's credit approval process and is used in the Bank's risk-based product pricing.

The bank only offers credit to the retail customer market, and all credit decisions are made by means of automated decision support systems. Credit is granted based on a qualitative and quantitative analysis of the customer's willingness and ability to pay. The analysis of the willingness to pay identifies the characteristics of the customer which predict future payment conduct, while the analysis of the customer's capacity to service loans are a quantitative evaluation of the customer's ability to repay his obligations, given the customer's current and anticipated future economic situation.

Note 6. Default and loss on loans

Amounts in NOK 1000	Q3 2017	Q3 2016	2016
Gross defaulted loans	1,977,842	1,336,021	1,654,201
Individual write-downs on loans	-72,335	-168,613	-201,116
Write-downs on groups of loans	-851,998	-514,809	-630,208
Net defaulted loans	1,053,510	652,599	822,878

Defaulted loans which are performing 430,789 334,971 403,086

Defaulted loans comprise of loans which are more than 90 days overdue according to payment schedule.

Aging of defaulted, but not written-down loans

The table shows the overdrawn amount on loans by the number of past due days not caused by payment service delays. The entire loan is included when part of the debt is past due.

Amounts in NOK 1000	Q3 2017					Total
	5 - 15 days	16 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	
- Retail market	1,991,416	202,393	643,393	326,398	1,834,687	4,998,287
Total	1,991,416	202,393	643,393	326,398	1,834,687	4,998,287

Amounts in NOK 1000	Q3 2016					Total
	5 - 15 days	16 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	
- Retail market	1,139,322	184,824	388,720	178,758	1,008,310	2,899,935
Total	1,139,322	184,824	388,720	178,758	1,008,310	2,899,935

Amounts in NOK 1000	2016					Total
	5 - 15 days	16 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	
- Retail market	445,913	1,214,820	564,275	218,282	1,263,835	3,707,125
Total	445,913	1,214,820	564,275	218,282	1,263,835	3,707,125

Note 7. Liquidity risk

The liquidity risk is the risk that the Bank is not capable of covering all its financial obligations as they fall due. The liquidity risk is evaluated as low at the time of this report, since a large portion of the Bank's assets consists of easily transferable securities. The asset side is financed by core deposits from the retail market, debt securities and subordinated capital. The Bank manages its liquidity position by short-term cash flow forecasts and liquidity due date summaries. See the Annual Report for further comments.

At 30.9.2017 the Liquidity Coverage Ratio (LCR) at total level for the Bank was 187%. The Bank has significant positions in Norwegian, Swedish and Danish kroner in addition to Euro. At 30.9.2017 the LCR was 215% in Norwegian kroner, 148% in Swedish kroner, 170% in Danish kroner, and 88% in Euro. The legal requirement for Liquidity Coverage Ratio (LCR) at total level and for significant positions is 80% at 30.9.2017, except for Norwegian kroner where the legal requirement is 50%.

Note 8. Loans and deposits with credit institutions and central banks

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Loans and deposits with credit institutions and central banks without agreed maturity or notice period	1,831,444	848,646	1,163,351
Total loans and deposits with credit institutions and central banks	1,831,444	848,646	1,163,351

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
NOK	777,675	301,551	540,723
SEK	600,107	330,926	404,624
DKK	108,548	114,564	151,464
EUR	345,114	101,605	66,539
Total	1,831,444	848,646	1,163,351

Average interest rate Norwegian Finans Holding Group	0.22 %	0.23 %	0.20 %
--	--------	--------	--------

Average interest rate is calculated as interest amount in percentage of average volume for the current period.

