SPAREBANK 1 SR-BANK ASA

(incorporated with limited liability in Norway)

€10,000,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this base prospectus (the "Programme" and the "Base Prospectus"), SpareBank 1 SR-Bank ASA (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

As more fully described herein, Ordinary Notes may be issued (i) on an unsubordinated basis as provided in "*Terms and Conditions of the Ordinary Notes*" herein ("Senior Preferred Notes"); (ii) on a non-preferred basis as provided in "*Terms and Conditions of the Ordinary Notes*" herein ("Senior Non-Preferred Notes"); or (iii) on a subordinated basis as provided in "*Terms and Conditions of the Ordinary Notes*" herein ("Subordinated Notes"). The Terms and Conditions of Subordinated Notes will not contain any events of default.

Notes may be issued in bearer form ("Bearer Notes"), registered form ("Registered Notes") (the Bearer Notes together with the Registered Notes, the "Ordinary Notes") or uncertificated book entry form ("VPS Notes") cleared through the Norwegian Central Securities Depositary, *Verdipapirsentralen ASA* (the "VPS").

The maximum aggregate nominal amount of all Ordinary Notes and VPS Notes from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealers appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 16 July 2019, as amended, on prospectuses for securities (the "Luxembourg Prospectus Law") to approve this document as a base prospectus relating to the Notes. By approving this Base Prospectus, in accordance with Article 20 of Regulation (EU) 2017/1129 (the "Prospectus Regulation"), the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus, the economic and financial opportunity of the operation of the Issuer or the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg Prospectus Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market (the "Regulated Market") is a regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II").

The Issuer intends to request that the CSSF provide the competent authority in Norway (the Financial Supervisory Authority of Norway ("FSAN") (*Finanstilsynet*)) with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law (the "Notification"). The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area (the "EEA") with a Notification. Following provision of the Notification, the Issuer may apply for Notes issued under the Programme to be listed and admitted to trading on the Oslo Stock Exchange (or on the regulated market of any other Member State to which a Notification has been made), either together with a listing on the Regulated Market of the Luxembourg Stock Exchange or as a single listing. If any Notes issued under the Programme are to be listed on the Oslo Stock Exchange (or on the regulated market of any other Member State to which a Notification has been made), this will be specified in the applicable Final Terms. Any VPS Notes which are to be listed are expected to be listed on the Oslo Stock Exchange.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under the Prospectus Regulation. **References in this Base Prospectus to Exempt Notes are to Notes for which no prospectus is required to be published under the Prospectus Regulation. Information contained in this Base Prospectus regarding Exempt Notes and any Pricing Supplement (as defined below) relating thereto shall not be deemed to form part of this Base Prospectus, and the CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with the offering and sale of Exempt Notes or in the related Pricing Supplement to which the Exempt Notes are subject.**

This Base Prospectus has been approved by the CSSF, as competent authority under the Luxembourg Prospectus Law and the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus constitutes a prospectus within the meaning of Article 8 of the Prospectus Regulation. This Base Prospectus is valid for a period of twelve months from the date of approval and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will only apply for the time that this Base Prospectus is valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Ordinary Notes*" (the "Ordinary Note Conditions") and "*Terms and Conditions of the VPS Notes*" (the "VPS Conditions" which, when taken together with the Ordinary Note Conditions, are referred to as the "Conditions")) of Notes will be set out in a final terms document (the "Final Terms") which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF and with respect to Notes to be listed on any other stock exchange or market will be delivered to such other stock exchange or market, on or before the date of issue of the Notes of such Tranche. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "Pricing Supplement"). Accordingly, in the case of Exempt Notes, each reference in this Base Prospectus to the applicable Final Terms should be read and construed as a reference to the applicable Pricing Supplement unless the context requires otherwise.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and the Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S") in compliance with applicable securities laws.

Each purchaser of a Note will be deemed, by its acceptance or purchase thereof, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Note, as described in this Base Prospectus, and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases (see "*Subscription and Sale and Transfer and Selling Restrictions*").

Ratings of Senior Non-Preferred and Senior Preferred Notes issued under the Programme shall be set out in the applicable Final Terms or Pricing Supplement. Moody's Investors Services Limited ("Moody's") is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List- registered-and-certified-CRAs) in accordance with the CRA Regulation. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms or Pricing Supplement, as applicable, and will not necessarily be the same as the rating assigned to Notes already issued by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The date of this Base Prospectus is 10 June 2020.

Ordinary Note Arranger	*VPS Note Arranger*
J.P. Morgan	**SpareBank 1 SR-Bank ASA**

Dealers (in respect of the Ordinary Notes only)

Citigroup	**Commerzbank**
Credit Suisse	**Goldman Sachs International**
HSBC	**J.P. Morgan**
Landesbank Baden-Württemberg	**Nomura**

Société Générale Corporate & Investment Banking

IMPORTANT NOTICE

This document comprises a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Regulation. This Base Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision or order under the Securities Act.

The VPS Note Arranger is the only party appointed as dealer for the VPS Notes. The Ordinary Note Arranger and the Dealers have not been involved in the structuring of the VPS Notes, will not participate in any issuances of the VPS Notes and therefore accept no responsibility or liability in connection with the VPS Notes (in particular, for any subscriptions to the VPS Notes under the Programme and/or any issuance or underwriting thereof).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus and the Final Terms is in accordance with the facts and the Base Prospectus (and in respect of any Notes, this Base Prospectus as completed by the applicable Final Terms) makes no omission likely to affect the import of such information.

An investment in the Notes involves a reliance on the creditworthiness of the Issuer only and not that of any other entities. The Notes are solely obligations of the Issuer and are not obligations of, or guaranteed by, any other member of the SR-Bank Group, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme. As used herein, "SR-Bank Group" means the group comprising the Issuer and its subsidiaries. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Paying Agents (as defined below) and (in the case of Ordinary Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Base Prospectus is to be read in conjunction with the applicable Final Terms and all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference and Supplements to the Base Prospectus*"). This Base Prospectus shall be read and construed on the basis that such documents form part of this Base Prospectus.

The Ordinary Note Arranger, the VPS Note Arranger and the Dealers make no representation or warranty as to the accuracy or completeness of any such information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Ordinary Note Arranger or the VPS Note Arranger as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Dealers, the Ordinary Note Arranger nor the VPS Note Arranger accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon

as having been authorised by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Ordinary Note Arranger, the VPS Note Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Notes are being offered and sold in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder.

Notes denominated in NOK may not be offered, sold or delivered within Norway or to or for the benefit of persons domiciled in Norway, unless in compliance with the regulations relating to the offer of VPS Notes and the registration in the VPS of VPS Notes.

All references in this document to "U.S. dollars" and "U.S.$" refer to United States dollars, all references to "NOK" refer to Norwegian Kroner, all references to "Sterling" and "£" refer to pounds sterling, all references to "yen" refer to Japanese Yen, all references to "SEK" refer to Swedish Kroner and all references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Ordinary Note Arranger, the VPS Note Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or

the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Norway), the United Kingdom, Japan and Singapore, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Amounts payable under the Notes may be calculated by reference to €STR, LIBOR, EURIBOR, CIBOR, NIBOR, CITA, EONIA, HIBOR, SIBOR, STIBOR, TIBOR and CMS Rates (each as defined in the Conditions), as specified in the applicable Final Terms (or the Pricing Supplement, as the case may be), which are provided by the European Central Bank, ICE Benchmark Administration Limited ("ICE"), European Money Markets Institute ("EMMI"), Danish Financial Benchmark Facility ApS ("DFBF"), Norske Finansielle Referanser, DFBF, EMMI, Hong Kong Association of Banks, Association of Banks in Singapore, Financial Benchmarks Sweden AB, JBA Tibor and ICE. As at the date of this Base Prospectus no provider of any Reference Rate, other than ICE, provider of LIBOR and CMS Rates, appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) No. 2016/1011) (the "BMR"). As far as the Issuer is aware, the European Central Bank as administrator of €STR is not required to be registered by virtue of Article 2 of the BMR.

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom ("UK"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore ("MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement in the case of Exempt Notes) will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is

responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Ordinary Note Arranger nor the VPS Note Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand that an investment in the Notes involves a reliance on the creditworthiness of the Issuer and its subsidiaries only and not that of any other entities; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact the investment will have on the potential investor's overall investment portfolio.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a higher level than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by

the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws or rules.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Ordinary Notes" and "Terms and Conditions of the VPS Notes" shall have the same meanings in this section. References to "Final Terms" shall be deemed to refer to the applicable Pricing Supplement where relevant. The following description constitutes a general description of the Programme for the purposes of Article 25 of the Commission Delegated Regulation (EU) 2019/980.

This description constitutes a general description of the Programme for the purposes of the Prospectus Regulation.

