S&P Global Ratings

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Bank Norwegian AS

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Bank Norwegian AS

SACP	bbb-
Anchor	a-	
Business Position	Weak	-2
Capital and Earnings	Very Strong	+2
Risk Position	Weak	-2
Funding	Below Average	-1
Liquidity	Adequate	

+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

+

Additional Factors	+1

Issuer Credit Rating
BBB/Negative/A-2

Major Rating Factors

Strengths:	Weaknesses:
• Fully-digital Nordic consumer lender with high cost efficiency. • Very high risk-adjusted profitability in a low interest environment. • Elevated capitalization.	• Concentrated to two high risk products--consumer lending and credit cards. • Rapid growth and changes in exposures. • Funding dependent on price-sensitive retail deposits.

Outlook: Negative

S&P Global Ratings' negative outlook on consumer finance lender Bank Norwegian AS stems from our expectation of further significant loan growth at the bank in its competitive home markets, which could depress its margins and ultimately its capital position over the next two years.

We could lower the rating on Bank Norwegian if the bank followed a more aggressive growth strategy, jeopardizing its risk-adjusted profitability and asset quality, or if we observed a more aggressive capital policy leading the risk-adjusted capital (RAC) ratio to fall below 15%. Furthermore, any negative spillover effects from the distressed owner Norwegian Air Shuttle (NAS) on the bank's reputation and business momentum could lead us to lower the ratings.

We could revise the outlook to stable if the bank maintains a solid RAC ratio and, in our view, lending growth and business evolution becomes more sustainable. This could lead us to incorporate the positive adjustment notch into Bank Norwegian's stand-alone credit profile (SACP), more specifically, in our business or risk position assessment. We anticipate that this would be indicated, for example, by normalization of loan growth and an improvement of asset-quality figures in Bank Norwegian's newer markets.

Rationale

We base our analysis and financial metrics on the consolidated group under Norwegian Finans Holding ASA. Our issuer credit rating is assigned to Bank Norwegian, which is the group's primary operating company.

In our view, Bank Norwegian, which started its operations in 2007, has a high product concentration, limited operating history, and is more confidence-sensitive than larger international banks. In particular, we think the bank's niche focus limits its revenue diversity and increases its potential exposure to more pronounced credit cycles when compared with larger domestic and Nordic universal banks that have a broader asset class focus. However, the rating also accounts for its very strong capitalization and high profitability, which, combined with its satisfactory asset quality, underpin its financial profile.

The starting point for our ratings on Bank Norwegian is its 'a-' anchor, which we base partly on our view of the weighted-average economic risks across the Nordic countries in which it operates. We then adjust for four institution-specific factors, as detailed below, to determine the group credit profile (GCP), currently 'bbb'.

Bank Norwegian's profitability is supported by its high risk-adjusted margins and cost-efficient operating model, which we believe is scalable across the bank's chosen markets. We therefore consider the bank to be an outperformer in terms of profitability, underpinned by its strong earnings buffer and its cost-income ratio below 30%. We therefore assign an issuer credit rating one notch above the GCP.

Anchor:'a-', reflecting blended economic risk in Bank Norwegian's home markets and industry risk in Norway

The anchor for Bank Norwegian is 'a-'. Given Bank Norwegian's geographic diversification, we take into account the economic risks in the countries where it operates. We base our blended assessment on the bank's disclosed loan balances (Norway 48%, Sweden 18%, Finland 22%, and Denmark 12%). The 'a-' anchor reflects our opinion that the Nordic countries in which Bank Norwegian operates all have highly competitive, resilient, and diverse economies that have managed the financial crisis with relatively limited repercussions.

Economic risks for Nordic banks are relatively low in a global comparison. For Norway and Sweden, our concerns regarding economic imbalances in these markets have reduced on the back of increasing stability in their respective housing markets. We also believe the pace of household debt accumulation has slowed somewhat in Denmark, and economic conditions in Finland have improved. We believe the asset quality in the Nordic region will remain strong, backed by the low-interest environment and households' and corporates' sound financial position.