Note 9. Net interest income

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Interest income from cash and deposits at central banks	228	248	321
Interest income from loans to and deposits with credit institutions	2,033	1,052	1,393
Interest income from consumer loans	2,253,321	1,457,476	2,095,457
Interest income from overdraft accounts	79	1,016	1,104
Interest income from credit cards	690,066	432,217	618,322
Interest income from sales financing	3,725	4,146	5,494
Interest and other income from certificates and bonds	68,296	44,433	63,885
Other interest and other interest related income	2,553	3,902	5,125
Total interest income	3,020,301	1,944,491	2,791,102
Interest expense from deposits from credit institutions	48	-	8
Interest expense from deposits from customers	314,427	200,939	283,006
Interest expense on debt securities issued	25,955	26,734	35,605
Interest expense on subordinated loan	10,674	5,049	7,790
Other interest and other interest related expenses	13,597	11,232	11,232
Total interest expense	364,701	243,954	337,640
Net interest income	2,655,600	1,700,536	2,453,461

Note 10. Net other operating income

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Payment services	180,491	124,828	170,128
Insurance services	56,048	34,895	47,343
Other fees and commission and bank services income	42,496	24,122	29,142
Total commission and bank services income	279,035	183,845	246,613
Payment services	77,527	39,611	62,968
Insurance services	53,947	29,207	42,427
Other fees and commission and bank services expense	16,043	9,750	14,020
Total commission and bank services expenses	147,517	78,568	119,415

Note 11. Net gain on financial instruments at fair value

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Net gain on certificates and bonds	-3,364	8,148	112
Net gain on FX-forwards	34,928	117,561	102,207
Net currency effects	-20,753	-104,743	-85,915
Net gains on shares and other securities with variable yield	-	57,659	57,659
Total	10,812	78,626	74,064

Note 12. General administrative expenses

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Sales and marketing	528,995	453,399	631,821
IT operations	65,346	52,021	73,257
External services fees and hired temporary staff for ordinary operations	36,672	17,719	24,703
Other administrative expenses	30,033	27,007	43,706
Total	661,047	550,146	773,487

Note 13. Other operating expenses

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Credit information	20,609	21,077	29,045
Auditor	1,413	2,892	2,700
Rental of premises	1,736	1,057	2,168
Insurance	389	381	505
Machinery, fixtures and transport vehicles	287	333	410
Other operating expenses	8,997	9,822	12,082
Total	33,431	35,562	46,911

Note 14. Financial instruments at fair value

Financial instruments at fair value is measured at different levels.

Level 1 Valuation based on quoted prices in an active market

Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

Level 2 Valuation based on observable market data

Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

Level 3 Valuation based on other than observable market data

When valuation can not be determined in level 1 or 2, valuation methods based on non-observable market data are used.

Financial instruments at fair value

Amounts in NOK 1000	Q3 2017			
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	8,365,022	-	8,365,022
Financial derivatives	-	3,304	-	3,304
Shares	-	-	443	443
Financial assets held for sale	-	-	29,841	29,841
Total financial assets at fair value	-	8,368,325	30,284	8,398,609
Financial derivatives	-	11,265	-	11,265
Total financial liabilities at fair value	-	11,265	-	11,265

Amounts in NOK 1000	Q3 2016			
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	5,544,250	-	5,544,250
Financial derivatives	-	14,364	-	14,364
Shares	-	-	443	443
Financial assets held for sale	-	-	24,495	24,495
Total financial assets at fair value	-	5,558,614	24,938	5,583,552
Financial derivatives	-	-	-	-
Total financial liabilities at fair value	-	-	-	-

Amounts in NOK 1000	2016			
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	4,464,203	-	4,464,203
Financial derivatives	-	-	-	-
Shares	-	-	443	443
Financial assets held for sale	-	-	24,745	24,745
Total financial assets at fair value	-	4,464,203	25,188	4,489,391
Financial derivatives	-	6,780	-	6,780
Total financial liabilities at fair value	-	6,780	-	6,780

Change in instruments classified at level 3

Amounts in NOK 1000	Q3 2017		
	Shares	Assets held for sale	Total
Value 31.12.16	443	24,745	25,188
Additions	-	-	-
Disposals	-	-	-
Settlement	-	-	-
Net gain / loss on financial instruments	-	5,095	5,095
Value 30.9.17	443	29,841	30,284

Valuation method

Ownership in Visa Norge FLI

Ownership in Visa Norway FLI is considered to be a financial asset and is classified in the category assets held for sale. The fair value of the asset is estimated at MNOK 29.8. The calculation is based on input from the association, and contains significant estimations. See note 17 for further description of the asset and the value calculation.

Shares in BankID Norge AS

Bank Norwegian AS was at 12.8.2014 issued 280 shares in BankID Norge AS based on the Bank's share of participation in the BankID association. Value of shares were estimated at the going rate at the time granted.

