

Report for the second quarter 2017

Norwegian Finans Holding ASA

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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 second quarter 2017 the bank had a customer base of 1,101,000 customers, which can be broken down into 788,500 credit card customers, 160,800 loan customers and 151,700 deposit customers.

Profit and loss as of June 30, 2017

The NFH Group's comprehensive income amounted to MNOK 728.4 as of June 30, 2017, compared with MNOK 387.0 for the same period in 2016. Net interest income totalled MNOK 1,717.9, net other operating income amounted to MNOK 92.5, while total operating expenses were MNOK 511.8. Provisions for loan losses were MNOK 332.4.

Profit and loss for the second quarter of 2017

The NFH Group's comprehensive income amounted to MNOK 400.0 compared with MNOK 328.5 in the first quarter 2017. Annual return on equity in the second quarter was 39.8%, while return on assets was 4.3%.

Net interest income amounted to MNOK 892.2, an increase of MNOK 66.5 from the first quarter. The net interest margin was 9.7%, compared with 10.3% in the first quarter. The decrease is explained by a higher share of liquid assets in the quarter.

Net other operating income amounted to MNOK 48.2 compared with MNOK 44.3 in the first quarter. Net commission income increased MNOK 4.9 to MNOK 43.6 due to increased credit card activity. Net gain on securities and currency amounted to MNOK 4.6, compared with a net gain of MNOK 5.5 in the first quarter.

Total operating expenses amounted to MNOK 253.5 compared with MNOK 258.3 in the first quarter. Personnel expenses decreased MNOK 3.0, due to accrual effects. The decrease in administrative expenses of MNOK 0.6, is explained by decreased marketing expenses offset by non-recurring expenses related to SDC core system conversion. Depreciation decreased MNOK 0.5. Other operating expenses decreased MNOK 0.8.

The bank's write-downs on loans were MNOK 155.2, a decrease of MNOK 22.0 from the first quarter. The decrease is mainly explained by gains from the sale of a portfolio of non-performing loans in Sweden of MSEK 43.2, with a book value of approximately MSEK 585. Write-downs equalled 2.2% of average gross loans, compared with 2.6% in the first quarter. The decrease is mainly due to the sale of the Swedish non-performing loans portfolio. Gross delinquent loans were MNOK 1,853, compared with MNOK 2,069 at the end of first quarter. Delinquent loans accounted for 6.2% of gross loans, compared with 7.3% at the end of the previous quarter. Gross non-performing loans accounted for 4.3% of gross loans, compared with 4.8% as of 31.3.2017.

Balance sheet as of June 30, 2017

Total assets increased MNOK 3,668 in the quarter and amounted to MNOK 38,799.

Net loans to customers increased MNOK 1,715 and amounted to MNOK 28,868. Consumer loans amounted to MNOK 22,022 and credit card loans amounted to MNOK 7,795.

Customer deposits increased MNOK 2,673 and amounted to MNOK 30,923 at the end of the quarter.

Liquid assets increased MNOK 1,943 and amounted to MNOK 9,643, equivalent to 24.9% of total assets.

In the second quarter the bank issued MNOK 300 in Tier 1 capital and MNOK 200 in subordinated loans. Total equity amounted to MNOK 4,851, compared with MNOK 4,151 as of 31.3.2017. The total capital ratio was 20.0%, the core capital ratio was 18.1% and the common equity tier 1 ratio was 15.7%.

There has been a limited review of the accounts as of 30.6.2017, and the full result is added to retained earnings.

Outlook for the remaining of the year

The economic trends differ in the Nordic markets where the bank operates. 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. The Nordic market for unsecured credit is impacted by increased competition. Increased competition may lead to higher customer acquisition cost, margin pressure and lower growth.

The bank has a broad Nordic platform and loan volumes grow faster outside Norway. Consequently, enacted and proposed regulations from the Norwegian regulators are estimated to have a more limited impact on the bank's development going forward.

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 bank has entered into an agreement to transfer a portfolio of non-performing loans in Norway at

August 1, 2017, with an estimated book value of MNOK 240 and an estimated earnings impact of MNOK 45.

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 has appealed the Norwegian Financial Supervisory Authority's decision on the Pillar 2-requirements and will communicate revised capital adequacy targets after a final decision has been reached. The bank has reached the current minimum capital adequacy requirement and there are capacity for increased growth going forward.

The current capital base and internal generation of capital are considered sufficient to ensure the bank's growth ambitions.