Our assessment of industry risk is supported by our view that Norway's banking regulator has been proactive in maintaining solid capital and liquidity requirements over several years, which supports our view of industry risk. Lending margins have improved over the past two years and now appear to be stabilizing at a slightly higher level; they had previously been under pressure. Restrictions on domestic investments by Norway's Government Pension Fund Global have resulted in a sizable outflow of capital, some of which the banks are repatriating through use of international wholesale funding. However, Norway's expanding bond market, banks' receipt of funding from foreign parent companies, and likely liquidity support from the government help offset some of the risks from what we see as a structural lack of deposits.

Table 1

Bank Norwegian AS--Key Figures

	--Year ended Dec. 31--				
	2019*	**2018**	**2017**	**2016**	**2015**
(Mil. NOK)					
Adjusted assets	50,805.0	50,302.1	42,868.5	30,337.2	17,504.5
Customer loans (gross)	39,797.5	39,473.1	33,619.7	25,233.9	14,151.3
Adjusted common equity	7,227.4	6,757.6	4,931.2	2,927.5	1,636.1
Operating revenues	1,251.4	4,652.3	3,852.4	2,702.0	1,517.2
Noninterest expenses	337.9	1,236.2	1,056.8	976.0	573.6
Core earnings	483.3	1,796.6	1,597.1	959.4	537.7

*Data as of March 31. NOK--Norwegian krone.

Business position:Good position in niche consumer finance market

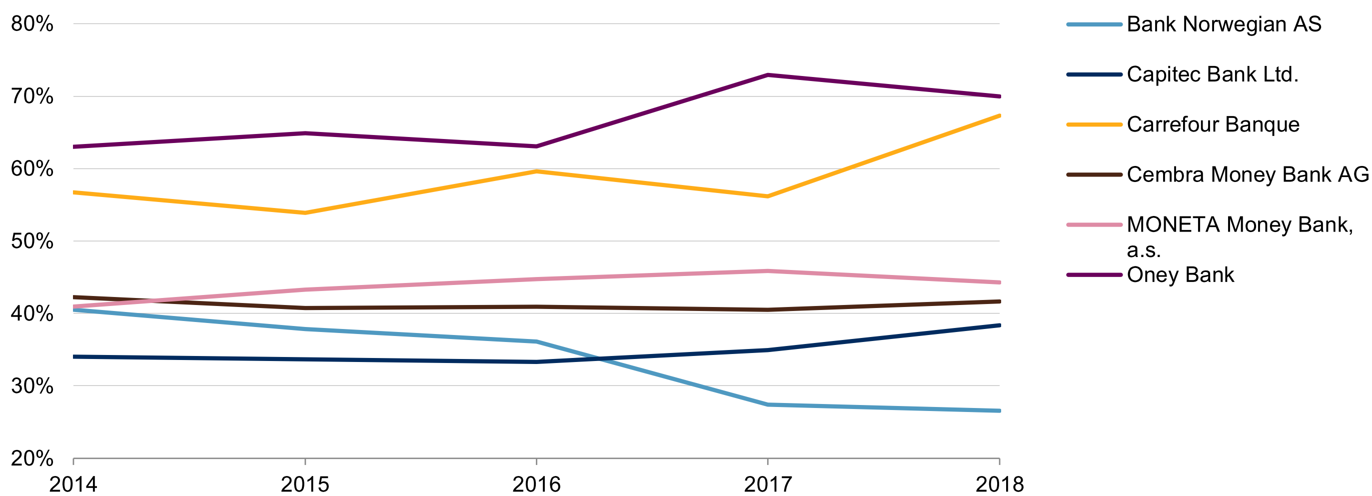
We consider Bank Norwegian's niche focus, which we view as potential volatility in its chosen segments, and limited operating history since 2007, to be factors that constrain the rating on the bank. That said, its earnings growth to date, brand recognition, and good market shares in consumer credit partly offset these factors. As fully digital bank, Bank Norwegian operates very cost-efficiently and can rapidly adjust to changes in customer behavior and preferences.