Issuer:	SpareBank 1 SR-Bank ASA The Issuer is a public limited liability company. The Issuer was incorporated in Norway on 1 October 1976 with registration number 937 895 321. The Issuer is licensed by the Financial Supervisory Authority of Norway ("FSAN") (*Finanstilsynet*) as a bank and investment firm. For a more detailed description of the Issuer, see "*Description of the Issuer's Business"* and *"Management of the Issuer*" below.
Issuer Legal Entity Identifier:	549300Q3OIWRHQUQM052
Website of the Issuer:	https://www.sparebank1.no/en/sr-bank/about-us.html
Description:	Euro Medium Term Note Programme
Ordinary Note Arranger:	J.P. Morgan Securities plc
VPS Note Arranger:	SpareBank 1 SR-Bank ASA
Dealers:	Citigroup Global Markets Limited Citigroup Global Markets Europe AG Commerzbank Aktiengesellschaft Credit Suisse Securities (Europe) Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Landesbank Baden-Württemberg Nomura International plc Société Générale (in respect of the Ordinary Notes only) and any other Dealers appointed in accordance with the Programme Agreement. Notes may also be issued to third parties.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of

	which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued from time to time in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus.
Notes having a maturity of less than one year:	Notes having a maturity of less than one year will, if the issue proceeds are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least €100,000 or its equivalent; see "*Subscription and Sale and Transfer and Selling Restrictions*". Under the Luxembourg Prospectus Law relating to prospectuses for securities, the CSSF is not competent to approve prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and which also comply with the definition of securities in Article 2(a) of the Prospectus Regulation.
Registrar:	Citigroup Global Markets Europe AG
Principal Paying Agent and Paying Agent:	Citibank, N.A., London Branch is the Principal Paying Agent. Banque Internationale à Luxembourg, *société anonyme* is a Paying Agent located in Luxembourg.
Transfer Agent:	Citibank, N.A., London Branch
Calculation Agent:	Citibank, N.A., London Branch (or such other person appointed as such in connection with any Series)
VPS Agent (in the case of VPS Notes):	SpareBank 1 SR-Bank ASA
VPS Trustee (in the case of VPS Notes):	Nordic Trustee AS
Programme Size:	Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate nominal amount of all Ordinary Notes and VPS Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in Euro, Norwegian Kroner, U.S. dollars, Japanese Yen, Sterling, Swedish Kroner and, subject to any applicable legal or regulatory restrictions and any applicable requirements, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between

	the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations or directives applicable to the Issuer or the relevant Specified Currency. Unless otherwise permitted by the current laws, regulations and directives, Subordinated Notes will have a minimum maturity of at least five years.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes may be issued in bearer form (in the case of Bearer Notes); registered form (in the case of Registered Notes); or in uncertificated book entry form (in the case of VPS Notes); as described in "*Form of the Notes*". Each Registered Note will be deposited on or around the relevant Issue Date with a common depositary or, where specified in the relevant Final Terms to be held under the new safekeeping structure ("NSS"), with a common safekeeper, as the case may be for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Bearer Note will on issue be represented by a Temporary Global Note which will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. Each Bearer Note (i) will either be issued in new global note form, as specified in the relevant Final Terms, and will be deposited on or around the relevant Issue Date with a common safekeeper for the International Central Securities Depositaries or (ii) will not be issued in new global note form, as specified in the relevant Final Terms, and will be deposited on or around the relevant Issue Date with a common depositary for the International Central Securities Depositaries. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by crediting of VPS Notes to accounts with the VPS. Registered Global Notes will be exchangeable for Registered Definitive Notes in the limited circumstances set out in "*Form of the Notes*" below. Bearer Global Notes will be exchangeable for Bearer Definitive Notes in the limited circumstances set out in "*Form of the Notes*" below.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the

	relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined in the manner specified in the applicable Final Terms. The margin (if any) relating to such Floating Rate Notes will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes (as indicated in the applicable Final Terms).
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate or a minimum interest rate or both (as indicated in the applicable Final Terms). Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Benchmark Discontinuation:	In the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 3(f).
Reset Notes:	Notes may have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the Reset Period, in each case as may be specified in the applicable Final Terms. The margin (if any) in relation to Reset Notes will be agreed between the Issuer and the relevant Dealer(s) for each Series of Reset Notes and will be specified in the applicable Final Terms. Interest on Reset Notes will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Exempt Notes:	The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes

redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes: The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Notes redeemable in instalments: The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms or, as the case may be, the applicable Pricing Supplement will indicate the redemption amount, the scheduled maturity date (which in the case of Subordinated Notes, must be at least five years after the issue date in respect of such Notes) and will also indicate whether the relevant Notes can be redeemed prior to their stated maturity (other than for taxation reasons or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) following an Event of Default) or whether the relevant Notes will be redeemable at the option of the Issuer ("Issuer Call") (which, in respect of Subordinated Notes, may not take place prior to the fifth anniversary of the Issue Date) and/or (in the case of Senior Preferred Notes) at the option of the Noteholders ("Investor Put"), in each case upon giving not less than 15 nor more than 30 days' irrevocable notice (or, if applicable, not less than any other minimum period of notice nor more than any other maximum period of notice as may be specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, at the maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms or, as the case may be,

	the applicable Pricing Supplement. Where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(k) applies, if a Capital Event occurs, the Issuer shall be entitled to redeem Subordinated Notes (subject to the prior written permission of the Relevant Regulator). Where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(l) applies, if a MREL Disqualification Event occurs, the Issuer shall be entitled to redeem the Senior Preferred Notes or the Senior Non-Preferred Notes, as the case may be (subject, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes, to the prior written permission of the Relevant Regulator). No early redemption of (i) Restricted Senior Preferred Notes (other than in the case of an Investor Put), (ii) Senior Non-Preferred Notes or (iii) Subordinated Notes may take place without the prior written permission of the Relevant Regulator (if and to the extent such permission is required). Unless previously redeemed or purchased and cancelled, each Note which is not an Exempt Note will be redeemed by the Issuer at least 100 per cent. of its nominal value on its scheduled maturity date. Notes having a maturity of less than one year may be subject to restrictions on their determination and distribution; see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; see "*Certain Restrictions — Notes having a maturity of less than one year*" above; and provided that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of any present or future taxes or duties of whatever nature imposed by the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless required by law, in which case, subject to certain exceptions and the Issuer's right to redeem the affected Notes before their scheduled maturity, such additional amounts will also be paid as shall result in receipt by the Noteholders and Couponholders of such amounts as would

	have been received by them had no withholding or deduction been required.
Cross Default:	The Senior Preferred Notes will contain a cross default provision if Unrestricted Events of Default is specified as being applicable in the Final Terms or Pricing Supplement, as applicable, as further described in Condition 8(a) of the Ordinary Note Conditions. The terms of the Unsubordinated VPS Notes will contain a cross default provision as further described in Condition 8 of the VPS Conditions. Senior Non-Preferred Notes will not contain any cross-default provisions. Subordinated Notes will not contain any cross-default provisions (or any other events of default).
Status of the Senior Preferred Notes:	The Senior Preferred Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank pari passu among themselves and (save for any obligations preferred by mandatory provisions of applicable law) at least equally with all other unsecured obligations (including deposits) (but in any event senior to the Senior Non-Preferred Notes and other obligations which rank or are expressed to rank pari passu with or junior to the Senior Non-Preferred Notes) of the Issuer, present and future, from time to time outstanding. See Condition 2(a).
Status of the Senior Non-Preferred Notes	The Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank pari passu without any preference among themselves and *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims. Subject as set out in the paragraph below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the holders of Senior Non-Preferred Notes against the Issuer in respect of or arising under the Senior Non-Preferred Notes (including any amounts attributable to the Senior Non-Preferred Notes and any damages awarded for breach of any obligations thereunder) shall rank: (i) *pari passu* without any preference among themselves; (ii) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any; (iii) in priority to claims in respect of Non-Preferred Junior Securities; and (iv) junior to any present or future claims of Senior Creditors.

	At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Senior Non-Preferred Notes (together with any other outstanding Series of Senior Non-Preferred Notes) shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in the paragraph above, such statutory ranking shall prevail). See Condition 2(b).
Status of the Subordinated Notes:	Subordinated Notes will constitute dated, unsecured and subordinated obligations (*ansvarlig lånekapital*) of the Issuer, and will at all times rank pari passu without any preference among themselves and pari passu with claims in respect of Subordinated Parity Securities. In the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the holders of Subordinated Notes against the Issuer in respect of or arising under the Subordinated Notes (including any amounts attributable to the Subordinated Notes and any damages awarded for breach of any obligations thereunder) shall rank: (i) *pari passu* without any preference among themselves; (ii) *pari passu* with claims in respect of Subordinated Parity Securities; (iii) in priority to claims in respect of Subordinated Junior Securities; and (iv) junior to any present or future claims of Specified Senior Creditors. See Condition 2(c).
Subordinated Notes – Substitution or Variation:	Where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(m) applies, if at any time a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable), the Issuer may, subject to the provisions of Condition 5(j), (if, and to the extent, so required), either substitute all (but not some only) Subordinated Notes for, or vary their terms so that they remain or, as appropriate, become, Qualifying Subordinated Securities (as defined in Condition 5(m)), as further provided in Condition 5(m).
Senior Preferred Notes and Senior Non-	Where the applicable Final Terms or, as the case may be, the