Bærum, August 14, 2017
Board of directors in 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 Wollebekk
CEO

Profit and loss account

		Norwegian Finans Holding Group				
<i>Amounts in NOK 1000</i>	Note	Q2 2017	Q2 2016	YTD 2017	YTD 2016	2016
Interest income		1,016,460	652,738	1,950,509	1,203,784	2,791,102
Interest expenses		124,215	75,507	232,561	157,587	337,640
Net interest income	9	892,245	577,231	1,717,947	1,046,197	2,453,461
Commission and bank services income	10	93,728	60,255	174,620	115,856	246,613
Commission and bank services expenses	10	50,118	27,453	92,267	48,735	119,415
Net change in value on securities and currency	11	4,612	65,958	10,127	72,874	74,064
Other income		-	-	-	-	170
Net other operating income		48,222	98,759	92,480	139,996	201,432
Total income		940,467	675,990	1,810,427	1,186,193	2,654,893
Personnel expenses		16,351	15,564	35,745	33,315	66,004
General administrative expenses	12	215,419	180,711	431,398	339,148	773,487
Ordinary depreciation		10,861	10,465	22,236	20,368	42,427
Other operating expenses	13	10,835	14,927	22,423	23,790	46,911
Total operating expenses		253,466	221,667	511,803	416,620	928,828
Provision for loan losses	3	155,193	109,494	332,417	204,521	468,257
Profit on ordinary activities before tax		531,808	344,829	966,207	565,051	1,257,808
Tax charge		132,779	86,207	241,387	141,263	298,371
Profit on ordinary activities after tax		399,029	258,622	724,820	423,788	959,437
Earnings per share (kroner)		2.19	1.49	3.97	2.43	5.40
Diluted earning per share (kroner)		2.19	1.49	3.97	2.43	5.40

Comprehensive income

		Norwegian Finans Holding Group				
<i>Amounts in NOK 1000</i>		Q2 2017	Q2 2016	YTD 2017	YTD 2016	2016
Profit on ordinary activities after tax		399,029	258,622	724,820	423,788	959,437
Change in fair value for assets held for sale		937	-37,097	3,629	-37,097	-35,700
Tax		-7	278	-27	278	268
Other comprehensive income that may be reclassified to profit and loss		930	-36,819	3,602	-36,819	-35,433
Comprehensive income for the period		399,959	221,802	728,421	386,969	924,005

Balance sheet

Amounts in NOK 1000	Note	Norwegian Finans Holding Group		
		30.6.17	30.6.16	31.12.16
Assets				
Cash and deposits with the central bank	8, 15	61,981	56,958	59,992
Loans and deposits with credit institutions	8, 15	1,394,852	882,907	1,103,359
Loans to customers	4, 5, 6, 15	28,868,053	18,578,755	24,533,983
Certificates and bonds	14	8,185,779	4,816,506	4,464,203
Financial derivatives	14	946	6,775	-
Shares and other securities	14	443	443	443
Assets held for sale	14, 17	28,374	23,348	24,745
Intangible assets		117,965	104,374	107,826
Deferred tax asset		8,318	9,665	7,717
Fixed assets		1,094	400	65
Receivables	18	131,124	137,302	99,919
Total assets		38,798,929	24,617,434	30,402,252
Liabilities and equity				
Deposits from customers	15	30,922,923	19,640,676	24,423,773
Debt securities issued	15, 16	2,040,622	1,906,711	1,823,973
Financial derivatives	14	3,999	-	6,780
Tax payable		239,822	140,088	297,468
Other liabilities	19	163,695	90,599	140,764
Accrued expenses	20	101,988	65,668	99,302
Subordinated loan	15, 16	474,721	174,929	274,915
Total liabilities		33,947,770	22,018,672	27,066,976
Share capital		186,619	179,995	180,105
Share premium reserve		966,570	475,874	481,980
Paid, not registered capital		4,683	7,087	-
Tier 1 capital		635,000	125,000	335,000
Retained earnings and other reserves		3,058,288	1,810,807	2,338,191
Total equity	21	4,851,159	2,598,763	3,335,276
Total liabilities and equity		38,798,929	24,617,434	30,402,252