In our view, the concentration in unsecured consumer lending, in the form of installment loans (70% of total loans) and credit cards (30% of total loans), makes Bank Norwegian more vulnerable to adverse operating conditions than larger domestic universal banks. The basis for our concerns is twofold. First, the demand for consumer loans tends to decrease in times of recession. Second, the ability to further increase lending interest rates is limited, leading to some sensitivity to central bank rates and general funding costs. In addition, consumer finance is facing more regulatory pressure as the Norwegian and Nordic consumer finance market continues to expand.

To date, Bank Norwegian has demonstrated stable high-margin earnings, with steadily increasing net interest income due to its high pace of credit growth. The bank's continued expansion in each of its markets (Norway, Sweden since 2013, and Denmark and Finland since 2015) supports earnings growth. We expect the newer additions of Denmark and Finland will contribute a higher percentage of growth over the next two years. In addition to volume growth, we see geographic diversification as supportive of revenue stability, given the relatively low correlation among the Nordic consumer finance markets. We also recognize that the bank has an efficient operating model, which has so far proved to be scalable across its chosen markets. As a purely online bank that is increasing in scale, we anticipate some further upside to the bank's cost-to-income ratio of 26% (at December 2018), which compares well with European consumer finance, and will support profitability.

Chart 1

Bank Norwegian And Selected Peers - S&P Global Ratings Cost To Income Ratio



Source: S&P Global Ratings, based on company disclosures.

With total assets of Norwegian krone (NOK) 50.4 billion (about €5.1 billion) as of Dec. 31, 2018, Bank Norwegian is smaller than most of the European consumer lenders we rate, but it maintains a good position in its primary niche market of consumer lending in Norway, with a 16% market share. We believe the bank benefits from its ties with NAS, for branding, customer loyalty, and credit card CashPoints for customers. The owner's financial distress could have some spillover effects on Bank Norwegian's business momentum, but given its strong brand name and that it operates as a segregated bank entity we believe these would be of limited magnitude.

We believe that as fully-digital bank, Bank Norwegian is well positioned to respond to technology disruption while expanding its business. Although the bank uses an external core banking system, its digital solutions and internal internet technology (IT) capabilities allow it to react rapidly to changes in customer preferences and behavior and to adjust its offering and risk scorecards. Furthermore, we understand that the bank closely follows a number of digital key performance indicators, for example to monitor customer experience and internal efficiency.

We understand that Bank Norwegian is now looking for opportunities to diversify its franchise outside Nordic markets. The bank announced a strategic investment in Ireland-based Lilienthal Finance Ltd. in December 2018 in order to develop banking services across Europe. In May 2019, the bank entered into agreement to secure full control of Lilienthal and exclusive rights to use the brand name "Norwegian" and the airline's logo in Europe. Although this project is still in a start-up phase, with the bank license still in the application process, we consider that it could broaden Bank Norwegian's operations into new markets over the medium term.

Table 2

Bank Norwegian AS--Business Position

		--Year ended Dec. 31--			
	2019*	**2018**	**2017**	**2016**	**2015**
(%)					
Total revenues from business line (currency in millions)	1,251.4	4,652.3	3,852.4	2,702.0	1,517.2
Retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	27.0	30.0	39.5	41.0	38.0

*Data as of March 31.

Capital and earnings:Very high earnings underpinning strong capital ratios

We view Bank Norwegian's capitalization and earnings as very strong, based on our expectation that our RAC ratio will be comfortably above 15% over the next 18-24 months. As of December 31, 2018, the RAC ratio stood at 18.2% after 15.9% in 2017.

The increased RAC ratio is in line with the bank's regulatory capital ratio, which increased 2.2 percentage points to 19.3% during 2018 owing to higher regulatory requirements, an equity injection from its shareholders, issuance of additional tier 1 instrument and tier 2 debt, and good earnings that supported retained earnings. We incorporate NOK635 million tier 1 issue with intermediate equity content into the total adjusted capital, our measure of loss absorbing capital.