Preferred Notes – Substitution or Variation:	applicable Pricing Supplement specify that Condition 5(n) applies, if at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable), the Issuer may, subject to the provisions of Condition 5(j), (if applicable and to the extent so required), either substitute all (but not some only) Senior Preferred Notes or Senior Non-Preferred Notes (as the case may be) for, or vary their terms so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined in Condition 5(n)), as further provided in Condition 5(n).
Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Listing approval and admission to trading:	Application has been made to the CSSF to approve this Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Ordinary Notes issued under the Programme within the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealers in relation to a Series of Notes. In particular, Notes may be listed on the Oslo Stock Exchange, as more particularly described on the cover page of this Base Prospectus. Exempt Notes may also be issued which are neither listed nor admitted to trading on any market. The applicable Final Terms will state whether or not the relevant Notes are to be Bearer Notes, Registered Notes or VPS Notes and whether such Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Ratings:	Ratings of Senior Non-Preferred and Senior Preferred Notes issued under the Programme shall be set out in the applicable Final Terms or Pricing Supplement''. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Notes already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Governing Law:	The Ordinary Notes and any non-contractual obligations arising out of or in connection with the Ordinary Notes will be governed by and shall be construed in accordance with English

	law, save as to Condition 2 of the Ordinary Note Conditions which will be governed by and construed in accordance with Norwegian law. VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes will be governed by and shall be construed in accordance with English law, save as to Conditions 2, 8, 9, 10, 11, 12 and 13 of the VPS Conditions which will be governed by and construed in accordance with Norwegian law. VPS Notes must comply with the Norwegian Act of 15 March 2019 no. 64 on Central Securities Depositories (the "**CSD Act**") (Nw. *verdipapirsentralloven*), which implements Regulation (EU) No. 909/2014 into Norwegian law, and to the extent applicable, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64 (as amended from time to time) and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under these Acts and any related regulations and liabilities.
Clearing Systems:	Euroclear, Clearstream, Luxembourg Verdipapirsentralen ASA ("VPS") and/or any other clearing system as may be specified in the relevant Final Terms, other than in relation to VPS Notes, which are cleared through the VPS.
Delivery:	The Notes may be settled on a delivery against payment basis or a delivery free of payment basis, as specified in the applicable Final Terms.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the Republic of Italy and Norway), the United Kingdom, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes; see "*Subscription and Sale and Transfer and Selling Restrictions*".
United States Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States. Bearer Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) ("TEFRA D") or U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form applicable for purposes of Section 4701 of the Code) ("TEFRA C"), unless the Bearer Notes are issued in circumstances in which the Bearer Notes will not constitute

	"registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below.

RISK FACTORS

This section describes the principal risk factors associated with an investment in the Notes. Prospective purchasers of Notes should consider carefully all the information contained in this document, including the considerations set out below and all documents incorporated by reference herein, before making any investment decision.

Any investment in the Notes issued under the Programme will involve risks including those described in this section. The risks and uncertainties described below are not the only ones that the Issuer may face. Additional risks and uncertainties that the Issuer is unaware of, or that the Issuer currently deems to be immaterial, may also become important risk factors that affect it or the Notes. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Base Prospectus (including the documents incorporated by reference herein) before deciding whether an investment in the Notes is suitable for them.

As at the date of this Base Prospectus, the Issuer believes that the following risk factors may affect the Issuer's ability to fulfil its obligations and could be material for the purpose of assessing the market risks associated with the Notes.

If any of the listed or unlisted risks actually occurs, the Issuer's business, operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Notes of the Issuer could decline and an investor could lose all or part of its investment.

In each sub-section below, the Issuer has arranged the risks with the most material risks first, in its assessment, considering the expected magnitude of their negative impact and the possibility of their occurrence.

Risks relating to the Issuer's Business

Material deterioration in the credit quality of the Issuer's borrowers may lead to the Issuer being unable to satisfy its obligations under the Notes.

As the Issuer's revenue is derived almost entirely from customers based in Norway, the Issuer and the SR-Bank Group are directly and indirectly subject to the inherent risks arising from general economic conditions in Norway, other economies which impact the Norwegian economy and the state of the Norwegian and global financial markets.

Credit losses may occur at a rate higher than experienced in the past due to the prevailing market conditions. The substantial downturn in the oil market in the second quarter of 2020 combined with the COVID-19 pandemic ("COVID-19") and coupled with the measures implemented by the Norwegian authorities to contain the pandemic, is expected to have a material and adverse impact on the level of economic activity in Norway, and may lead to a sudden loss of income for many of the Issuer's borrowers. At present it is highly unclear whether any of the measures taken by the Norwegian government to mitigate the adverse economic effects of the COVID-19 outbreak will have its intended effect.

If interest rates rise and/or borrowers suffer a decline in income, borrowers may be unable to meet their payment obligations on their loans, which may lead to increased disruptions in repayments of loans, as well as write-downs and losses for the Issuer, which in turn may adversely affect the Issuer's ability to perform its obligations under the Notes.

If the Issuer's borrowers default on secured loans, enforcement actions can be taken by the Issuer in order to realise the value of the collateral securing these loans. When the collateral is enforced, a court order may be

needed to establish the borrower's obligation to pay (if disputed by the borrower) and to enable a sale by executive measures. If, in the context of an enforcement action, the Issuer is not able to obtain the relevant court decision or the relevant market in which the mortgage or other form of security is established substantially declines, there is a risk that the Issuer may not be able to recover the entire amount of the loan. Any failure to recover the full amount of the loans could jeopardise the Issuer's ability to perform its obligations under the Notes.

Commercial real estate

As of 31 March 2020, 16.1 per cent. (NOK 32.7 billion) of the Issuer's total gross loans was related to commercial real estate. The commercial real estate portfolio includes loans to owners of commercial properties for leasing with long-term contracts such as office buildings, industrial buildings, retail stores and shopping malls. As of 31 March 2020, the Issuer's loans in stage 3[1] within the commercial real estate sector amounted to NOK 59 million, compared to NOK 46 million in the first quarter of 2019.

Due to the COVID-19 pandemic and coupled with the measures taken by the Norwegian government to mitigate the pandemic (such as partial lock-down and limitations on crowds of people), tenants within the commercial real estate sector, and in particular within the retail store and shopping segments, have faced a significant decline in revenue. If the situation persists, this could have a significant adverse impact on such companies' credit quality and, consequently, on their ability to pay their rent. Increased disruptions in repayments of rent from tenants will result in reduced revenue for the lessors, which in turn could result in disruptions in payment obligations under loans provided by the Issuer. Disruptions in repayments of loans, as well as write-downs and losses for the Issuer may in turn jeopardise the Issuer's ability to perform its obligations under the Notes.

Energy, oil and gas exposures

As of 31 March 2020, the Issuer's energy, oil and gas portfolio represented 2.3 per cent. (NOK 4.8 billion) of the Issuer's total gross loans. The significant drop in oil prices in the second quarter of 2020 has increased the risks related to the Issuer's energy, oil and gas portfolio. As of 31 March 2020, the Issuer's loans in stage 3 within the Issuer's energy, oil and gas portfolio amounted to NOK 570 million, compared to NOK 5 million in the first quarter of 2019.

Reduced oil prices will continue to impact the oil-related industry, which could result in a material adverse effect on the cash flows of the companies operating in this industry. This could have a significant impact on oil, gas, oil service and offshore companies' profitability and, consequently, on their respective credit quality, thus leading to a material increase in impairments and/or losses experienced by the Issuer on its loan portfolio within this sector.

Shipping and other transport

As of 31 March 2020, loans to customers within the shipping and other transport sector represented 6.6 per cent. (NOK 14.1 billion) of the Issuer's total gross loans. The shipping industry is driven, among other things, by demand in international trade and the current COVID-19 pandemic coupled with the substantial downturn in the oil market in the second quarter of 2020, has resulted in material decreases in freight volumes and rates and corresponding material decreases in the revenues of businesses in the shipping industry. As of 31 March 2020, the Issuer's loans in stage 3 within the shipping sector amounted to NOK 389 million, compared to NOK 0 million in the first quarter of 2019. If the situation persists, this could have a significant adverse

[1] Loans and financial commitments in stage 3 are loans and financial commitments that have seen a significant rise in credit risk since granting and where there is objective evidence of a loss event on the balance sheet date. Calculated from and including 2018 following the transition to IFRS 9.

impact on such companies' profitability and, consequently, on their respective credit quality, which in turn could lead to a material increase in impairments and/or losses experienced by the Issuer.

Retail trade, hotels and restaurants

As of 31 March 2020, 1.8 per cent. (NOK 3.8 billion) of the Issuer's total gross loans was related to retail trade, hotels and restaurants. As of 31 March 2020, the Issuer's loans in stage 3 within this sector amounted to NOK 7 million, compared to NOK 7 million in the first quarter of 2019. Due to the current outbreak of COVID-19, coupled with the measures taken by the Norwegian government to mitigate the pandemic and the decrease in tourism, this sector is experiencing a decrease in revenue which in turn might result in disruptions in payment obligations under loans provided by the Issuer, as well as write-downs and losses for the Issuer.

Counterparty defaults may lead to the Issuer being unable to satisfy its obligations under the Notes

The SR-Bank Group routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, funds and other institutional and corporate clients. Many of these transactions expose the SR-Bank Group to the risk that the SR-Bank Group's counterparty defaults on its obligations prior to maturity when the SR-Bank Group has an outstanding claim against that counterparty. The Issuer's counterparty risk may be exacerbated when the collateral held by the Issuer cannot be realised or is liquidated at prices insufficient to recover the full amount of the counterparty exposure. Any such counterparty default may have an adverse effect on the Issuer's cash flows, business, financial position and results of operations, with potential adverse consequences on the Issuer's ability to fulfil its obligations under the Notes.