Bærum, August 14, 2017
Board of Directors of Norwegian Finans Holding ASA

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Board Member

Tine Wollebekk
CEO

Cash flow statement

<i>Amounts in NOK 1000</i>	Norwegian Finans Holding Group		
	Q2 2017	Q2 2016	2016
Profit / loss after tax	728,421	386,969	924,005
Unrealized gains or losses on currency	10,445	44,557	72,541
Depreciations and amortizations	22,236	7,601	14,092
Net gain from sale of fixed assets	-	-	-170
Provision for loan losses	332,417	204,521	468,257
Change in loans	-4,685,149	-5,001,074	-11,062,706
Change in deposits from customers	6,499,150	6,274,086	11,057,183
Change in securities	-3,721,577	-1,847,977	-1,495,673
Change in assets held for sale, before tax	3,629	-37,097	-21,959
Change in other accruals	-32,752	43,130	-95,284
Change in short-term liabilities	-34,810	-29,438	218,523
Net cash flow from operating activities	-877,990	45,279	78,808
Proceeds from settlement of assets held for sale	-	57,659	57,659
Payment for acquisition of intangible assets	-20,950	-12,220	-22,094
Payment for acquisition of fixed assets	-1,050	-	-
Disposals of fixed assets	-	-	450
Net cash flow from investment activities	-22,000	45,439	36,016
Paid-in equity	495,787	332,272	340,637
Change in debt securities issued	216,649	27,140	-55,597
Change in subordinated loan	199,806	-33	99,953
Issued Tier 1 capital	299,250	-	209,160
Payment to Tier 1 capital investors	-7,576	-2,503	-9,912
Net cash flow from financing activities	1,203,916	356,876	584,240
Currency effect on cash and cash equivalents	-10,445	-44,557	-72,541
Net cash flow for the period	293,482	403,038	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	1,456,833	939,866	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	-	-	-	-	724,820	724,820
Items that may be reclassified to profit and loss, after tax	-	-	-	-	3,602	3,602
Comprehensive income for the period	-	-	-	-	728,421	728,421
Paid interest Tier 1 capital	-	-	-	-	-7,576	-7,576
Capital increase	6,515	493,485	4,683	-	-	504,683
Share issue expenses	-	-8,895	-	-	-	-8,895
Issued Tier 1 capital	-	-	-	300,000	-750	299,250
Balance 30.6.17	186,619	966,570	4,683	635,000	3,058,287	4,851,159
Balance 31.12.15	173,195	150,402	-	125,000	1,422,685	1,871,282
This period's profit	-	-	-	-	423,788	423,788
Items that may be reclassified to profit and loss, after tax	-	-	-	-	-36,819	-36,819
Comprehensive income for the period	-	-	-	-	386,969	386,969
Paid interest Tier 1 capital	-	-	-	-	-3,337	-3,337
Capital increase	6,800	333,200	7,087	-	-	347,087
Share issue expenses	-	-7,728	-	-	-	-7,728
Other equity changes	-	-	-	-	4,490	4,490
Balance 30.6.16	179,995	475,874	7,087	125,000	1,810,807	2,598,763

Notes for Norwegian Finans Holding Group

Note 1. General accounting principles

The interim report for the second 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 second 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 reclassification), 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 reclassification). 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 or those 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 were 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 Q2 2017

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
Net interest income	953,850	321,670	442,386	41	1,717,947
Net other operating income	62,580	28,937	1,152	-188	92,480
Total income	1,016,430	350,606	443,538	-147	1,810,427
Total operating expenses	252,282	111,428	146,496	1,596	511,803
Provision for loan losses	128,084	59,869	144,465	-	332,417
Profit on ordinary activities before tax	636,063	179,309	152,578	-1,743	966,207
Tax charge	159,021	44,827	38,140	-601	241,387
Profit on ordinary activities after tax	477,042	134,482	114,438	-1,142	724,820
Other comprehensive income that may be reclassified to profit and loss	3,602	-	-	-	3,602
Comprehensive income for the period	480,644	134,482	114,438	-1,142	728,421

Balance sheet 30.6.17

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
Loans to customers	15,678,158	5,223,041	7,966,853	-	28,868,053
Other assets	7,827,478	867,892	1,227,875	7,631	9,930,876
Total assets	23,505,637	6,090,933	9,194,728	7,631	38,798,929
Deposits from customers	17,374,054	5,601,487	7,947,382	-	30,922,923
Other liabilities and equity	6,131,583	489,446	1,247,346	7,631	7,876,006
Total liabilities and equity	23,505,637	6,090,933	9,194,728	7,631	38,798,929

Profit and loss account Q2 2016

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
Net interest income	718,421	248,996	78,769	10	1,046,197
Net other operating income	122,901	13,872	3,464	-242	139,996
Total income	841,322	262,868	82,234	-232	1,186,193
Total operating expenses	222,608	109,608	78,814	5,590	416,620
Provision for loan losses	98,828	59,893	45,800	-	204,521
Profit on ordinary activities before tax	519,887	93,368	-42,381	-5,822	565,051
Tax charge	129,972	23,342	-10,595	-1,455	141,264
Profit on ordinary activities after tax	389,915	70,026	-31,786	-4,366	423,788
Other comprehensive income that may be reclassified to profit and loss	-36,819	-	-	-	-36,819
Comprehensive income for the period	353,096	70,026	-31,786	-4,366	386,969

