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## Term Sheet

### FRN Bank Norwegian ASA Senior Unsecured Open Bond Issue 2021/2024

ISIN: NO0011142572

Date: 28.10.2021

Issuer:	Bank Norwegian ASA
Initial Bond Issue:	NOK 1,200,000,000
Maximum Issue Amount:	NOK 1,200,000,000
Issue Date:	3.11.2021
Maturity Date:	3.5.2024 (2.5 years)
Reference Rate and Margin:	3 months NIBOR +1.12% p.a.
Day Count Convention:	Actual/360
Business Day Convention:	Modified Following Business Day
Interest Payment Date:	3 February, 3 May, 3 August, 3 November each year
Issue Price:	100.00% of Nominal Amount
Initial Nominal Amount:	NOK 2,000,000, minimum subscription amount NOK 2,000,000
Bond Trustee:	Nordic Trustee AS
Manager(s):	Nordea Bank Abp, filial i Norge, Swedbank Norge
Paying Agent:	DNB Bank ASA
Central Securities Depository:	Euronext VPS
Withholding tax:	No gross-up
Days until first Interest Payment Date:	92 days
MiFID II Target Markets:	Professional clients/eligible counterparties
PRIIPS and KID:	No PRIIPs, no KID
Listing:	Application will be made for the Bonds to be listed on the Oslo Stock Exchange ( <i>Oslo Børs</i> ) within 90 days
Call Date and Redemption Price:	N/A
Put Date and Put Price:	N/A
Registration number/LEI:	991455671 (LEI: 5967007LIEEXZX6ZCW47)
Fees:	The Issuer will pay a fee to the Managers in connection with the transaction.
Collateral:	The Bonds are unsecured
Purpose:	The Bonds are intended to contribute to the fulfilment of the Issuer's minimum requirement for own funds and eligible liabilities (MREL). The Bonds shall be subject to write-down or conversion into common equity tier 1 capital (CET1) in the event of application of the bail-in tool on the Issuer pursuant to the bank recovery and resolution legislation in effect from time to time.
Documentation:	Norwegian bond terms (the " <b>Bond Terms</b> ") entered into between the Bond Trustee and the Issuer. Prior to the Issue Date, the Issuer and the Bond Trustee will enter into an