The Issuer's business is sensitive to volatility in interest rates and to changes in the competitive environment affecting spreads on its lending and deposits

A substantial part of the Issuer's liquidity and funding requirements are met through reliance on customer deposits. Changes in interest rate levels, yield curves and spreads may affect the Issuer's lending and deposit spreads. The Issuer is exposed to changes in the spread between the interest rates payable by it on deposits or its funding costs and the interest rates that it charges on loans to customers.

Although both the interest rates payable by the Issuer on deposits and the interest rates that it is able to charge on loans to customers are mainly floating rates, there is a risk that the Issuer will not be able to reprice its floating rate assets and liabilities at the same time, giving rise to repricing gaps in the short or medium term. As applicable interest rates on several deposits are close to zero, it may not be possible in the future to offset in full or in part a decrease in interest rates on loans to customers by a corresponding decrease in interest rates on deposits, and thus there is a risk that the Issuer may face increased funding costs.

The Issuer faces fierce competition in the Norwegian retail and commercial banking markets. The Issuer may face pricing pressure as competitors seek to increase market share by reducing prices or offering new services at low prices.

The current low interest rate environment puts pressure on the Issuer's deposit spreads. The Issuer may not be able to lower its funding costs, in line with decreases in interest rates on loans. Interest rates are sensitive to several factors that are out of the Issuer's control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political conditions. An increase in interest rates could reduce the demand for credit, as well as contribute to an increase in defaults by the Issuer's customers. Conversely, a reduction in the interest rates may adversely affect the Issuer through, among other things, a decrease in demand for deposits and increased competition in respect of deposit rates and interest rates on loans to customers, which in turn could adversely affect the Issuer's funding costs and the Issuer's ability to pay amounts due under the Notes.

The Issuer may not be able to obtain wholesale funding on commercially reasonable terms or at all

Due to changes in customer savings behaviour and relatively high credit demand, the Issuer is dependent on sources of capital other than deposits, such as wholesale funding, including issuance of long-term debt market instruments. The volume of these funding sources, in particular long-term funding, may be constrained during periods of liquidity stress. Turbulence in the global financial markets and economy may adversely affect the Issuer's liquidity and the willingness of certain counterparties and customers to do business with the Issuer.

The recent market turmoil caused by the global outbreak of the COVID-19 virus means that it is currently more difficult to obtain wholesale funding on commercially satisfactory terms. If this situation continues for a prolonged period of time, it could adversely impact the Issuer's funding and ability to pay amounts due under the Notes. Credit ratings affect the cost and other terms upon which the Issuer is able to obtain funding in the wholesale market. Any factors having a negative impact on the Issuer such as a downturn in the international or domestic financial markets, may affect the credit rating of the Issuer, the Programme and/or any outstanding Notes. A credit rating downgrade will not in itself have any impact on the Issuer's ability to perform its obligations under the Notes, but could, in each case, increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit the Issuer's access to the capital markets, undermine confidence in (and the competitive position of) the Issuer, and/or limit the range of counterparties willing to enter into transactions with the Issuer. Any of these events may lead to difficulties for the Issuer in obtaining funding on commercially reasonable terms or at all.

The Issuer is reliant on interest rate swaps and currency swaps

In order to hedge its interest rate risk and currency risk, the Issuer enters into interest rate swaps and currency swaps. If a swap provider is no longer obliged to make payments under a swap and exercises its right to terminate a swap or defaults on its obligations to make payments under a swap, the Issuer will be exposed to changes in interest and/or currency exchange rates (as applicable).

A well-functioning derivatives market is essential in order for the Issuer to enter into interest rate swaps and currency swaps on commercially attractive terms or at all, and any disruption in the market for interest rate swaps and currency swaps or the Issuer's access thereto, could have a negative effect on the Issuer's ability to manage its interest rate risks and currency risks in an adequate fashion. Such a disruption could enhance the refinancing risk for the Issuer if the Issuer in such a scenario finds itself restricted from issuing Notes in currencies other than NOK and/or Notes with different interest profile from its other obligations.

The Issuer is increasingly dependent on information technology systems, which may fail, may not be adequate to the tasks at hand or may no longer be available.

Banks and their activities are increasingly dependent on highly sophisticated information and communication technology ("ICT") systems, including a significant shift away from physical bank branches and towards greater reliance on internet websites and the development and use of new applications on smartphones. ICT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital ICT centres and computer viruses. ICT systems need regular upgrading to meet the needs of changing business and regulatory requirements and to keep pace with possible expansion into new markets and the greater use, development and reliance on information and communication technology more broadly. The Issuer may not be able to implement necessary upgrades on a timely basis, and upgrades may fail to function as planned.

In addition to costs that may be incurred as a result of any failure of its ICT systems or technical issues associated with, as well as the general cost of, upgrading its ICT systems, there is a risk that the Issuer could face liability for losses due to ICT system failures. There is also a risk that the Issuer could face fines from bank regulators if its ICT systems fail to enable them to comply with applicable banking or reporting regulations, including data protection regulations.

The Issuer is reliant on its outsourcing contracts for the maintenance and operation of its ICT systems. Should these companies become unwilling or unable to fulfil its obligations under the relevant outsourcing contract, the Issuer's ICT systems may be adversely affected. In particular, the Issuer and its customers have been, and may in the future become, affected by network problems, which relate to third-party suppliers, and which have affected and might affect in the future certain of the Issuer's internet banking and cash machine functions, resulting in service interruptions. A major disruption to the Issuer's ICT systems, whether under the scenarios outlined above or under other scenarios, could have a material adverse effect on the normal operation of the Issuer's business and thus on its financial condition and the results of its operations.

Cybercrime

The Issuer's activities have been, and are expected to continue to be, subject to an increasing risk of ICT crime in the form of Trojan attacks and denial of service attacks, the nature of which is continuously evolving. Cybersecurity risks are foremost related to the Issuer's internet bank users and include the potential unauthorised access to privileged and sensitive customer information, including internet bank credentials as well as account and credit card information. The Issuer may experience security breaches or unexpected disruptions to its systems and services in the future, which could in turn, result in liabilities or losses to the Issuer, its customers and/or third parties and have an adverse effect on the Issuer's business, reputation and results of operations.

Risk relating to the structure of a particular issue of Notes

Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "Bank Recovery and Resolution Directive" or "BRRD") entered into force. BRRD has been implemented in Norway through amendments to Chapter 20 of the Act on Financial Institutions and Financial Groups of 10 April 2015 No. 17 (*Lov om finansforetak og finanskonsern av 10. april 2015 nr. 17*) (the "Financial Institutions Act"), which took effect on 1 January 2019. The implementing legislation grants authority to the FSAN to implement detailed requirements and supplementary regulations in its capacity as resolution authority.

The Issuer is a Norwegian bank and accordingly falls within the scope of the BRRD as implemented in Norway. The only bankruptcy, composition, insolvency or administrative procedures to which a bank such as the Issuer could be subject under the laws of Norway, are either resolution pursuant to the tools provided for under the BRRD, or winding up by way of public administration as further set out in Chapter 20 of the Financial Institutions Act.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the firm to meet its repayment obligations; (iii) asset separation – which

enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including Notes) to equity or other instruments of ownership (the "general bail-in tool"), which equity or other instruments could also be subject to any future cancellation, transfer or dilution. The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

If the Issuer becomes subject to resolution as provided for in the BRRD, holders of Notes may be subject to the application of the general bail-in tool, which may result in such holders losing some or all of their investment. Such application could also involve modifications, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period, to or the disapplication of provisions in, the Terms and Conditions of the Notes. As a result, the exercise of any power under the BRRD as implemented in Norway or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

Any application of the general bail-in tool under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on holders of Notes will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the firm (which is referred to as the "no creditor worse off safeguard" under the BRRD). However, any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation as compared to when amounts may otherwise have been due under the Notes.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write down or convert into equity capital instruments (such as the Subordinated Notes) at the point of non-viability and before any other resolution action is taken (non-viability loss absorption). Any shares issued to holders of the Subordinated Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool and/or other resolution powers as outlined above.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which: (i) the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken); (ii) the relevant authority determines that the institution or its group will no longer be viable unless the relevant capital instruments (such as the Subordinated Notes) are written down or converted; or (iii) extraordinary public financial support is required

by the institution or its group other than for the purposes of remedying a serious disturbance in the economy of a Member State and to preserve financial stability.

In addition to becoming subject to the general bail-in tool, holders of Subordinated Notes may accordingly be subject to write-down or conversion into equity as a result of the non-viability loss absorption rules, which may result in such holders losing some or all of their investment.

Under the BRRD, there is a requirement for EU financial institutions to hold certain minimum levels of own funds and other eligible liabilities ("MREL") which would be available to be written down or bailed-in in order to facilitate the rescue or resolution of a failing bank. Such requirements came into effect (subject to transitional provisions) in the EU from 1 January 2016. Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016 sets forth regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities. On 23 December 2019, the FSAN communicated the MREL requirement for the Issuer, being 32.90 per cent. (NOK 33.714 billion) of its adjusted risk weighted assets. Due to the COVID-19 outbreak, the counter-cyclical buffer was reduced from 2.5 per cent. to 1 per cent. in March 2020. Thus, the current MREL requirement is 31.4 per cent. The systemic risk buffer will increase from 3 per cent. to 4.5 per cent. at year-end 2020, which means that the MREL requirement for the Issuer will increase to 34.4 per cent. Based on the 31 March 2020 figures, the Issuer must issue approximately NOK 20 billion in senior non-preferred debt in order to comply with the MREL requirement. The MREL requirement determined by the FSAN must no later than 1 January 2024 be fulfilled with debt instruments that rank junior to Senior Preferred Notes issued by the Issuer.