Balance sheet 30.6.16

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
Loans to customers	12,188,441	4,395,739	1,994,575	-	18,578,755
Other assets	4,201,991	1,603,574	218,397	14,718	6,038,679
Total assets	16,390,432	5,999,313	2,212,971	14,718	24,617,434
Deposits from customers	12,552,027	5,859,970	1,228,680	-	19,640,676
Other liabilities and equity	3,838,406	139,343	984,292	14,718	4,976,758
Total liabilities and equity	16,390,432	5,999,313	2,212,971	14,718	24,617,434

Profit and loss account 2016

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
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

<i>Amounts in NOK 1000</i>	Norway	Sweden	Denmark / Finland	Other	Total
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 30.6.2017.

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Realized losses in the period	5,873	3,446	7,176
Individual write-downs on loans including gains/losses from sale of NPL portfolio	81,229	76,969	143,635
Net individual write-downs on loans	87,101	80,414	150,811
The period's change in write-downs on groups of loans including gains/losses from sale of NPL portfolio	245,316	124,106	317,446
Write-downs on loans	332,417	204,521	468,257

Note 4. Loans to customers

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Overdraft facilities and lines of credit	-	4,856	2,147
Credit cards	7,795,027	4,645,538	6,309,014
Instalment loans	22,021,819	14,511,315	19,054,145
Gross loans	29,816,846	19,161,709	25,365,307
Individual write-downs on loans	-227,163	-139,371	-201,116
Write-downs on groups of loans	-721,631	-443,583	-630,208
Net loans to and receivables from customers	28,868,053	18,578,755	24,533,983

Loans by geographical regions

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Oslo	2,119,244	1,664,737	1,920,981
Akershus	2,105,332	1,652,357	1,902,542
Hordaland	1,751,260	1,347,991	1,575,081
Rogaland	1,396,265	1,070,743	1,264,380
Østfold	1,017,203	788,566	924,670
Buskerud	885,627	698,642	809,134
Sør-Trøndelag	842,293	655,816	756,027
Nordland	825,780	634,693	741,603
Vestfold	783,387	630,534	715,268
Møre og Romsdal	710,667	539,694	633,056
Troms	598,161	463,439	541,868
Hedmark	567,429	441,211	520,471
Oppland	518,752	395,241	466,573
Telemark	490,702	380,282	454,156
Vest-Agder	412,867	300,736	360,625
Nord-Trøndelag	339,699	262,254	309,964
Finnmark	296,495	246,625	297,023
Aust-Agder	324,836	220,722	261,529
Sogn og Fjordane	218,213	166,941	196,711
Svalbard	3,003	1,801	2,739
Customer does not have a Norwegian address	44,271	155	41,029
Total Norway	16,251,486	12,563,182	14,695,431
Sweden	5,314,369	4,556,437	5,487,645
Denmark / Finland	8,250,991	2,042,090	5,182,230
Gross loans in the balance sheet	29,816,846	19,161,709	25,365,307

Note 5. Risk classes

Amounts in NOK 1000	Probability of default	Gross loans			Undrawn credit limits		
		Q2 2017	Q2 2016	2016	Q2 2017	Q2 2016	2016
A	0 - 0,9 %	4,513,402	3,078,726	3,716,949	23,099,224	16,718,029	19,692,083
B	1 - 2,9 %	12,153,231	6,922,766	9,468,018	1,196,504	753,677	1,153,334
C	3 - 4,9 %	4,000,508	2,516,561	3,279,727	221,164	158,937	237,141
D	5 - 8,9 %	2,587,163	2,186,012	2,743,303	178,376	114,357	194,285
E	9 - 14,9 %	1,454,621	1,211,543	1,616,677	79,421	94,861	83,485
F	15 - 19,9 %	507,394	432,492	555,334	20,278	22,369	19,886
G	20 - 29,9 %	736,010	463,628	685,686	12,036	13,673	11,518
H	30 - 39,9 %	369,019	194,326	324,312	16,364	16,195	14,870
I	40 - 54,9 %	320,179	189,602	312,044	3,945	3,441	3,096
J	55 - 100,0 %	280,527	174,474	261,187	1,863	1,382	1,120
S	23,0 %	498,833	307,724	371,916	-	-	-
T	27,0 %	173,774	57,447	112,350	-	-	-
U	74,0 %	313,079	118,929	205,598	-	-	-
V	100,0 %	1,426,486	883,083	1,283,562	-	-	-
W	100,0 %	440,470	365,998	391,040	-	-	-
Total classified		29,774,697	19,103,309	25,327,702	24,829,176	17,896,921	21,410,817
Not classified	70,8 %	42,149	58,401	37,605	59,634	77,550	50,650
Total		29,816,846	19,161,709	25,365,307	24,888,809	17,974,471	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	Q2 2017	Q2 2016	2016
Gross defaulted loans	1,853,308	1,144,768	1,654,201
Individual write-downs on loans	-227,163	-139,371	-201,116
Write-downs on groups of loans	-721,631	-443,583	-630,208
Net defaulted loans	904,515	561,814	822,878