Note 15. Fair value of financial instruments at amortized cost

Financial instruments at amortized cost are valued at originally determined cash flows, adjusted for any impairment losses. Amortized cost will not always give values that match the market's assessment of the same instruments. This may be due to different perceptions of market conditions, risk and return requirements.

Loans and deposits with central banks and credit institutions and deposits from customers

Fair value is estimated to conform with amortized cost.

Loans to customers

Loans to customers are exposed to market competition. This means that the potential added value of the loan portfolio will not be maintained over time. Further, individual and group provisions for loan losses are provided for on an ongoing basis. The fair value of loans to customers is therefore considered to conform to the amortized cost.

Debt securities issued and subordinated loan

The fair value of debt securities issued and subordinated loan are based on observable market data where available.

Fair value of financial instruments at amortized cost

Amounts in NOK 1000	Q3 2017		Q3 2016		2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Cash and deposits with the central bank	61,979	61,979	56,948	56,948	59,992	59,992
Loans and deposits with credit institutions	1,769,465	1,769,465	791,698	791,698	1,103,359	1,103,359
Loans to customers	30,135,429	30,135,429	21,194,238	21,194,238	24,533,983	24,533,983
Total financial assets	31,966,873	31,966,873	22,042,884	22,042,884	25,697,334	25,697,334
Deposits from customers	31,988,426	31,988,426	22,154,135	22,154,135	24,423,773	24,423,773
Debt securities issued	2,040,270	2,042,374	1,991,948	1,990,180	1,823,973	1,823,250
Subordinated loan	474,536	477,240	274,859	274,519	274,915	275,735
Total financial liabilities	34,503,233	34,508,040	24,420,942	24,418,834	26,522,661	26,522,758

Note 16. Debt securities issued and subordinated loan

Debt securities issued

Amounts in NOK 1000	Q3 2017	Q3 2016	2016
Certificates, nominal value	-	86,000	-
Bonds, nominal value	2,036,000	1,900,000	1,820,000
Value adjustments	-145	375	259
Accrued interest	4,416	5,574	3,714
Total debt securities issued	2,040,270	1,991,948	1,823,973

Change in debt securities issued

Amounts in NOK 1000	Balance 30.9.17	Issued	Overdue / redeemed	Other changes	Balance 31.12.16
Certificates, nominal value	-	-	-	-	-
Bonds, nominal value	2,036,000	500,000	-284,000	-	1,820,000
Value adjustments	-145	-	-	-405	259
Accrued interest	4,416	-	-	702	3,714
Total debt securities issued	2,040,270	500,000	-284,000	297	1,823,973

Amounts in NOK 1000	Balance 30.9.16	Issued	Overdue / redeemed	Other changes	Balance 31.12.15
Certificates, nominal value	86,000	-	-114,000	-	200,000
Bonds, nominal value	1,900,000	500,000	-274,000	-	1,674,000
Value adjustments	375	-	-	-603	977
Accrued interest	5,574	-	-	980	4,594
Total debt securities issued	1,991,948	500,000	-388,000	377	1,879,571

Change in subordinated loan

Amounts in NOK 1000	Balance 30.9.17	Issued	Overdue / redeemed	Other changes	Balance 31.12.16
Subordinated loan, nominal value	475,000	200,000	-	-	275,000
Value adjustments	-1,249	-	-	-668	-581
Accrued interest	785	-	-	289	496
Total subordinated loan	474,536	200,000	-	-379	274,915

Amounts in NOK 1000	Balance 30.9.16	Issued	Overdue / redeemed	Other changes	Balance 31.12.15
Subordinated loan, nominal value	275,000	100,000	-	-	175,000
Value adjustments	-599	-	-	-184	-416
Accrued interest	458	-	-	80	378
Total subordinated loan	274,859	100,000	-	-104	174,962

Note 17. Financial assets held for sale

The Bank is a member of Visa Norway FLI ("Visa Norway"), being a shareholder of Visa Europe Ltd. On 2. November 2015, an agreement between Visa Europe Ltd. and Visa Inc. was announced where Visa Inc. acquires all shares in Visa Europe Ltd. This transaction consists of a cash consideration, convertible preference shares and a deferred cash consideration paid three years after completion of the transaction. The process was finalized in June 2016 and the Bank received in this connection its share of the cash consideration based on the Bank's stake in Visa Norway. The cash consideration received of MNOK 57.7 was reclassified to the income statement in 2016. Further changes in the value of the preference shares and the deferred cash consideration are recognized in other comprehensive income.