Under current Norwegian law, there is a distinction between (i) instruments that are eligible and qualify for the fulfilment of the MREL requirement and (ii) instruments that may be bailed in (which is a broader concept). For example, instruments with an original maturity or a remaining maturity of less than one year may be bailed-in (but would not count as fulfilling the MREL requirement). Similarly, Senior Preferred Notes (which, as noted above, will not be eligible towards the MREL requirement after 1 January 2024) may be bailed-in. Noteholders should therefore be aware that a broad range of debt instruments may be liable to bail-in and Noteholders may lose all or some of their investment in any Notes that are bailed-in.

The Issuer's obligations under Subordinated Notes are subordinated. An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency.

The Issuer's obligations under Subordinated Notes are unsecured and subordinated. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

On a liquidation, dissolution or winding-up of the Issuer by way of public administration (referred to herein as a "winding-up of the Issuer"), all claims in respect of the Subordinated Notes will rank *pari passu* without any preference among themselves, pari passu with claims in respect of Subordinated Parity Securities, in priority to claims in respect of Subordinated Junior Securities and junior to any present or future claims of Specified Senior Creditors. If, on a winding-up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of the more senior-ranking creditors in full, the Noteholders will lose their entire investment in the Subordinated Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Subordinated Notes and all other claims that rank pari passu with the Subordinated Notes, Noteholders will lose some (which may be substantially all) of their investment in the Subordinated Notes.

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or pari passu with, the Subordinated Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable

by Noteholders during a winding-up of the Issuer and may limit the Issuer's ability to meet its obligations under the Subordinated Notes.

There are limited events of default in relation to Senior Non-Preferred Notes and certain Senior Preferred Notes

There are limited events of default in relation to Senior Non-Preferred Notes and Senior Preferred Notes issued by the Issuer (unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement), as described in Condition 8(c) of the Ordinary Note Conditions and Condition 8(d) of the VPS Conditions. Accordingly, the rights of the holders of such Notes are restricted by the limited events of default.

There are no events of default in relation to Subordinated Notes

In the event that the Issuer fails to pay interest or principal when due on any Subordinated Note, the holders of such Notes shall not be entitled to bring proceedings against the Issuer for payment of such amounts.

There is no right of set-off or counterclaim in relation to Senior Non-Preferred Notes, Subordinated Notes and certain Senior Preferred Notes

In the case of (i) Senior Preferred Notes where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes, no holder of such Notes or the relative Coupons who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of such Notes held by the relevant Noteholder or Couponholder, as the case may be.

Senior Non-Preferred Notes and Senior Preferred Notes: MREL Disqualification Event Redemption

Where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(l) applies, if a MREL Disqualification Event (as defined in the Terms and Conditions of the Ordinary Notes) and the Terms and Conditions of the VPS Notes occurs, the Issuer may, at its option, but subject to obtaining the prior written permission of the Relevant Regulator (if applicable), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13 of the Ordinary Note Conditions or Condition 10 of the VPS Conditions (as applicable), the Noteholders (which notice shall be irrevocable), as further provided in Condition 5(l), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at the amount specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

During any period when the Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

There can be no assurance that holders of such Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in such Notes, as the case may be.

Subordinated Notes: Capital Event Redemption

Where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(k) applies, if a Capital Event (as defined in the Terms and Conditions of the Ordinary Notes) occurs, the Issuer may, at its option, but subject to obtaining the prior written permission of the Relevant Regulator (if applicable), on giving not less than 30 nor more than 60 days' notice to the Principal Paying

Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), as further provided in Condition 5(k), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at the amount specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

During any period when the Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

There can be no assurance that holders of Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Subordinated Notes, as the case may be.

Call options are, in certain circumstances, subject to the prior consent of the Relevant Regulator

In addition to the call rights described above under "Subordinated Notes: Capital Event Redemption", Subordinated Notes may also contain provisions allowing the Issuer to call them after a minimum period of, for example, five years. To exercise such a call option, the Issuer must (if, and to the extent, then required by the Relevant Regulator) obtain the prior written permission of the Relevant Regulator.

Any early redemption by the Issuer of Senior Non-Preferred Notes or Restricted Senior Preferred Notes is also subject to the prior written permission of the Relevant Regulator (if, and to the extent, then required by the Relevant Regulator and by the Applicable MREL Regulations).

Holders of such Notes should not invest in such Notes in the expectation that such a call will be exercised by the Issuer. The exercise of a call is subject to the Issuer's discretion, and in addition the Relevant Regulator must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There can be no assurance that the Issuer will exercise its discretionary right to exercise the call and/or that the Relevant Regulator will permit such a call, if exercised. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period (if applicable).

During any period when the Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

There can be no assurance that holders of such Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in such Notes, as the case may be.

In certain circumstances, the Issuer can substitute or vary the terms of the Notes

In the case of Subordinated Notes only, where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(m) applies, if a Capital Event has occurred or in order to ensure the effectiveness and enforceability of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable), the Issuer may, subject to obtaining the prior written permission of the Relevant Regulator (if applicable), substitute all (but not some only) of the Subordinated Notes or vary the terms of all (but not some only) of the Subordinated Notes (including changing the governing law of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable) from English law to Norwegian law), without the requirement for the consent or approval of the holders of the Subordinated Notes, so that they become or remain Qualifying Subordinated Securities.

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, where the applicable Final Terms or, as the case may be, the applicable Pricing Supplement specify that Condition 5(n) applies, if a MREL

Disqualification Event has occurred or in order to ensure the effectiveness and enforceability of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable), the Issuer may, subject to obtaining the prior written permission of the Relevant Regulator (if applicable), substitute all (but not some only) of the Senior Preferred Notes and Senior Non-Preferred Notes or vary the terms of all (but not some only) of the Senior Preferred Notes and Senior Non-Preferred Notes (including changing the governing law of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable) from English law to Norwegian law), without the requirement for the consent or approval of the holders of the Senior Preferred Notes and Senior Non-Preferred Notes, so that they become or remain Qualifying MREL Securities.

The Terms and Conditions of such substituted or varied Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Notes, provided that the relevant Notes remain or, as appropriate, become, Qualifying Subordinated Securities or Qualifying MREL Securities, as the case may be, in accordance with the Terms and Conditions.

While the Issuer cannot otherwise make changes to the terms of Notes that, in its reasonable opinion, are materially less favourable to the holders of the relevant Notes as a class, the governing law of Condition 17(c) of the Ordinary Note Conditions or Condition 15(c) of the VPS Conditions (as applicable) may be changed from English law to Norwegian law in order to ensure the effectiveness and enforceability. No assurance can be given as to whether any of these changes will negatively affect any particular holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation.

The qualification of the Senior Non-Preferred Notes and certain Senior Preferred Notes as "eligible liabilities" is subject to uncertainty

The Senior Non-Preferred Notes and certain Senior Preferred Notes are intended to be "eligible liabilities" which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations then applicable) of the Issuer ("MREL Eligible Liabilities"). However, there is uncertainty regarding the final substance of the Applicable MREL Regulations and how those regulations, once enacted, are to be interpreted and applied and the Issuer cannot provide any assurance that such Notes will be (or thereafter remain) MREL Eligible Liabilities. There is therefore a risk that a MREL Disqualification Event may occur.

Upon the occurrence of a MREL Disqualification Event, the Issuer may, at its option but subject to Condition 5(j) (if applicable), (i) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify Condition 5(l) to be applicable, redeem all (but not some only) of such Series of Notes and (ii) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify Condition 5(n) to be applicable, either substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes so that they remain or, as appropriate, become Qualifying MREL Securities. See "*Senior Non-Preferred Notes and Senior Preferred Notes: MREL Disqualification Event Redemption*" and "*In certain circumstances, the Issuer can substitute or vary the terms of the Notes*" for a description of the risks related to an early redemption of Notes or the substitution or variation, as the case may be, of Notes.

Brexit may also have an impact on English law governed MREL or regulatory capital issuances, as there is currently uncertainty as to whether the FSAN, in its capacity as resolution authority in Norway, would be satisfied that any write down or bail-in of these instruments by the FSAN would be recognised by English courts for the purposes of Article 55 of the BRRD (regarding contractual bail-in). See further – "*Risks applicable to Subordinated Notes, Senior Preferred Notes and Senior Non-Preferred Notes: The Subordinated*

Notes may be written down by the Issuer's shareholders or the Norwegian authorities under the Financial Institutions Act" and "*In certain circumstances, the Issuer can substitute or vary the terms of the Notes*". For instance, it is not yet possible to predict any consequent impact of Brexit on any outstanding English law governed MREL or regulatory capital issuances by the Issuer.

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risks entailed by an investment in any Notes linked to a relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

There may be no active trading market for the Notes

The Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although an application has been made for Notes issued the Programme to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market, there can be no assurances that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there can be no assurances as to the development or liquidity of any trading market for any particular Tranche of Notes.

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.