Defaulted loans which are performing 367,533 276,086 403,086

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	Q2 2017					Total
	5 - 15 days	16 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	
- Retail market	1,636,968	172,222	549,524	373,271	1,412,725	4,144,711
Total	1,636,968	172,222	549,524	373,271	1,412,725	4,144,711

Amounts in NOK 1000	Q2 2016					Total
	5 - 15 days	16 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	
- Retail market	851,627	150,065	328,609	153,408	874,069	2,357,778
Total	851,627	150,065	328,609	153,408	874,069	2,357,778

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 30.6.2017 the Liquidity Coverage Ratio (LCR) at total level for the Bank was 169%. The legal requirement for liquidity reserve (LCR) at total level is 80% at 30.6.2017. The Bank has significant positions in Norwegian, Swedish and Danish kroner in addition to Euro. At 30.6.2017 the LCR was 235% in Norwegian kroner, 51% in Swedish kroner, 114% in Danish kroner, and 0% in Euro.

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

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Loans and deposits with credit institutions and central banks without agreed maturity or notice period	1,456,833	939,866	1,163,351
Total loans and deposits with credit institutions and central banks	1,456,833	939,866	1,163,351

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
NOK	612,004	456,383	540,723
SEK	389,994	286,949	404,624
DKK	261,536	129,582	151,464
EUR	193,298	66,952	66,539
Total	1,456,833	939,866	1,163,351

Average interest rate Norwegian Finans Holding Group	0.44 %	0.43 %	0.20 %
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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>	Q2 2017	Q2 2016	2016
Interest income from cash and deposits at central banks	149	175	321
Interest income from loans to and deposits with credit institutions	1,302	1,024	1,393
Interest income from consumer loans	1,460,959	901,531	2,095,457
Interest income from overdraft accounts	79	889	1,104
Interest income from credit cards	439,855	272,614	618,322
Interest income from sales financing	2,647	2,897	5,494
Interest and other income from certificates and bonds	43,672	23,118	63,885
Other interest and other interest related income	1,846	1,536	5,125
Total interest income	1,950,509	1,203,784	2,791,102
Interest expense from deposits from credit institutions	30	-	8
Interest expense from deposits from customers	200,227	125,484	283,006
Interest expense on debt securities issued	17,619	17,591	35,605
Interest expense on subordinated loan	5,889	3,281	7,790
Other interest and other interest related expenses	8,796	11,232	11,232
Total interest expense	232,561	157,587	337,640
Net interest income	1,717,947	1,046,197	2,453,461

Note 10. Net other operating income

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Payment services	109,857	77,699	170,128
Insurance services	42,304	23,484	47,343
Other fees and commission and bank services income	22,459	14,673	29,142
Total commission and bank services income	174,620	115,856	246,613
Payment services	47,586	23,475	62,968
Insurance services	34,365	19,322	42,427
Other fees and commission and bank services expense	10,316	5,938	14,020
Total commission and bank services expenses	92,267	48,735	119,415

Note 11. Net gain on financial instruments at fair value

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Net gain on certificates and bonds	-946	9,319	112
Net gain on FX-forwards	62,961	82,551	102,207
Net currency effects	-51,888	-76,655	-85,915
Net gains on shares and other securities with variable yield	-	57,659	57,659
Total	10,127	72,874	74,064

Note 12. General administrative expenses

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Sales and marketing	341,548	277,162	631,821
IT operations	48,286	35,024	73,257
External services fees and hired temporary staff for ordinary operations	22,437	11,530	24,703
Other administrative expenses	19,127	15,431	43,706
Total	431,398	339,148	773,487

