

Reconciliation to financial accounts

Capital base	Total capital in financial accounts	Total capital for capital adequacy purposes
NOK in thousands	31.12.2016	31.12.2016
Share capital	180,105	180,105
Share premium reserve	481,980	481,980
Retained earnings and other reserves	2,338,191	2,338,191
Deferred tax assets and intangible assets	72,741	72,741
Common equity Tier 1	2,927,535	2,927,535
Additional Tier 1 capital	335,000	335,000
Tier 1 capital	3,262,535	3,262,535
Tier 2 capital	274,915	274,915
Total capital	3,537,450	3,537,450

Disclosure of main features of regulatory capital instruments

1	Issuer	Bank Norwegian AS	Bank Norwegian AS	Bank Norwegian AS	Bank Norwegian AS
2	Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	NO0010697436	NO0010774318	NO0010697428	NO0010774326
3	Governing law for the instrument	Norway	Norway	Norway	Norway
Regulatory treatment					
4	Transitional CRR rules	Additional Tier 1 capital	Additional Tier 1 capital	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Additional Tier 1 capital	Additional Tier 1 capital	Tier 2 capital	Tier 2 capital
6	Eligible at company / group / company and group level	Company and group level	Company and group level	Company and group level	Company and group level
7	Instrument type (types to be specified for each jurisdiction)	Perpetual subordinated loan	Perpetual subordinated loan	Subordinated loan	Subordinated loan
8	Amount recognized in regulatory capital (in NOK million as at December 31, 2016)	MNOK 125	MNOK 210	MNOK 175	MNOK 100
9	Nominal amount of instrument	NOK 125,000,000	NOK 210,000,000	NOK 175,000,000	NOK 100,000,000
9a	Issue price	At par	At par	At par	At par
9b	Redemption price	At par	At par	At par	At par
10	Accounting classification	Equity	Equity	Subordinated loan - amortized cost	Subordinated loan - amortized cost
11	Original date of issuance	December 11, 2013	September 21, 2016	December 11, 2013	September 21, 2016
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity date	No maturity date	December 11, 2023	September 21, 2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	December 11, 2018 At par. In addition regulatory call.	September 21, 2021. At par. In addition regulatory and fiscal call.	December 11, 2018 At par. In addition regulatory call.	September 21, 2021. At par. In addition regulatory and fiscal call.
16	Subsequent call dates, if applicable	Quarterly at each interest payment date. March 11, June 11, September 11 and December 11 each year.	Quarterly at each interest payment date. December 21, March 21, June 21 and September 21 each year.	Quarterly at each interest payment date. March 11, June 11, September 11 and December 11 each year.	Quarterly at each interest payment date. December 21, March 21, June 21 and September 21 each year.
Coupons/dividends					
17	Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	3 month NIBOR + 4,10 %	3 month NIBOR + 5,25 %	3 month NIBOR + 2,65 %	3 month NIBOR + 3,00 %
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of a step up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible					
23	Convertible or non-convertible	Convertible	Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	- In severe cases of insolvency or if necessary to avoid liquidation. - Financial Supervisory Authority of Norway or other competent public authority may instruct conversion.	- In severe cases of insolvency or if necessary to avoid liquidation. - Financial Supervisory Authority of Norway or other competent public authority may instruct conversion.	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	Yes	Yes	No	Yes
31	If write-down, write-down trigger (s)	- Capital adequacy falls below the current minimum requirement. - If the paid-in equity is fully written-down. - In severe cases of insolvency or if necessary to avoid liquidation. - Financial Supervisory Authority of Norway or other competent public authority may instruct write-down.	- Common equity tier 1 ratio falls below 5.125 percent at issuers company level or group level. - In severe cases of insolvency or if necessary to avoid liquidation. - Financial Supervisory Authority of Norway or other competent public authority may instruct write-down.	N/A	The loan shall be written down in accordance with relevant current regulation, "Finansforetaksloven" § 21-6. "Beregningsforskriften" § 16 no. 4.
32	If write-down, full or partial	Full and partial	Full and partial	N/A	Full and partial
33	If write-down, permanent or temporary	Permanent or temporary	Permanent or temporary	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	After write-down the bonds can be written up and interest paid in accordance with current regulations for such write-up and interest payment.	- Can be written up by assigning a portion of the accumulated profit. Any interest shall be calculated on the written down amount. - Total write-up and interest should not exceed the profit after tax multiplied with additional tier 1 capital's share of the tier 1 capital. - Overall write-up and interest relating to additional tier 1 capital shall in combination with other allocations be within maximum allocation amount in accordance with CRR / CRD IV regulations § 6.	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated loan.	Subordinated loan.	Senior bonds and certificates.	Senior bonds and certificates.
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A