The Issuer may issue Inverse Floating Rate Notes which have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Risks related to Notes generally

Defined majorities of Noteholders may approve modifications to or waivers in respect of the Notes.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors. The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English or Norwegian law or administrative practice.

The Ordinary Note Conditions (except for Condition 2) and the VPS Conditions (except for Conditions 2, 8, 9, 10, 11, 12 and 13) are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Condition 2 of the Ordinary Note Conditions and Conditions 2, 8, 9, 10, 11, 12 and 13 of the VPS Conditions are based on Norwegian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Norwegian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that his holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that his holding amounts to a Specified Denomination.

If such notes in definitive form are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks Relating to the Legal and Regulatory Environments of the Issuer and the Notes

Capital adequacy and liquidity requirements

At the international level, a number of regulatory and supervisory initiatives have been implemented in recent years in order to increase capital requirements, increase the quantity and quality of capital and raise liquidity levels in the banking sector. Among such initiatives are a number of specific measures proposed by the Basel Committee on Banking Supervision (the "Basel Committee") and implemented by the EU through CRD IV (as defined below).

In 2013, the EU adopted a legislative package to strengthen the regulations of the banking sector and to implement the Basel III agreement in the EU legal framework, which resulted in increased capital requirements. This package included the directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (the "CRD IV") and the Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR"). CRD IV and CRR were implemented in Norway 31 December 2019.

The capital adequacy requirements for banks consist of two pillars. Pillar 1 encompasses minimum capital requirements determined by the political authorities. As per the provisions of the Financial Institutions Act, banks must hold capital at least equal to 8 per cent. of their risk-weighted assets ("RWAs"), within which at least 4.5 per cent. must be common equity tier 1 capital and at least 6 per cent. must be tier 1 capital.

In addition, the Financial Institutions Act imposes various capital buffer requirements which must be met by Norwegian financial institutions, all consisting of common equity tier 1. As of the date of this Base Prospectus, the capital buffer requirements consists of (i) a conservation buffer of 2.5 per cent. of RWAs, (ii) a systemic risk buffer of 3 per cent. of RWAs and (iii) a counter-cyclical buffer of 1 per cent. of RWAs.

Accordingly, as of the date of this Base Prospectus, the minimum common equity tier 1 capital requirement for the Issuer, including the buffer requirements, is 11 per cent. of RWAs.

Under CRD IV, each EU Member State is responsible for setting a counter-cyclical buffer rate applicable to exposures in its own jurisdiction. The relevant authorities in the other EU Member States are required to

apply such rate to the exposures in that jurisdiction of the banks which they regulate (with discretion whether to recognise a rate higher than 2.5 per cent. of RWAs). The counter-cyclical buffer rate applicable to a particular bank will be the weighted average of the counter-cyclical buffer rates in those jurisdictions where such bank has exposures from time to time (with the bank's home relevant authority determining the applicable counter-cyclical buffer rate for exposures in jurisdictions outside the EU or in any EU jurisdiction where the relevant authority has not set a counter-cyclical buffer rate).

The level of the counter-cyclical buffer will be re-assessed by the Ministry of Finance and the relevant authorities in each other Member State each quarter and may result in an increase or a decrease in the rate. A decision to increase the requirement may normally enter into force no earlier than 12 months following such decision.

CRD IV permits regulators to require the banks which they regulate to hold additional capital, often referred to as "Pillar 2" capital requirements. The FSAN's Pillar 2 requirements are in addition to the Pillar 1 requirements and are expected to reflect institution-specific capital requirements relating to risks which are not covered or only partly covered by Pillar 1. The Pillar 2 requirement is the supervisory authority's assessment of many factors at a given point in time and may be revised upwards or downwards on an ongoing basis to address the specific risk profile of the institution being regulated. The current Pillar 2 requirement for the Issuer is 1.7 per cent.

The Basel III framework also provided for capital requirements based on total (i.e., non-risk weighted) assets, referred to as leverage ratio requirements. On 20 December 2016, the Ministry of Finance resolved to impose a requirement for leverage ratio of 3 per cent. for banks, finance companies, holding companies in financial groups and investment firms who provides certain investment services, as well as a general buffer requirement of 2 per cent. for banks. Any entity which does not comply with the leverage ratio requirements must send a plan to the FSAN within five business days with a timetable for the required increase of the leverage ratio. If the FSAN does not consider the plan to be sufficient, it can order the entity to implement various types of measures to remedy the situation. The regulation setting out the leverage ratio requirements has been effective from 1 January 2017 and states that the requirements have been applicable from 30 June 2017.

In December 2017, the Basel Committee adopted changes to several parts of the Basel III standards for capital adequacy assessments, aiming, among other things, to ensure greater consistency between banks' reported capital adequacy figures and capital requirements. The changes include adjustments to the standardised approach and the internal ratings-based approach, as well as the introduction of a new capital floor. The new capital floor requirement will reduce differences in risk weights and result in more harmonised capital requirements across national borders. However, the changes to Basel III are not planned to take effect until 1 January 2022, with a five-year phase-in period. The EU is expected to adopt the recommendations by amending its legislation. This legislation will also be applicable in Norway through the Agreement on the European Economic Area (the "EEA Agreement").

In order to ensure compliance with an ever-changing regulatory landscape, the Issuer may need to increase its capital ratios in the future by reducing its lending or investment in other operations or raising additional capital. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms or at all. In addition, it is difficult to predict what regulatory requirements relating to capital may be imposed in the future or accurately estimate the impact that any currently proposed regulatory changes may have on the business, the products and services offered by the Issuer and the values of its assets. For example, if any entity of the Issuer is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain businesses as a result of the initiatives to strengthen the regulation of credit institutions, this could materially adversely affect the Issuer's results of operations or financial condition.

The Basel III framework also aimed to raise liquidity levels in the banking sector. CRD IV includes requirements relating to the liquidity coverage ratio (the "LCR"). The Norwegian Ministry of Finance has introduced a LCR requirement of 100 per cent. for each significant currency. Due to the limited size of the domestic capital market, the minimum requirement for LCR in NOK is set at 50 per cent. for banks that have U.S.$ and/or euro as other significant currencies. The lack of NOK LCR should be fulfilled by either U.S.$ or euro. The LCR requirement for euro and U.S.$ is, thus, in practice, 100 per cent. plus the lack of NOK LCR. As a result and to ensure compliance with changes in these rules, the Issuer may need to hold additional liquid assets, which may have an adverse effect on its results of operations or financial condition.

A net stable funding ratio ("NFSR") has also been proposed with the Basel III framework. This funding seeks to calculate the proportion of long-term assets which are funded by long-term stable funding. Norway has so far not implemented NSFR liquidity rules pending further developments in EU regulations governing NSFR.

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD IV, the BRRD and Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism for the Banking Union and proposed an amending directive to facilitate the creation of a new asset class of "non-preferred" senior debt (the "Proposals"). The Proposals covered multiple areas, including the Pillar 2 framework, the leverage ratio, the mandatory restrictions on distributions, the permission for reducing own funds and eligible liabilities, the macroprudential tools, a new category of "non-preferred" senior debt, the MREL (as defined below) framework and the integration of the Financial Stability Board's proposed minimum total loss-absorbing capacity into EU legislation. The various directives and regulations intended to implement the Proposals were published in the Official Journal of the European Union on 7 June 2019 and will enter into force in the European Union 20 days thereafter, subject to various transitional provisions. Such directives and regulations implementing the Proposals have yet to be implemented as a matter of domestic law in Norway. It is unclear when Norwegian implementation will take place.

The new category of "non-preferred" senior debt mentioned above is included in the Proposals by virtue of a draft amending directive facilitating the creation of such new asset class of "non-preferred" senior debt which was published in final form on 12 December 2017 (the "Creditor Hierarchy Directive"). The Norwegian Ministry of Finance is currently considering a legislative proposal for transposing the Creditor Hierarchy Directive into Norwegian law, which was submitted to it by the FSAN on 3 June 2019. At the date of this Base Prospectus, uncertainty remains over the exact timing for adoption and entry into force of the national legislation transposing the Creditor Hierarchy Directive into Norwegian law.

Until the Proposals are implemented in Norway, it is uncertain how the Proposals will affect the Issuer or holders of the Notes.

Floating Rate Notes / other Notes referencing or limited to benchmark

So-called benchmarks such as the London Interbank Offered Rate ("LIBOR"), Euro Interbank Offered Rate ("EURIBOR"), ISDAFIX (now restructured and renamed the ICE Swap Rate), referenced swap rates and other indices which are deemed "benchmarks" (each a "Benchmark" and together, the "Benchmarks"), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and amount payable under the Notes.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") which was published in the official journal on 29 June 2016. In addition to the aforementioned regulation, there are numerous other proposals, initiatives and

investigations which may impact Benchmarks. In addition, in July 2017 the Chief Executive of the Financial Conduct Authority ("FCA") in the United Kingdom questioned the sustainability of LIBOR in its current form, and advocated a transition away from reliance on LIBOR to alternative reference rates. He noted that currently there is wide support among the LIBOR panel banks for voluntarily sustaining LIBOR until the end of 2021, facilitating this transition. At the end of this period, it is the FCA's intention that it will not be necessary to sustain LIBOR through its influence or legal powers by persuading, or obliging banks to submit to LIBOR. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. Subsequent speeches made by the Chief Executive of the FCA and other FCA officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021.