Note 18. Receivables

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Commissions	93,473	83,765	82,373
Prepaid expenses	15,601	16,938	12,140
Other receivables	14,509	1,745	5,406
Total	123,584	102,448	99,919

Note 19. Other liabilities

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Payables to suppliers	21,413	34,177	40,903
Value added tax	3,987	3,455	3,533
Social security tax	1,445	934	1,862
Tax withholdings	1,504	1,336	2,090
Other liabilities	256,792	12,092	92,375
Total	285,142	51,995	140,764

Note 20. Accrued expenses

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Accrued expenses	141,374	79,415	83,426
Bonus	9,039	10,498	10,152
Holiday pay	3,311	3,100	4,328
Board remuneration	558	738	1,218
Accrued fees	354	298	177
Total	154,636	94,048	99,302

Note 21. Capital adequacy

<i>Amounts in NOK 1000</i>	Q3 2017	Q3 2016	2016
Share capital	186,689	180,104	180,105
+ Share premium reserve	971,182	482,827	481,980
+ Other reserves	3,484,925	2,055,865	2,338,191
- Deferred tax assets and intangible assets	124,004	113,578	115,543
Common equity tier 1	4,518,791	2,605,218	2,884,734
+ Additional Tier 1 capital	635,000	335,000	335,000
Tier 1 capital	5,153,791	2,940,218	3,219,734
+ Tier 2 capital	474,536	274,859	274,915
Total capital	5,628,327	3,215,076	3,494,649

Calculation basis

Credit risk

Covered bonds	193,538	129,111	76,611
+ Institutions	1,073,714	651,775	668,408
+ Loans to customers	21,172,380	15,020,142	17,310,780
+ Defaulted loans and other commitments	2,063,866	1,309,215	1,578,115
+ Other assets	-	65	-
+ Operational risk	2,608,276	1,630,220	1,630,220
Total calculation basis	27,111,774	18,740,528	21,264,135

Common equity tier 1 %	16.67 %	13.90 %	13.57 %
Tier 1 capital %	19.01 %	15.69 %	15.14 %
Total capital %	20.76 %	17.16 %	16.43 %

Note 22. Lease agreements

The Bank is sharing premises with Norwegian Air Shuttle ASA. There is a lease agreement at Fornebu. The agreement expires 31.3.2018 (with extension option up to 31.3.2020), and the tenancy terminates without notice. The annual rent totals MNOK 1.9.

Note 23. Related parties

Bank Norwegian and Norwegian Air Shuttle ASA have since October 2007 had an agreement regarding the Bank's use of the brand name Norwegian, IP-rights, and co-operation regarding the loyalty program and credit cards. The agreement is later expanded to sales financing. In connection with the Bank's establishment in Sweden, the original agreement was replaced by new agreements as of 1.1.2013, with a duration of three years. The agreement is renegotiated and extended until 31.12.2020, and applies to Norway, Sweden, Denmark and Finland. All accrued rights remain. In addition to the co-operation agreement regarding use of brand name and IP-rights, agent agreements have been entered into relating to distribution of financial services regarding credit cards and sales financing of airline tickets.

Norwegian Finans Holding ASA (org. number 991 281 924) owns 100% of Bank Norwegian AS (org. number 991 455 671).