To date, capital generation has been supported by strong profitability and full earnings retention. We project loan growth of about 12%-15% over the next two years, translating into similar increase in S&P Global Ratings' risk weighted assets. We expect the bank will start paying dividends in 2019, when we anticipate that its capital will be strong enough to maintain a 3% management buffer above the regulatory common equity tier 1 capital ratio requirement of 15.9% at the group level. Going forward, we expect the bank will maintain stable regulatory capital ratios, paying all excess earnings to shareholders; we therefore forecast the payout at 40%-60%, reflecting the bank's publicly announced 40% minimum target.

Bank Norwegian conducted a share buyback of NOK160 Million in May 2019. The company will use shares worth of NOK150 million as consideration to NAS in order to ensure exclusive rights to use the Norwegian brand for banking services in connection with Lilienthal. We incorporate the cash consideration of NOK40 Million for the purchase of shares and an annual license fee of NOK30 Million in our forecast.

We consider that Bank Norwegian has strong earnings capacity and high quality of capital, with share capital and retained earnings comprising 93% of its total adjusted capital. The bank reported another year of strong profitability in 2018, with reported return on equity (ROE) at 29.9% and return on average adjusted assets of 3.9%. Over the next two years, we expect continued strong core earnings around NOK1.9 billion-NOK2.3 billion and return on equity above 25%. The strong profitability will support internal capital generation needed to sustain growth, and we see profits as an important first line of defense against increased credit losses.

Table 3

Bank Norwegian AS--Capital And Earnings

	--Year ended Dec. 31--				
	2019*	**2018**	**2017**	**2016**	**2015**
(%)					
Tier 1 capital ratio	21.2	21.3	19.3	15.3	14.0
S&P Global Ratings' RAC ratio before diversification	N/A	18.2	15.9	12.8	12.0
S&P Global Ratings' RAC ratio after diversification	N/A	14.6	12.7	9.9	9.6
Adjusted common equity/total adjusted capital	91.9	91.4	88.6	89.7	92.9
Net interest income/operating revenues	92.7	94.7	94.9	92.5	93.7
Fee income/operating revenues	7.3	5.0	4.9	4.7	7.5
Market-sensitive income/operating revenues	(0.1)	0.3	0.2	2.7	(1.2)
Noninterest expenses/operating revenues	27.0	26.6	27.4	36.1	37.8
Preprovision operating income/average assets	7.2	7.3	7.6	7.2	6.1
Core earnings/average managed assets	3.8	3.8	4.4	4.0	3.5

*Data as of March 31. N/A--Not applicable.

Table 4

Bank Norwegian AS.--Risk-Adjusted Capital Framework Data

	Exposure*	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
(NOK 000s)					
Credit risk					
Government & central banks	5,172,323.8	97,142.6	1.9	156,045.2	3.0
Of which regional governments and local authorities	485,713.1	97,142.6	20.0	17,485.7	3.6
Institutions and CCPs	7,189,941.7	1,164,455.2	16.2	1,115,834.0	15.5
Corporate	0.0	0.0	0.0	0.0	0.0
Retail	33,862,139.6	25,396,604.7	75.0	29,337,778.8	86.6
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	4,049,000.2	4,049,000.2	100.0	4,098,940.6	101.2
Total credit risk	50,273,405.3	30,707,202.7	61.1	34,708,598.6	69.0
Credit valuation adjustment					
Total credit valuation adjustment	--	0.0	--	0.0	--

Table 4

Bank Norwegian AS.--Risk-Adjusted Capital Framework Data (cont.)					
Market Risk					
Equity in the banking book	0.0	0.0	0.0	0.0	0.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	0.0	--	0.0	--
Operational risk					
Total operational risk	--	4,012,591.5	--	5,800,255.5	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	34,719,794.2	--	40,508,854.1	100.0
Total Diversification/ Concentration Adjustments	--	--	--	10,220,367.6	25.2
RWA after diversification	--	34,719,794.2	--	50,729,221.6	125.2
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		6,746,789.4	19.4	7,392,563.0	18.2
Capital ratio after adjustments‡		6,746,789.4	19.4	7,392,563.0	14.6

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. NOK--Norwegian krone. RW--Risk weight. RAC--Risk-adjusted capital.NOK -- Norway Krone. Sources: Company data, S&P Global Ratings.