Other Benchmarks suffer from similar weaknesses to LIBOR and although work continues on reforming their respective methodologies to make them more grounded in actual transactions, they may be discontinued or subject to changes in their administration.

Changes to the administration of a Benchmark or the emergence of alternatives to a Benchmark, may cause such a Benchmark to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of a Benchmark or changes to its administration could require changes to the way in which the rate of interest is calculated in respect of any Notes referencing or linked to such a Benchmark. The development of alternatives to a Benchmark may result in Notes linked to or referencing such a Benchmark performing differently than would otherwise have been the case if the alternatives to such a Benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such a Benchmark.

Whilst alternatives to certain Benchmarks for use in the bond market are being developed, outstanding Notes linked to or referencing a Benchmark may transition away from such a Benchmark in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Noteholders, Receiptholders and Couponholders (which may include payment of a lower rate of interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given Benchmark to an alternative rate).

Where Screen Rate Determination is specified as the manner in which the rate of interest in respect of floating rate Notes is to be determined, the Conditions provide that the rate of interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the rate of interest may ultimately revert to the rate of interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the floating rate Notes.

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate, a public statement by the administrator of the Original Reference Rate (i) that it has or will cease publishing

the Original Reference Rate or (ii) that such rate is or will be no longer representative of its underlying market. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate even if the Original Reference Rate continues to be available. The use of any such Successor Rate or Alternative Rate to determine the rate of interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower rate of interest) than they would do if the Original Reference Rate were to continue to apply in its current form. In addition, the market (if any) for Notes linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Notes linked to the Original Reference Rate. Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread will be determined by the Issuer and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Issuer determines that no such spread is customarily applied, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser, determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower rate of interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the rate of interest for the next succeeding Interest Period will be the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the rate of interest will be the initial rate of interest.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial rate of interest, or the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower rate of

interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, or if a Successor Rate or Alternative Rate is not adopted because it could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the loss absorption regulations, or, in the case of Senior Non-Preferred Notes, the treatment of the next Interest Payment Date or Reset Date as the effective maturity of the Notes by the regulator, the initial rate of interest, or the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the rate of interest in respect of floating rate Notes is to be determined, the Conditions provide that the rate of interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a Benchmark Floating Rate Option, the rate of interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant Benchmark is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the rate of interest that would be applicable, and may, adversely affect the value of, and return on, the floating rate Notes.

The market continues to develop in relation to €STR as reference rates for Floating Rate Notes

The Programme provides for the issuance of Floating Rate Notes with interest determined on the basis of the reference rate €STR.

The €STR is published by the European Central Bank and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The European Central Bank reports that the €STR is published on each TARGET business day based on transactions conducted and settled on the previous TARGET business day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Notes that reference a risk free rate issued under this Programme. The Issuer may in future also issue Notes referencing €STR that differ materially in terms of interest determination when compared with any previous Compounded Daily €STR-referenced Notes issued by it under the Programme. The development of €STR as an interest reference rate for the Eurobond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any €STR-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date (or other date on which accrued interest may become due on the Notes). It may be difficult for investors in Notes which reference Compounded Daily €STR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to, for example, EURIBOR-based Notes, if Notes referencing Compounded Daily €STR become due and payable as a result of an event of default under Condition 8 (Events of Default), or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the

final Interest Period in respect of such Notes shall only be determined on the date on which the Notes become due and payable.

In addition, the manner of adoption or application of €STR reference rates in the Eurobond markets may differ materially compared with the application and adoption of €STR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing €STR.

Since €STR is a relatively new market index, Notes which reference €STR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to €STR such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if €STR does not prove to be widely used in securities like Notes which reference Compounded Daily €STR, the trading price of such Notes which reference Compounded Daily €STR may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes which reference Compounded Daily €STR. If the manner in which Compounded Daily €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. Accordingly, an investment in Floating Rate Notes using €STR as a reference rate may entail significant risks not associated with similar investments in conventional debt securities.

The BRRD II is not implemented in Norway, and it is uncertain when it will be implemented.

Following the publication on 7 June 2019 in the Official Journal of the EU of the Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 amending the BRRD (the "BRRD II") as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, a comprehensive legislative package has been produced which intends to reduce risks in the banking sector and the financial system, reinforce banks' ability to withstand potential shocks and strengthen the banking union from 28 December 2020.

On 5 February 2020, the Norwegian Ministry of Finance appointed a working group that will further assess the implementation of the EU Banking Reform Legislation into Norwegian law. The working group will, in addition to representatives from the FSAN, consist of representatives from the Norwegian Central Bank, the Norwegian Ministry of Finance and the Norwegian Bank's Guarantee Fund. The report is expected to be submitted to the Norwegian Ministry of Finance by 1 October 2020. As at the date of this Base Prospectus, the BRRD II is not implemented in Norway and it is uncertain when it will be implemented.

Risks related to Green Bonds

The application of the net proceeds of Green Bonds as described and defined in "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria.

It is the Issuer's intention to apply an amount equal to the proceeds from the offer of the Green Bonds specifically for Eligible Green Loans (as defined under "*Use of Proceeds*" below).

Prospective investors in the Green Bonds (as defined under "*Use of Proceeds*" below) should have regard to the information in "*Use of Proceeds*" regarding the use of net proceeds of those Green Bonds and must determine for themselves the relevance of such information for the purpose of any investment in such Green

Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or the Dealers that the use of such proceeds for "green" purpose (as described in "*Use of Proceeds*") will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any projects or uses, the subject of or related to any Eligible Green Loans.

The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "sustainable", "green" or equivalently-labelled project or a loan that may finance such project, is currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the "**Taxonomy Regulation**"). Within the framework of the Taxonomy Regulation, the Technical Expert Group on Sustainable Finance ("**TEG**") has been asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. On 9 March 2020, the TEG published its final report on the EU taxonomy. The report contains recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy. On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament will have to vote on the text pursuant to the "early second reading agreement" procedure. On this basis, the European Commission will be tasked to establish the actual classification by defining technical screening criteria, in the form of delegated acts, for each relevant environmental objective and sector respectively. The TEG's recommendations are designed to support the European Commission in the development of the delegated act on climate change mitigation and climate change adaptation under the Taxonomy Regulation. The taxonomy for climate change mitigation and climate change adaptation should be established by the end of 2020 in order to ensure its full application by end of 2021.

There can be no assurance by the Issuer that the use of proceeds of Green Bonds will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own governing rules or investment portfolio mandates. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Bonds and in particular with any Eligible Green Loans to fulfil any environmental, sustainability and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such report, assessment, opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Green Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any projects or uses, the subject of or related to, any Eligible Green Loans. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds.

While it is the intention of the Issuer to apply the proceeds of the issue of Green Bonds for Eligible Green Loans in, or substantially in, the manner described in "Use of Proceeds", there can be no assurance that the Issuer will be able to do this. None of a failure by the Issuer to allocate the proceeds of any Green Bonds or to report on the use of proceeds or Eligible Green Loans as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of Green Bonds to meet investors' expectations requirements regarding any "green" or similar labels will constitute an event of default or breach of contract with respect to any of the Green Bonds.

Any such event or failure to apply the proceeds of the issue of Green Bonds for any Eligible Green Loans as aforesaid and/or withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

DOCUMENTS INCORPORATED BY REFERENCE AND SUPPLEMENTS TO THE BASE PROSPECTUS

The following documents have been filed with the CSSF and shall be incorporated by reference in, and form part of, this Base Prospectus:

(a) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2018 together with the independent Auditors' report thereon (an English translation is available on the website of the Issuer at https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/reports.html) set out on the following pages of the Issuer's 2018 annual report (in a document named "Annual Report 2018"):

Income Statement	p. 50
Balance Sheet	p. 51
Equity Statement	p. 52 – 53
Cash Flow Statement	p. 54
Notes	p. 55 – 120 (inclusive)
Auditors' Report	p. 121 – 126 (inclusive);

(b) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2019 together with the independent Auditors' report thereon (an English translation is available on the website of the Issuer at https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/reports.html) set out on the following pages of the Issuer's 2019 annual report (in a document named "Annual Report 2019"):

Income Statement	p. 56
Balance Sheet	p. 57
Equity Statement	p. 58
Cash Flow Statement	p. 60
Notes	p. 61 – 125 (inclusive)
Auditors' Report	p. 126 – 131 (inclusive);

(c) the interim unaudited consolidated financial statements of the Issuer as of and for the three-month period ended 31 March 2020 (an English translation is available on the website of the Issuer at https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/reports.html) set out on the following pages of the Issuer's interim unaudited first quarter report (in a document named "First Quarter 2020"):

Income Statement	p. 19
Balance Sheet	p. 20
Equity Statement	p. 21
Cash Flow Statement	p. 22

Notes	p. 23 – 43 (inclusive)

(d) the Terms and Conditions of the Ordinary Notes set forth in the Base Prospectus dated 13 June 2019 in relation to the Programme as set out on pages 75-123 therein (inclusive);

(e) the Terms and Conditions of the VPS Notes set forth in the Base Prospectus dated 13 June 2019 in relation to the Programme as set out on pages 124-165 therein (inclusive);

(f) the Terms and Conditions of the Ordinary Notes set forth in the Base Prospectus dated 4 May 2018 in relation to the Programme as set out on pages 63 – 100 therein (inclusive), as amended by pages 15 to 28 (inclusive) the Prospectus Supplement dated 15 March 2019;

(g) the Terms and Conditions of the VPS Notes set forth in the Base Prospectus dated 4 May 2018 in relation to the Programme as set out on pages 101 – 132 therein (inclusive);

(h) the Terms and Conditions of the Ordinary Notes set forth in the Base Prospectus dated 7 July 2017 in relation to the Programme as set out on pages 64 – 101 therein (inclusive); and

(i) the Terms and Conditions of the VPS Notes set forth in the Base Prospectus dated 7 July 2017 in relation to the Programme as set out on pages 102 – 133 therein (inclusive).