Note 13. Other operating expenses

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Credit information	14,096	12,706	29,045
Auditor	1,070	1,090	2,700
Rental of premises	1,110	697	2,168
Insurance	262	259	505
Machinery, fixtures and transport vehicles	193	228	410
Other operating expenses	5,693	8,810	12,082
Total	22,423	23,790	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	Q2 2017			
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	8,185,779	-	8,185,779
Financial derivatives	-	946	-	946
Shares	-	-	443	443
Financial assets held for sale	-	-	28,374	28,374
Total financial assets at fair value	-	8,186,726	28,817	8,215,543
Financial derivatives	-	3,999	-	3,999
Total financial liabilities at fair value	-	3,999	-	3,999

Amounts in NOK 1000	Q2 2016			
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	4,816,506	-	4,816,506
Financial derivatives	-	6,775	-	6,775
Shares	-	-	443	443
Financial assets held for sale	-	-	23,348	23,348
Total financial assets at fair value	-	4,823,281	23,791	4,847,073
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	Q2 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	-	3,629	3,629
Value 30.6.17	443	28,374	28,817

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 28,4. 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

<i>Amounts in NOK 1000</i>	Q2 2017		Q2 2016		2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Cash and deposits with the central bank	61,981	61,981	56,958	56,958	59,992	59,992
Loans and deposits with credit institutions	1,394,852	1,394,852	882,907	882,907	1,103,359	1,103,359
Loans to customers	28,868,053	28,868,053	18,578,755	18,578,755	24,533,983	24,533,983
Total financial assets	30,324,885	30,324,885	19,518,621	19,518,621	25,697,334	25,697,334
Deposits from customers	30,922,923	30,922,923	19,640,676	19,640,676	24,423,773	24,423,773
Debt securities issued	2,040,622	2,042,374	1,906,711	1,895,487	1,823,973	1,823,250
Subordinated loan	474,721	477,240	174,929	174,519	274,915	275,735
Total financial liabilities	33,438,266	33,442,537	21,722,317	21,710,682	26,522,661	26,522,758

Note 16. Debt securities issued and subordinated loan

Debt securities issued

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Certificates, nominal value	-	200,000	-
Bonds, nominal value	2,036,000	1,700,000	1,820,000
Value adjustments	-93	530	259
Accrued interest	4,715	6,181	3,714
Total debt securities issued	2,040,622	1,906,711	1,823,973

Change in debt securities issued

<i>Amounts in NOK 1000</i>	Balance 30.6.17	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	-93	-	-	-352	259
Accrued interest	4,715	-	-	1,001	3,714
Total debt securities issued	2,040,622	500,000	-284,000	649	1,823,973

<i>Amounts in NOK 1000</i>	Balance 30.6.16	Issued	Overdue / redeemed	Other changes	Balance 31.12.15
Certificates, nominal value	200,000	-	-	-	200,000
Bonds, nominal value	1,700,000	300,000	-274,000	-	1,674,000
Value adjustments	530	-	-	-447	977
Accrued interest	6,181	-	-	1,587	4,594
Total debt securities issued	1,906,711	300,000	-274,000	1,140	1,879,571

Change in subordinated loan

<i>Amounts in NOK 1000</i>	Balance 30.6.17	Issued	Overdue / redeemed	Other changes	Balance 31.12.16
Subordinated loan, nominal value	475,000	200,000	-	-	275,000
Value adjustments	-1,287	-	-	-706	-581
Accrued interest	1,008	-	-	512	496
Total subordinated loan	474,721	200,000	-	-194	274,915

<i>Amounts in NOK 1000</i>	Balance 30.6.16	Issued	Overdue / redeemed	Other changes	Balance 31.12.15
Subordinated loan, nominal value	175,000	-	-	-	175,000
Value adjustments	-390	-	-	26	-416
Accrued interest	319	-	-	-59	378
Total subordinated loan	174,929	-	-	-33	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>	Q2 2017	Q2 2016	2016
Commissions	91,660	82,709	82,373
Prepaid expenses	16,575	37,311	12,140
Other receivables	22,889	17,282	5,406
Total	131,124	137,302	99,919

Note 19. Other liabilities

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Payables to suppliers	39,454	62,663	40,903
Value added tax	8,909	4,164	3,533
Social security tax	3,981	3,057	1,862
Tax withholdings	5,996	6,333	2,090
Other liabilities	105,355	14,382	92,375
Total	163,695	90,599	140,764

Note 20. Accrued expenses

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Accrued expenses	91,996	55,858	83,426
Bonus	7,250	7,198	10,152
Holiday pay	2,142	1,974	4,328
Board remuneration	558	570	1,218
Accrued fees	41	68	177
Total	101,988	65,668	99,302