Note 24. Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

Quarterly figures

Profit and loss account

Amounts in NOK 1000	Norwegian Finans Holding Group				
	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest income	1,069,793	1,016,460	934,049	846,611	740,707
Interest expenses	132,140	124,215	108,347	93,686	86,367
Net interest income	937,653	892,245	825,702	752,925	654,339
Commission and bank services income	104,415	93,728	80,892	62,767	67,989
Commission and bank services expenses	55,250	50,118	42,149	40,846	29,834
Net change in value on securities and currency	685	4,612	5,516	-4,562	5,752
Other income	-	-	-	-	170
Net other operating income	49,850	48,222	44,258	17,359	44,077
Total income	987,503	940,467	869,960	770,284	698,416
Personnel expenses	18,711	16,351	19,394	14,713	17,977
General administrative expenses	229,649	215,419	215,979	223,340	210,998
Ordinary depreciation	10,403	10,861	11,375	11,299	10,761
Other operating expenses	11,008	10,835	11,589	11,348	11,772
Total operating expenses	269,771	253,466	258,336	260,700	251,508
Provision for loan losses	140,862	155,193	177,224	144,663	119,073
Profit on ordinary activities before tax	576,870	531,808	434,400	364,921	327,836
Tax charge	144,424	132,779	108,609	75,149	81,959
Profit on ordinary activities after tax	432,446	399,029	325,791	289,772	245,877

Comprehensive income

Amounts in NOK 1000	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Profit on ordinary activities after tax	432,446	399,029	325,791	289,772	245,877
Change in fair value for assets held for sale	1,466	937	2,691	250	1,147
Tax	-11	-7	-20	-2	-9
Other comprehensive income that may be reclassified to profit and loss	1,455	930	2,671	248	1,138
Comprehensive income for the period	433,901	399,959	328,462	290,020	247,015

Balance sheet

Amounts in NOK 1000	30.9.17	30.6.17	31.3.17	31.12.16	30.9.16
Assets					
Cash and deposits with the central bank	61,979	61,981	59,986	59,992	56,948
Loans and deposits with credit institutions	1,769,465	1,394,852	1,071,771	1,103,359	791,698
Loans to customers	30,135,429	28,868,053	27,152,968	24,533,983	21,194,238
Certificates and bonds	8,365,022	8,185,779	6,567,532	4,464,203	5,544,250
Financial derivatives	3,304	946	2,578	-	14,364
Shares and other securities	443	443	443	443	443
Assets held for sale	29,841	28,374	27,437	24,745	24,495
Intangible assets	115,579	117,965	113,698	107,826	103,706
Deferred tax asset	8,425	8,318	7,925	7,717	9,872
Fixed assets	1,071	1,094	54	65	84
Receivables	123,584	131,124	126,469	99,919	102,448
Total assets	40,614,141	38,798,929	35,130,859	30,402,252	27,842,546
Liabilities and equity					
Deposits from customers	31,988,426	30,922,923	28,249,846	24,423,773	22,154,135
Debt securities issued	2,040,270	2,040,622	1,798,667	1,823,973	1,991,948
Financial derivatives	11,265	3,999	-	6,780	-
Tax payable	382,070	239,822	310,971	297,468	221,766
Other liabilities	285,142	163,695	253,117	140,764	51,995
Accrued expenses	154,636	101,988	92,092	99,302	94,048
Subordinated loan	474,536	474,721	274,892	274,915	274,859
Total liabilities	35,336,346	33,947,770	30,979,585	27,066,976	24,788,750
Share capital	186,689	186,619	186,619	180,104	180,104
Share premium reserve	971,182	966,570	966,825	481,980	482,827
Paid, not registered capital	-	4,683	-	-	-
Tier 1 capital	635,000	635,000	335,000	335,000	335,000
Retained earnings and other reserves	3,484,925	3,058,288	2,662,831	2,338,192	2,055,865
Total equity	5,277,796	4,851,159	4,151,274	3,335,276	3,053,796
Total liabilities and equity	40,614,141	38,798,929	35,130,859	30,402,252	27,842,546

Profit and loss account

Amounts in NOK 1000	Norwegian Finans Holding ASA				
	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Interest income	2	2	43	12	15
Interest expenses	-	-	-	-	-
Net interest income	2	2	43	12	15
Commission and bank services income	-	-	-	-	-
Commission and bank services expenses	110	40	298	282	323
Net change in value on securities and currency	-	-	-	-	6,164
Other income	-	-	-	-	-
Net other operating income	-110	-40	-298	-282	5,841
Total income	-109	-37	-255	-269	5,856
Personnel expenses	298	438	706	1,644	2,099
General administrative expenses	-	-	-	-	-
Ordinary depreciation	-	-	-	-	-
Other operating expenses	421	352	1,610	4,736	4,775
Total operating expenses	719	790	2,316	6,380	6,875
Provision for loan losses	-	-	-	-	-
Profit on ordinary activities before tax	-828	-827	-2,571	-6,649	-1,019
Tax charge	-107	-207	-708	-1,662	-255
Profit on ordinary activities after tax	-721	-620	-1,863	-4,987	-764