Own funds disclosure

		(A) 31.12.2016 NOK in thousand	(B) regulation (EU) no 575/2013 article reference	(C) amounts subject to pre- regulation (EU) no 575/2013 treatment or prescribed residual amount of regulation (EU) no 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	662,085	26 (1), 27, 28 and 29	
2	Retained earnings	1,422,685	26 (1) (c)	
3	Accumulated other comprehensive income (and other reserves)	-	26 (1) (d) and (e)	
3a	Funds for general banking risk	-	26 (1) (f)	
4	Amount of qualifying items referred to in article 484 (3) and the related share premium accounts subject to phase out from CET1	-		
5	Minority interests (amount allowed in consolidated CET1)	-	84	
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	915,507	26 (2)	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	3,000,276	Sum of rows 1 to 5a	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amounts)	-	34 and 105	
8	Intangible assets (net of related tax liability) (negative amount)	-72,741	36 (1) (b) and 37	
9	Empty set in the EU			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	-	36 (1) (c) and 38	
11	Fair value reserves related to gains or losses on cash flow hedges	-	33 (1) (a)	
12	Negative amounts resulting from the calculation of expected loss amounts	-	36 (1) (d), 40 and 159	
13	Any increase in equity that results from securitized assets (negative amount)	-	32 (1)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	33 (1) (b) and (c)	
15	Defined-benefit pension fund assets (negative amount)	-	36 (1) (e) and 41	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	36 (1) (f) and 42	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	36 (1) (g) and 44	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	36 (1) (h), 43, 45, 46, 49 (2), 79, 469 (1) (a), 472 (10) and 478 (1)	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3) and 79	
20	Empty set in the EU			
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative	-	36 (1) (k)	
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	36 (1) (k) (i) and 89 to 91	
20c	of which: securitization positions (negative amount)	-	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b) and 258	
20d	of which: free deliveries (negative amount)	-	36 (1) (k) (iii) and 379 (3)	
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	-	36 (1) (c), 38 and 48 (1) (a)	
22	Amount exceeding the 15 % threshold (negative amount)	-	48 (1)	
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	36 (1) (i) and 48 (1) (b)	
24	Empty set in the EU			
25	of which: deferred tax assets arising from temporary differences	-	36 (1) (c), 38 and 48 (1) (a)	
25a	Losses for the current financial year (negative amount)	-	36 (1) (a)	
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	36 (1) (l)	
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	Sum 26a and 26b	
26a	Regulatory adjustments relating to unrealized gains and losses pursuant to articles 467 and 468	-		
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre-CRR	-		
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	36 (1) (j)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-72,741	Sum of rows 7 to 20a, 21, 22, 25a, 25b, 26 and 27	
29	Common Equity Tier 1 (CET1) capital	2,927,535	Row 6 minus row 28	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	-	51 and 52	
31	of which: classified as equity under applicable accounting standards	-		
32	of which: classified as liabilities under applicable accounting standards	-		
33	Amount of qualifying items referred to in article 484 (4) and the related share premium accounts subject to phase out from AT1	-	486 (3) and (5)	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	335,000	85 and 86	
35	of which: instruments issued by subsidiaries subject to phase out	-		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	335,000	Sum of rows 30, 33 and 34	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	52 (1) (b), 56 (a) and 57	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	56 (b) and 58	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	56 (c), 59, 60 and 79	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	56 (d), 59 and 79	
41	Empty set in the EU		Sum of rows 41a, 41b and 41c	
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) no 575/2013	-	469 (1) (b) and 472 (10) (a)	
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) no 575/2013	-		
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56 (e)	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	Sum of rows 37 to 41 and row 42	
44	Additional Tier 1 (AT1) capital	335,000	Row 36 plus row 43.	
45	Tier 1 capital (T1 = CET1 + AT1)	3,262,535	Sum of row 29 and row 44	
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	-	62 and 63	
47	Amount of qualifying items referred to in article 484 (5) and the related share premium accounts subject to phase out from T2	-	486 (4) and (5)	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	274,915	87 and 88	
49	of which: instruments issued by subsidiaries subject to phase out	-		
50	Credit risk adjustments	-	62 (c) and (d)	
51	Tier 2 (T2) capital before regulatory adjustments	274,915	Sum of rows 46 to 48 and row 50	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	63 (b) (i), 66 (a) and 67	
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	66 (b) and 68	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	66 (c), 69, 70 and 79	

54a	Of which new holdings not subject to transitional arrangements	-	
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	66 (d), 69 and 79
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no 575/2013 (i.e. CRR residual amounts)	-	Sum of rows 56a, 56b and 56c
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) no 575/2013	-	469 (1) (b) and 472 (10) (a)
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) no 575/2013	-	
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-	468
57	Total regulatory adjustments to Tier 2 (T2) capital	-	Sum of rows 52 to 56
58	Tier 2 (T2) capital	274,915	Row 51 minus row 57
59	Total capital (TC = T1 + T2)	3,537,450	Sum of row 45 and row 58
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no 575/2013 (i.e. CRR residual amounts)	-	472 (10) (b)
60	Total risk weighted assets	21,336,936	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	13.7 %	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	15.3 %	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	16.6 %	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	11.2 %	CRD 128, 129, 130, 131 and 133
65	of which: capital conservation buffer requirement	4.5 %	
66	of which: countercyclical buffer requirement	1.2 %	
67	of which: systemic risk buffer requirement	3.0 %	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0 %	CRD 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	2.5 %	CRD 128
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 66 (c), 69 and 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	-	36 (1) (i), 45 and 48
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in article 38 (3) are met)	-	36 (1) (c), 38 and 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	62
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	-	62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	484 (3) and 486 (2) and (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484 (3) and 486 (2) and (5)
82	Current cap on AT1 instruments subject to phase out arrangements	-	484 (4) and 486 (3) and (5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484 (4) and 486 (3) and (5)
84	Current cap on T2 instruments subject to phase out arrangements	-	484 (5) and 486 (4) and (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484 (5) and 486 (4) and (5)