Note 21. Capital adequacy

<i>Amounts in NOK 1000</i>	Q2 2017	Q2 2016	2016
Share capital	191,301	180,104	180,105
+ Share premium reserve	966,570	482,852	481,980
+ Other reserves	3,058,288	1,810,807	2,338,191
- Deferred tax assets and intangible assets	126,283	114,039	72,741
Common equity tier 1	4,089,876	2,359,724	2,927,535
+ Additional Tier 1 capital	635,000	125,000	335,000
Tier 1 capital	4,724,876	2,484,724	3,262,535
+ Tier 2 capital	474,721	174,929	274,915
Total capital	5,199,597	2,659,653	3,537,450

Calculation basis

Credit risk

Covered bonds	164,988	101,958	76,611
+ Institutions	1,048,001	580,563	668,408
+ Loans to customers	20,431,418	13,180,041	17,212,261
+ Defaulted loans and other commitments	1,788,143	1,173,635	1,752,276
+ Other assets	-	80	-
+ Operational risk	2,608,276	2,037,775	1,627,380
Total calculation basis	26,040,827	17,074,052	21,336,936

Common equity tier 1 %	15.71 %	13.82 %	13.72 %
Tier 1 capital %	18.14 %	14.55 %	15.29 %
Total capital %	19.97 %	15.58 %	16.58 %

Note 22. Lease agreements

The Bank is sharing premises with Norwegian Air Shuttle ASA. There is a lease agreement for Oksenøyveien 3 at Lysaker. 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

Norwegian Finans Holding Group					
Amounts in NOK 1000	Q2 2017	Q1 2017	Q4 2016	Q3. 2016	Q2 2016
Interest income	1,016,460	934,049	846,611	740,707	652,738
Interest expenses	124,215	108,347	93,686	86,367	75,507
Net interest income	892,245	825,702	752,925	654,339	577,231
Commission and bank services income	93,728	80,892	62,767	67,989	60,255
Commission and bank services expenses	50,118	42,149	40,846	29,834	27,453
Net change in value on securities and currency	4,612	5,516	-4,562	5,752	65,958
Other income	-	-	-	170	-
Net other operating income	48,222	44,258	17,359	44,077	98,759
Total income	940,467	869,960	770,284	698,416	675,990
Personnel expenses	16,351	19,394	14,713	17,977	15,564
General administrative expenses	215,419	215,979	223,340	210,998	180,711
Ordinary depreciation	10,861	11,375	11,299	10,761	10,465
Other operating expenses	10,835	11,589	11,348	11,772	14,927
Total operating expenses	253,466	258,336	260,700	251,508	221,667
Provision for loan losses	155,193	177,224	144,663	119,073	109,494
Profit on ordinary activities before tax	531,808	434,400	364,921	327,836	344,829
Tax charge	132,779	108,609	75,149	81,959	86,207
Profit on ordinary activities after tax	399,029	325,791	289,772	245,877	258,622

Comprehensive income

Amounts in NOK 1000	Q2 2017	Q1 2017	Q4 2016	Q3. 2016	Q2 2016
Profit on ordinary activities after tax	399,029	325,791	289,772	245,877	258,622
Change in fair value for assets held for sale	937	2,691	250	1,147	-37,097
Tax	-7	-20	-2	-9	278
Other comprehensive income that may be reclassified to profit and loss	930	2,671	248	1,138	-36,819
Comprehensive income for the period	399,959	328,462	290,020	247,015	221,802

Balance sheet

Amounts in NOK 1000	30.6.17	31.3.17	31.12.16	30.9.16	30.6.16
Assets					
Cash and deposits with the central bank	61,981	59,986	59,992	56,948	56,958
Loans and deposits with credit institutions	1,394,852	1,071,771	1,103,359	791,698	882,907
Loans to customers	28,868,053	27,152,968	24,533,983	21,194,238	18,578,755
Certificates and bonds	8,185,779	6,567,532	4,464,203	5,544,250	4,816,506
Financial derivatives	946	2,578	-	14,364	6,775
Shares and other securities	443	443	443	443	443
Assets held for sale	28,374	27,437	24,745	24,495	23,348
Intangible assets	117,965	113,698	107,826	103,706	104,374
Deferred tax asset	8,318	7,925	7,717	9,872	9,665
Fixed assets	1,094	54	65	84	400
Receivables	131,124	126,469	99,919	102,448	137,302
Total assets	38,798,929	35,130,859	30,402,252	27,842,546	24,617,434
Liabilities and equity					
Deposits from customers	30,922,923	28,249,846	24,423,773	22,154,135	19,640,676
Debt securities issued	2,040,622	1,798,667	1,823,973	1,991,948	1,906,711
Financial derivatives	3,999	-	6,780	-	-
Tax payable	239,822	310,971	297,468	221,766	140,088
Other liabilities	163,695	253,117	140,764	51,995	90,599
Accrued expenses	101,988	92,092	99,302	94,048	65,668
Subordinated loan	474,721	274,892	274,915	274,859	174,929
Total liabilities	33,947,770	30,979,585	27,066,976	24,788,750	22,018,672
Share capital	186,619	186,619	180,104	180,104	179,995
Share premium reserve	966,570	966,825	481,980	482,827	475,874
Paid, not registered capital	4,683	-	-	-	7,087
Tier 1 capital	635,000	335,000	335,000	335,000	125,000
Retained earnings and other reserves	3,058,288	2,662,831	2,338,192	2,055,865	1,810,807
Total equity	4,851,159	4,151,274	3,335,276	3,053,796	2,598,763
Total liabilities and equity	38,798,929	35,130,859	30,402,252	27,842,546	24,617,434