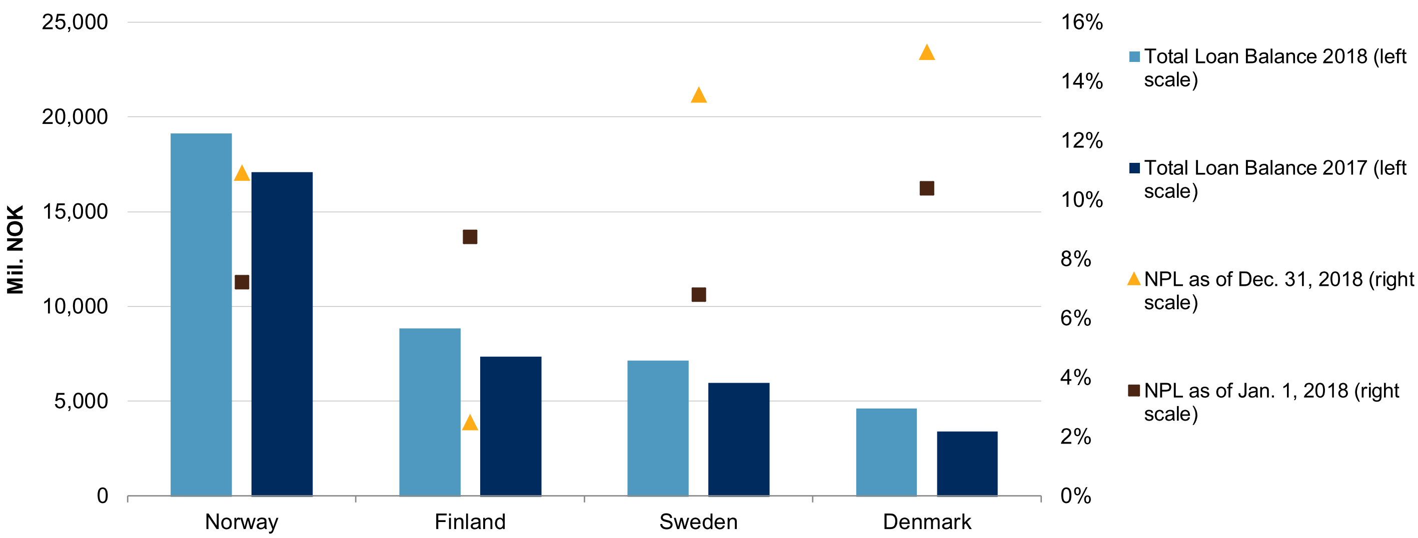
Risk position:Some geographic diversification, but higher risk in an uncertain environment

Given its concentrated focus on higher-risk products, Bank Norwegian's credit loss experience is higher than that of universal banks operating in the Nordics. We also believe its business model leads to potentially higher operational risks relative to traditional banks, it is expanding rapidly into new markets, and there is increasing competition within the industry, all of which constrains its rating.

At year end 2018 Bank Norwegian's loan portfolio amounted to NOK37.8 billion. As we expected, business in Denmark and Finland, which the bank entered in 2015 and 2017, has contributed to growth but also led to weaker asset quality metrics. The reported non-performing loans peaked at 9.2% in the third quarter of 2018, due to the poor performance of loans in those two countries. Bank Norwegian's consequent sale of €160 million (NOK1,522 million) of nonperforming loans (NPL) in Finland in the last quarter of 2018 brought the reported NPL ratio down to 7.6%, roughly in line with the opening quarter of the year when the bank changed to International Financial Reporting Standards 9 (IFRS9) accounting. Following the sale of portfolios in Finland in 2018 and in Sweden (Swedish krona 43 million) and Norway (NOK50 million) in 2017, we expect Bank Norwegian will maintain a stable NPL level in 2019-2020. However, we will continue to closely monitor the bank's asset quality and loan losses given its fast pace of growth in relatively benign economic conditions.