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	<p>agreement setting out <i>inter alia</i> the Bondholders' rights and obligations in respect of the Bond Issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is also given authority to act on their behalf within the limits set out in the Bond Terms. By virtue of subscribing/purchasing the Bonds, the Bondholders will be bound by the Bond Terms and the terms of this Term Sheet. In the event of conflict between this Term Sheet and the Bond Terms, the Bond Terms shall prevail. A copy of the Bond Terms is available for inspection or collection by reaching out to the Bond Trustee or the Issuer.</p>
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<p>Special (distinct) conditions:</p>	<p><b>Status</b></p> <p>It follows from the status of the Bonds as MREL Eligible Liabilities that prepayment of the Bonds may only be demanded in connection with a liquidation of the Issuer under public administration. Furthermore, redemption of the Bonds is subject to the Financial Supervisory Authority's prior approval. No Bondholder shall be entitled to exercise any right of set-off in connection with a bank recovery and resolution of the Issuer.</p> <p>The Bonds together with accrued interest shall rank:</p> <ul style="list-style-type: none"> <li>i. junior to any present and future claims which rank in priority to MREL Eligible Liabilities pursuant to applicable legislation;</li> <li>ii. <i>parri passu</i> with any present and future ordinary senior unsecured obligations of the Issuer and present and future obligations with the same ranking pursuant to applicable legislation, as well as other present and future MREL Eligible Liabilities; and</li> <li>iii. in priority to the Issuer's present and future Own Funds and Subordinated MREL Eligible Liabilities</li> </ul> <p><b>Regulatory call</b></p> <p>If regulatory changes result in the Bonds no longer being fully eligible as MREL Eligible Liabilities, and such changes could not reasonably have been anticipated at the Issue Date, the Issuer has the right to redeem all (but not some only) of the Outstanding Bonds (Call) at 100 % of the Nominal Amount (regulatory call).</p> <p><b>Tax call</b></p> <p>In the event that the tax treatment of the Bonds for the Issuer's purposes is materially altered, and such alterations could not reasonably have been anticipated at the Issue Date, the Issuer has the right to redeem in whole or in part the Outstanding Bonds (Call) at 100 % of the Nominal Amount (tax call).</p> <p>Regulatory call and tax call may be exercised on any Interest Payment Date following the entry into force of the relevant change.</p>
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	<p><b>Exercise of call options</b> Exercise of Call is subject to the relevant authorities' prior approval, unless the Bonds are refinanced on terms set by the authorities in accordance with applicable legislation from time to time. Exercise of Call shall be notified by the Issuer to the Bond Trustee at least ten (10) Business Days prior to the relevant Call Date.</p> <p><b>Zero interest rate floor</b> If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero.</p> <p><b>Loss absorbing capacity</b> The Bonds shall be subject to write-down pursuant to applicable legislation in effect from time to time. As of the Issue Date, the Financial Undertakings Act chapter 20 and ancillary regulations apply.</p> <p><b>Events of Default</b> It follows from the status of the Bonds as MREL Eligible Liabilities, see «<i>Status</i>» above, that the Bondholders may not demand prepayment of the Bonds or any interest thereon.</p> <p><b>Amendments without Bondholders' consent</b> In the event of discrepancies between requirements implemented by Norwegian authorities and the Bond Terms, the Bond Trustee may, but is not obligated to, at the request of the Issuer and subject to approval from the Financial Supervisory Authority of Norway (Nw. <i>Finanstilsynet</i>) (if such approval is required), make such amendments to the Bond Terms as is required to ensure that the Bonds qualify as MREL Eligible Liabilities.</p> <p>The Issuer and the Bond Trustee (acting with binding effect on behalf of the Bondholders) may agree to amend the Bond Terms, provided that such amendment or waiver, in the sole discretion of the Bond Trustee, is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes.</p> <p><b>Potential merger with Nordax Bank</b> A merger of the Issuer and Nordax Bank (if resolved and approved) may be completed without the Bondholders' or the Bond Trustee's consent, provided that such action will not materially and adversely affect the Issuer's ability to fulfil its obligations under the Bond Terms. The Bondholders shall be deemed to have consented to the Bond Trustee and the Issuer agreeing to make any logical amendments to the Bond Terms as a result of such merger and to procure that the Bonds remain eligible liabilities for inclusion in the combined entity's MREL.</p>
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	<p><b>Fees and expenses</b></p> <p>The Issuer shall cover all expenses in connection with the Documentation and the fulfilment of its obligations thereunder, the Bond Trustee's fees and expenses, any public fees, listing of the Bonds on any exchange, and the registration and administration of the Bonds in the Central Securities Depository.</p> <p>The Issuer is responsible for withholding any withholding tax imposed by applicable Norwegian law on any payments to be made by it in relation to the Bonds.</p> <p><b>Subscription</b></p> <p>Each investor has, in his request for the allotment of Bonds and / or acceptance of the allocation of Bonds, authorized the Managers to subscribe for the number of Bonds the individual investor has been allotted in the allocation of the Bonds.</p> <p>The Issuer and the Managers will at their own discretion allocate Bonds to the investors who have submitted their request for allotment of Bonds, and in connection therewith they are free to apply allocation principles such as the order of received requests for allotment, order size, experience in investing in banks, investment background and broad and varied investor base. For these purposes, the Issuer will have access to the order book.</p> <p>The Issuer and the Managers also reserve the right to set an upper limit for allocation to each investor.</p> <p><b>Definitions:</b></p> <p><u>Own Funds</u>: The part of the Issuer's capital which fulfils the requirements of Tier 1 Capital or Tier 2 Capital for Financial Undertakings, or capital which is contractually subordinated to the claims of the Issuer's other creditors.</p> <p><u>Subordinated MREL Eligible Liabilities<sup>1</sup></u>: The part of the Issuer's obligations which is not Own Funds, but nevertheless ranks junior to senior unsecured, unsubordinated debt obligations, and which complies with the requirements for eligible liabilities to be included in the amount of MREL.</p> <p><u>Financial Undertakings Act</u>: Act of 10 April 2015 no. 17 on Financial Undertakings and Financial Groups.</p> <p><u>Tier 1 Capital</u>: The part of the Own Funds which qualifies as tier 1 capital (Nw. <i>kjernekapital</i>) pursuant to applicable law in effect from time to time, cf. the Financial Undertakings Act Section 14-1(2).</p>
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<sup>1</sup> Also commonly known as 'Senior Non-Preferred'.

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	<p><b>MREL:</b> The minimum requirement for own funds and eligible liabilities as described in the bank recovery and resolution legislation in effect from time to time (as of the Issue Date, the Financial Undertakings Act chapter 20 and ancillary regulations apply).</p> <p><b>MREL Eligible Liabilities<sup>2</sup>:</b> The part of the Issuer's obligations which is not Own Funds and which ranks in priority to Subordinated MREL Eligible Liabilities, <i>pari passu</i> with senior unsecured, unsubordinated debt obligations, and which complies with the requirements for eligible liabilities to be included in the amount of MREL.</p> <p><b>Tier 2 Capital:</b> The part of the Own Funds which qualifies as tier 2 capital (Nw. <i>tilleggskapital</i>) pursuant to applicable law in effect from time to time, cf. the Financial Undertakings Act Section 14-1(2).</p>
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## Managers

**Nordea**

**Swedbank** 

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<sup>2</sup> Also commonly known as 'Restricted Senior Preferred'.