Profit and loss account

Amounts in NOK 1000	Norwegian Finans Holding ASA				
	Q2 2017	Q2 2016	YTD 2017	YTD 2016	2016
Interest income	1	6	41	10	15
Interest expenses	-	-	-	-	-
Net interest income	1	6	41	10	15
Commission and bank services income	-	-	-	-	-
Commission and bank services expenses	83	224	188	242	323
Net change in value on securities and currency	-	-	-	-	6,164
Other income	-	-	-	-	-
Net other operating income	-83	-224	-188	-242	5,841
Total income	-83	-218	-147	-232	5,856
Personnel expenses	91	443	408	1,206	2,099
General administrative expenses	-	-	-	-	-
Ordinary depreciation	-	-	-	-	-
Other operating expenses	705	4,384	1,188	4,384	4,775
Total operating expenses	796	4,827	1,596	5,590	6,875
Provision for loan losses	-	-	-	-	-
Profit on ordinary activities before tax	-879	-5,045	-1,743	-5,822	-1,019
Tax charge	-393	-1,261	-601	-1,455	-255
Profit on ordinary activities after tax	-485	-3,784	-1,142	-4,366	-764

Comprehensive income

Amounts in NOK 1000	Norwegian Finans Holding ASA				
	Q2 2017	Q2 2016	YTD 2017	YTD 2016	2016
Profit on ordinary activities after tax	-485	-3,784	-1,142	-4,366	-764
Comprehensive income for the period	-485	-3,784	-1,142	-4,366	-764

Balance sheet

Amounts in NOK 1000	Norwegian Finans Holding ASA		
	30.6.17	30.6.16	31.12.16
Assets			
Loans and deposits with credit institutions	2,282	11,711	8,643
Ownership interests in group companies	1,150,000	650,000	650,000
Deferred tax asset	4,547	2,996	3,946
Receivables	5,485	10	6,164
Total assets	1,162,313	664,718	668,752
Liabilities and equity			
Other liabilities	-	1,771	32
Accrued expenses	575	734	1,627
Total liabilities	575	2,505	1,659
Share capital	186,619	179,995	180,105
Share premium reserve	966,570	475,874	481,980
Paid, not registered capital	4,683	7,087	-
Retained earnings and other reserves	3,867	-743	5,008
Total equity	1,161,738	662,213	667,093
Total liabilities and equity	1,162,313	664,718	668,752

Bærum, August 14, 2017
Board of Directors of Norwegian Finans Holding ASA

Bjørn H. Kise
Chairman of the Board

Anita Aarnæs
Board Member

John Høsteland
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 ASA		
	Q2 2017	Q2 2016	2016
Profit / loss after tax	-1,142	-4,366	-764
Change in other accruals	78	-1,466	-8,569
Change in short-term liabilities	-1,084	1,170	324
Net cash flow from operating activities	-2,148	-4,662	-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	-6,361	-5,303	-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	2,282	11,711	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	-	-	-	-1,142	-1,142
Comprehensive income for the period	-	-	-	-1,142	-1,142
Capital increase	6,515	493,485	4,683	-	504,683
Share issue expenses	-	-8,895	-	-	-8,895
Balance 30.6.17	186,619	966,570	4,683	3,867	1,161,738
Balance 31.12.15	173,195	150,402	-	3,623	327,220
This period's profit	-	-	-	-4,366	-4,366
Comprehensive income for the period	-	-	-	-4,366	-4,366
Capital increase	6,800	333,200	7,087	-	347,087
Share issue expenses	-	-7,728	-	-	-7,728
Balance 30.6.16	179,995	483,602	7,087	-743	662,213

Notes for Norwegian Finans Holding ASA

General accounting principles

The interim report for the second 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 second 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.