Chart 2

Bank Norwegian Loan Balances And Nonperforming Loans By Country



NPL--Share of Stage 3 loans of total loans. NOK--Norwegian krone. Source: Bank's Annual Accounts, S&P Global Ratings.

We forecast new loan loss provisions will gradually increase to NOK1.2 billion-NOK1.4 billion over the next 12-24 months. The high-risk nature of unsecured lending leads to larger loan losses. Bank Norwegian's loan loss provisions in 2018 were NOK1.0 billion, or 2.8% of average customer loans including some one-off items for the sale of NPL portfolio in Finland and the correction of a model error in Finnish score cards. However, its preprovision operating income the same year was NOK3.4 billion, and provides a critical buffer, in our view. All else equal, the bank could absorb more than 3.0x higher losses, or more than 8% of average customer loans, before eroding its capital base.

As a relatively new digital-only bank, Bank Norwegian outsources some of the bank's less critical functions to external service providers. Although this leads to an efficient and scalable operating model, we believe it could increase the bank's operational risks relative to larger well-established banks, given its greater reliance on the performance of external parties, for example in debt collection. This is somewhat mitigated by the bank's simple operations, internal audit process, risk governance framework, and track record of effectively changing providers in the past.

Table 5

Bank Norwegian AS--Risk Position					
	--Year ended Dec. 31--				
	2019*	2018	2017	2016	2015
(%)					
Growth in customer loans	3.3	17.4	33.2	78.3	47.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	25.2	25.0	29.4	24.7

Table 5

Bank Norwegian AS--Risk Position (cont.)					
	--Year ended Dec. 31--				
	2019*	**2018**	**2017**	**2016**	**2015**
(%)					
Total managed assets/adjusted common equity (x)	7.0	7.5	8.7	10.4	10.7
New loan loss provisions/average customer loans	2.7	2.8	2.3	2.4	1.8
Gross nonperforming assets/customer loans + other real estate owned**	11.6	10.0	5.7	4.2	4.0
Loan loss reserves/gross nonperforming assets	41.1	42.6	59.5	78.4	69.2

*Data as of March 31.**Defined as Stage 3 loans starting from 2018. N/A--Not applicable.

Funding and liquidity:Dependence on price-sensitive retail deposits but with sound liquidity buffers

Bank Norwegian is pre-dominantly deposit funded institution but we consider its funding profile to be more price- and confidence-sensitive and less diversified than that of the domestic universal peers. At the same time, the bank has sound liquidity buffers and we consider its liquidity position as adequately managed.

We observe that Bank Norwegian has financed its expansion primarily through granular customer deposits, entirely from households and private individuals in each country, and demonstrates balanced key funding metrics. The stable funding ratio is estimated at 120% and core deposits to loans at 93% as of year-end 2018. Although Bank Norwegian aims to broaden its funding profile with senior unsecured debt, we consider that its funding will remain less diversified than peers' in Norway.

While Bank Norwegian's customer deposits are almost fully covered by the Norway's deposit guarantee scheme (NOK2 million per depositor in Norway and €100,000 per depositor in foreign branches), in our view, the deposit franchise remains more price- and confidence-sensitive than that of universal Nordic banks. We saw, for instance, that the reduction of the deposit rate in Finland by 100 basis points (bps) to 75bps led to significant outflows late last year. Also, an amendment in Norway's deposit guarantee scheme as of Jan. 1, 2019 has weighed on Bank Norwegian's non-domestic deposit base. We therefore consider Bank Norwegian's funding to be below average.