Comprehensive income

Amounts in NOK 1000	Norwegian Finans Holding ASA				
	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Profit on ordinary activities after tax	-721	-620	-1,863	-4,987	-764
Comprehensive income for the period	-721	-620	-1,863	-4,987	-764

Balance sheet

Amounts in NOK 1000	Norwegian Finans Holding ASA		
	30.9.17	30.9.16	31.12.16
Assets			
Loans and deposits with credit institutions	6,820	9,540	8,643
Ownership interests in group companies	1,150,000	650,000	650,000
Deferred tax asset	4,654	3,203	3,946
Receivables	423	12	6,164
Total assets	1,161,897	662,756	668,752
Liabilities and equity			
Other liabilities	6	16	32
Accrued expenses	873	1,172	1,627
Total liabilities	879	1,188	1,659
Share capital	186,689	180,104	180,105
Share premium reserve	971,182	482,827	481,980
Retained earnings and other reserves	3,146	-1,363	5,008
Total equity	1,161,017	661,567	667,093
Total liabilities and equity	1,161,897	662,756	668,752

Bærum, October 30, 2017
Board of Directors of Norwegian Finans Holding ASA

Bjørn H. Kise
Chairman of the Board

Anita Aarnæs
Board Member

John Høstelund
Board Member

Brede G. Huser
Board Member

Christine Rødsæther
Board Member

Tine Wollebekk
CEO

Cash flow statement

<i>Amounts in NOK 1000</i>	Norwegian Finans Holding ASA		
	Q3 2017	Q3 2016	2016
Profit / loss after tax	-1,863	-4,987	-764
Change in other accruals	5,033	-1,675	-8,569
Change in short-term liabilities	-780	-172	324
Net cash flow from operating activities	2,390	-6,834	-9,009
Investment in group companies	-500,000	-340,000	-340,000
Net cash flow from investment activities	-500,000	-340,000	-340,000
Paid-in equity	495,787	339,359	340,637
Net cash flow from financing activities	495,787	339,359	340,637
Net cash flow for the period	-1,823	-7,474	-8,372
Cash and cash equivalents at the start of the period	8,643	17,014	17,014
Cash and cash equivalents at the end of the period	6,820	9,540	8,643

Changes in equity

<i>Amounts in NOK 1000</i>	Norwegian Finans Holding ASA				
	Share capital	Share premium reserve	Paid, not registered capital	Retained earnings and other reserves	Total equity
Balance 31.12.16	180,105	481,980	-	5,008	667,093
This period's profit	-	-	-	-1,863	-1,863
Comprehensive income for the period	-	-	-	-1,863	-1,863
Capital increase	6,585	498,098	-	-	504,683
Share issue expenses	-	-8,895	-	-	-8,895
Balance 30.9.17	186,689	971,182	-	3,146	1,161,017
Balance 31.12.15	173,195	150,402	-	3,623	327,220
This period's profit	-	-	-	-4,987	-4,987
Comprehensive income for the period	-	-	-	-4,987	-4,987
Capital increase	6,909	340,178	-	-	347,087
Share issue expenses	-	-7,753	-	-	-7,753
Balance 30.9.16	180,104	482,827	-	-1,363	661,567

Notes for Norwegian Finans Holding ASA

General accounting principles

The interim report for the third quarter 2017 is prepared according to International Financial Reporting Standards as adopted by the European Union, hereunder IAS 34 Interim Financial Reporting. The interim report for the third quarter 2017 is prepared using the same accounting principles and calculation methods as described in the annual report 2016, and should be read in conjunction with this.

Shares held by Norwegian Finans Holding ASA is 100% of the shares of Bank Norwegian AS. These are recorded in the financial statements at cost and are eliminated on consolidation.