

Bulletin:

Bank Norwegian's New Shareholder Structure Could Uphold Future Expansion

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FRANKFURT (S&P Global Ratings) Aug. 19, 2019--The new shareholder structure of Bank Norwegian AS (BBB/Negative/A-2) is likely to bring stability and add further financial services expertise that will support the bank's expansion strategy, according to S&P Global Ratings.

Norwegian Air Shuttle (NAS) announced today its agreement to sell its entire shareholding in the holding company of Bank Norwegian group, Norwegian Finans Holding (NOFI), to Cidron Xingu Ltd., a company indirectly controlled by Nordic Capital Fund IX and Finland-based insurer Sampo PLC (A/Stable/--). NAS sold 9.97% of the outstanding shares in NOFI today, taking the first step in this two-part transaction. The second step will be the sale of the remaining 7.5% shareholding, subject to the Norwegian financial supervisory authority's approval.

As the collaboration and long-term commercial agreements between NAS and NOFI remain unchanged, we believe that the transaction won't affect Bank Norwegian's franchise in the short-term. The bank will continue to benefit from its strong brand identity and market position in consumer finance, in addition to a continued steady stream of new clients and business volumes through NAS's reward program. At the same time, support from the new owners, in our view, will be crucial to Bank Norwegian's future expansion strategy, since the bank continues to explore how to replicate its Nordic business model in new markets across Europe.

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- Bank Norwegian Affirmed At 'BBB/A-2' On Risk-Adjusted Profitability; Outlook Still Negative On Growth Risks, March 12, 2019

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