Liquid securities, cash, and interbank deposits amounted to 24% of total assets at year-end 2018, and comprised of highly rated bank bonds, 44% local and national government securities, and 20% covered bonds. The bank's liquidity coverage is measured using the netted figure of liquid assets, over its customer deposits. This is a better indicator than our traditional broad liquid assets to short-term wholesale funding, since the bank does not make meaningful use of wholesale funding. The ratio stood at 23.2% for 2018 (2017: 27.9%) and was comparable to that of the bank's peers. We see the significant liquidity portfolio as a necessary buffer for the bank's aggressive lending strategy, and less stable deposits compared with domestic peers'.

Table 6

Bank Norwegian AS--Funding And Liquidity					
	--Year ended Dec. 31--				
	2019*	**2018**	**2017**	**2016**	**2015**
(%)					
Core deposits/funding base	89.9	93.2	92.5	92.1	86.7

Table 6

Bank Norwegian AS--Funding And Liquidity (cont.)					
	--Year ended Dec. 31--				
	2019*	2018	2017	2016	2015
(%)					
Customer loans (net)/customer deposits	100.7	96.7	96.4	99.9	102.9
Long-term funding ratio	99.5	99.3	98.8	98.2	97.8
Stable funding ratio	127.9	119.9	120.5	108.7	106.8
Short-term wholesale funding/funding base	0.6	0.8	1.4	2.0	2.4
Broad liquid assets/short-term wholesale funding (x)	48.3	27.0	19.0	8.5	6.8
Net broad liquid assets/short-term customer deposits	31.2	23.2	27.9	16.2	16.3
Short-term wholesale funding/total wholesale funding	5.1	10.0	15.6	21.6	17.2

*Data as of March 31.

Support:No uplift for external support

We do not factor any external support into our assessment of the group's credit profile. Norway has transposed key elements of the EU's Banking Recovery and Resolution Directive (BRRD) into national law. Consequently, we consider government support toward the banking sector to be uncertain and the resolution regime to be effective under our additional loss-absorbing capacity criteria. That said, we consider Bank Norwegian to have a low systemic importance and therefore do not expect the bank to be subject to a bail-in resolution process.

Additional rating factors:

We factor one notch of uplift above the 'bbb-'SACP because we believe Bank Norwegian will continue to outperform its peer group in terms of profitability. This reflects the bank's high risk-adjusted margins and its ability to generate capital by retaining earnings if needed, to support its growth plans.

Bank Norwegian's earnings buffer to over 6% also indicates a greater capacity for earnings to cover normalized losses than that of its European consumer finance peers. This earnings buffer would act as a first line of defense in a potential adverse macroeconomic scenario and compares very favorably with our calculated earnings buffers at universal banks. High profitability is supported by strong gross margins compared with credit losses and high cost efficiency, in particular relative to consumer lenders in other countries. Moreover, Bank Norwegian's maintenance of a RAC ratio of about 17%-18% over the next two years, underpins its ability to sustain capital.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015

- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Bank Norwegian Affirmed At 'BBB/A-2' On Risk-Adjusted Profitability; Outlook Still Negative On Growth Risks, March 12, 2019
- Banking Industry Country Risk Assessment Update: February, Feb. 22, 2019
- Nordic Banks Sport Strong Capital--And It's Not Likely To Soften, Oct. 17, 2018
- Nordic Bank Ratings Continue To Stand Tall, Aug. 16, 2018
- Banking Industry Country Risk Assessment: Norway, May 11, 2018
- DNB Bank, Eiendomskreditt, Bank Norwegian Ratings Affirmed On Stabilizing Domestic Risks; DNB Bank Outlook Now Positive, March 26, 2018

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of June 28, 2019)*	
Bank Norwegian AS	
Issuer Credit Rating	BBB/Negative/A-2
Issuer Credit Ratings History	
03-Mar-2017	BBB/Negative/A-2

Ratings Detail (As Of June 28, 2019)*(cont.)	
Sovereign Rating	
Norway	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.