Bank Norwegian AS

Supplement number 1 to Registration Document dated 15th November 2018

Oslo, 7 May 2019

Joint Lead Managers:

1. Financial information

1.1 Historical financial information

Bank Norwegian financial statements 2018 and 2017 have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, and some additions from the Financial Reporting Act of 1998.

Bank Norwegian's accounting policies are shown in Annual Report 2018, pages 12 – 19, note 1 and 2. According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference.

Because of the complexity in the historical financial information and financial statements this information is incorporated by reference.

Reference is made to the Annual Report 2018 and the Annual Report 2017.

The historical financial information for 2018 and 2017 has been audited.

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2. Events after the Balance Sheete Date per 31.12.2018

Regulations on requirements for financial institutions' lending practices for consumer loans were laid down by the Ministry of Finance on February 12, 2019, pursuant to the Act of April 10, 2015 No. 17 on Financial Undertakings and the Finance Group § 1-7. The bank adapted the guidelines in the regulations in the autumn of 2017. In the opinion of the board, the regulations will not entail any significant changes in the bank's accounts.

The board of directors is not aware of other events after the date of the balance sheet that may be of material significance to the annual accounts.

3. Outlook

The outlook for the Nordic economies where the bank operates continues to be favorable with solid growth and low unemployment.

Interest rate levels in the countries where the bank is represented are expected to rise gradually, albeit from a low level. The bank is still expected to benefit from low interest rate levels through low funding costs.

The earnings growth is expected to continue through strong loan growth, stable margins, cost control and good credit quality, even though the Nordic market for unsecured credit is very competitive. The competitive environment could lead to higher customer acquisition cost, margin pressure or lower growth.

The bank has a broad Nordic platform and loan volumes are growing faster outside of Norway. As such, the bank has a diversified risk in relation to the individual markets.

A high deposit to loans ratio and good access to the securities market are expected to maintain the bank's strong liquidity position. The bank lowered deposit rates in Finland effective October 1, 2018, lowering funding costs and at the same time offering competitive deposit rates. The deposit insurance amount was reduced from NOK 2 million to EUR 100 thousand outside of Norway as of January 1, 2019. The depositor's adoption to the new deposit insurance level has been gradual, as non-insured deposits have slowly declined.

The bank is positioning itself to meet the anticipated MREL (Minimum Requirements for own funds and Eligible Liabilities) requirements by increasing its efforts in the senior unsecured bond market with the aim to grow the share of outstanding unsecured senior debt.

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

The credit quality of the loan portfolios in all markets are expected to exhibit a stable development going forward. Proprietary credit scorecards based on own data are in place in all markets.

The bank strengthened its capital position further in the beginning of the fourth quarter by issuing NOK 125 million in additional tier 1 capital and SEK 550 million in additional tier 2 capital.

Common equity tier 1 was 18.9% at the reporting date exceeding the minimum common equity tier 1 ratio requirement of 15.9% which include announced increases in counter-cyclical buffers during 2019. The Financial Supervisory Authority of Norway has also required a 3% additional capital management buffer as a precondition to pay cash dividends or buy back shares.

The bank plans to distribute capital in excess of applicable capital requirements in the form of share buy backs and cash dividends.

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

The bank is exploring geographical expansion opportunities in Europe through the investment in Lilienthal Finance Ltd. Which is seeking to obtain a banking licence in Ireland.

The board of directors has accordingly a positive view of the bank's ongoing operations and confirms that Bank Norwegian AS's annual accounts have been presented under the assumption of continued operations.

4. Responsibility statement:

Bank Norwegian AS confirms that, taken all reasonable care to ensure that such is the case, the information contained in the Supplement number 1 to the Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 7 May 2019

Bank Norwegian AS

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Tine Wollebekk
Chief Executive Officer