Only the information set out in the cross-reference lists in (a) – (i) above is being incorporated by reference into this Base Prospectus. Any other information that is not included in the cross-reference lists above is considered to be additional information to be disclosed to investors rather than information required by the relevant annexes of the Prospectus Regulation and such additional information shall not be incorporated by reference into this Base Prospectus. Any such non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London and in Luxembourg. Documents incorporated by reference in this Base Prospectus will also be published on the Issuer's website (https://www.sparebank1.no/en/sr-bank/about-us.html) and the website of the Luxembourg Stock Exchange (www.bourse.lu). No information on any website forms part of this Base Prospectus except as specifically incorporated by reference, as set out above.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes.

USE OF PROCEEDS

General

Unless the "Reasons for the Offer" in Part B of the applicable Final Terms or Pricing Supplement (as the case may be) is stated to be for "green" purposes, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

Green Bonds

Use of proceeds, project evaluation and selection

In addition, where the "Reasons for the Offer" in Part B of the applicable Final Terms are stated to be for "green" purposes as described in this "Use of Proceeds" section (the "**Green Bonds**"), an amount equal to the net proceeds from each such issue of Green Bonds will be used as described below.

The Issuer intends to allocate an amount equal to the net proceeds of any such issue of Green Bonds to finance or refinance, in part or in full, an array of new and/or existing green projects (as described in the section headed "Use of Proceeds" of the Issuer's Green Bond Framework (as defined below) (the "**Eligible Green Loans**"). Eligible Green Loans are expected to include loans in the following categories:

- Residential Green Buildings: new and existing mortgages for energy efficient residential buildings in Norway;
- Commercial Green Buildings: loans to energy efficient commercial properties;
- Renewable Energy: loans to finance or refinance activities of renewable energy generation sources (hydro power, wind, solar);
- Clean Transportation: loans to finance or refinance low carbon vehicles and/or low carbon transportation infrastructure; and
- General: general corporate purposes loans to "pure play" green companies (being those deriving more than 90 per cent. of their revenues from the above categories).

The Issuer has relied on the support of an external green real estate consultant Multiconsult ASA to define the associated eligibility criteria which are further described in the Issuer's Green Bond Framework published on its website: https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/gjeldsinvestorer/SR-BankGreenBondFramework092019.pdf (including, as amended, supplemented, restated or otherwise updated on such website from time to time, the "**Green Bond Framework**").

The Issuer takes care to ensure that all selected Eligible Green Loans comply with official national and social standards and local laws and regulations. It is part of the transaction approval process of the Issuer to take care that all activities comply with internal environmental and social standards.

Management of Green Bond proceeds

The Issuer intends to allocate the proceeds from any issue of Green Bonds under the Programme to a portfolio of loans that meet the use of proceeds eligibility criteria and in accordance with the evaluation and selection process presented above and in the Green Bond Framework (the "**Eligible Green Loan Portfolio**")

The Issuer will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio that matches or exceeds the balance of an amount equal to the net proceeds from its outstanding Green Bonds.

Eligible Green Loans will be added to or removed from the Issuer's Eligible Green Loan Portfolio to the extent required.

While any Green Bond amount equal to the net proceeds remain unallocated, the Issuer will hold and/or invest in its treasury liquidity portfolio, in cash or other short term and liquid instruments, the balance of an amount equal to the net proceeds not yet allocated to the Eligible Green Loan Portfolio.

Reporting

The Issuer intends to make and keep readily available allocation and impact reporting in respect of each issue of Green Bonds under the Programme, with effect from a year after the issuance, to be renewed annually until full allocation (the "**Allocation Report**"). The Issuer has appointed a specialised green consultant Multiconsult ASA to develop the methodology for the estimation and calculation of impacts, which will be provided on a portfolio basis (the "**Impact Report**"). Both the Allocation Report and the Impact Report will be available on the Issuer's website.

The Issuer intends to align the reporting with the portfolio approach described in the ICMA Green Bond Principles Handbook "*Harmonized Framework for Impact Reporting (June 2019)"* (available at https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf).

External review – second party opinion

The Issuer has obtained an independent verification assessment from Sustainalytics B.V., dated 30 August 2019, to confirm the validity of the Issuer's Green Bond Framework. The independent verification report has been published on the Issuer's website.

External review – verification

In addition, the Issuer may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the proceeds of any issue of Green Bonds to eligible assets, provided by its external auditor.

Neither the Green Bond Framework, nor any of the above reports, verification assessments or contents of any of the above websites are incorporated in or form part of this Base Prospectus. The information on the above websites have not been scrutinised or approved by the competent authority.

DESCRIPTION OF THE ISSUER'S BUSINESS

Overview

On 1 October 1976, 22 savings banks in Rogaland merged to form Norway's first regional savings bank, Sparebanken Rogaland. At that time, this was the most comprehensive merger that had been carried out among Norwegian savings banks. The regional savings bank grew through their active participation in Rogaland's social and business development, which has been their guiding concept ever since 1839, when the first of the merged savings banks was founded in Egersund. The intention of the founders of the savings banks in the rural districts was to contribute to positive community development by channelling locally created value back into local communities.

In 1996, the bank was a co-founder of SpareBank 1 Alliance, which is a banking and product alliance. The SR-Bank Group's participation in the SpareBank 1 Alliance links it to independent banks with local roots. In March 2007, the bank formally changed its name from Sparebanken Rogaland to SpareBank 1 SR-Bank. On 21 June 2011, the Ministry of Finance granted SpareBank 1 SR-Bank permission to convert from a savings bank to a limited liability company (limited liability savings bank) and to establish a savings bank foundation on specific terms and conditions. The conversion and establishment of Sparebankstiftelsen SR-Bank was completed with effect from 1 January 2012. The company's legal name was simultaneously changed to SpareBank 1 SR-Bank ASA. SpareBank 1 SR-Bank ASA is registered with the Norwegian Company Registry with organisation number 937895321. The address of the registered office is Christen Tranes gate 35, 4007 Stavanger, Norway (tel +47 915 02002).

The SR-Bank Group had 1,373 employees as of 31 December 2019. The SR-Bank Group comprises the parent bank, SpareBank 1 SR-Bank ASA, and the subsidiaries EiendomsMegler 1 SR-Eiendom AS, SR Forvaltning AS, SpareBank 1 Regnskapshuset SR AS, SR-Boligkreditt AS, FinStart Nordic AS and Monner AS. The Issuer is not directly or indirectly owned or controlled by any one shareholder. The Issuer's largest shareholder is a foundation, Sparebankstiftelsen SR-Bank, which owns 28.3 per cent. of the shares.

Business Operations

The SR-Bank Group's market area is Southern Norway. SpareBank 1 SR-Bank ASA had 33 branches and total assets of NOK 255.9 billion (on group level) as of 31 December 2019. Its registered head office is in Stavanger, Norway. The bank's customer-orientated activities are organised into three divisions: the retail market, corporate market and capital market, respectively. SpareBank 1 SR-Bank ASA provides products and services in the fields of financing, investments and payment services. The SR-Bank Group also provides pension, life and P&C (property and casualty) insurance products through SpareBank 1 Gruppen AS (19.5 per cent. owned by SpareBank1 SR-Bank ASA).

SpareBank 1 SR-Bank ASA's primary market area is the southern and western Norway with 348,000 retail customers and a market share of around 20 per cent. at year-end 2019. In addition to retail customers, the retail market division also serves 9,400 small business and agricultural customers.

In 2019, the corporate market division was responsible for serving 17,700 corporate customers *via* a broad distribution network. The division has five regional business units and two specialist units: one for the energy and maritime sectors and one for the public sector.

SpareBank 1 SR-Bank Markets is one of the region's leading securities firms. Its activities include own account and customer trading in interest rate instruments and foreign exchange, providing advice and facilitating debt and equity funding, as well as administrative securities services.

SpareBank 1 SR-Bank ASA has sold NOK 4.2 billion worth of mortgages to its part-owned mortgage company SpareBank 1 Boligkreditt AS as of 31 December 2019.

Business Strategy

SpareBank 1 SR-Bank ASA aims to be the most attractive supplier of financial services in the south of Norway. The bank's strategy is based on good customer experiences, professionalism, local roots and decision making, financial strength, profitability and market trust.

SR-Bank Group's Performance

SpareBank 1 SR-Bank recorded good progress in all of the group's business areas in 2018. The bank's position in Rogaland was strengthened in both the retail market and the corporate market, and at the same time the group strengthened its positions in Vestland and the Agder counties. SpareBank 1 SR-Bank has also rapidly become a challenger for established financial groups in Oslo.

The competition for customers in the banking market remained strong in 2019. The group saw a rise in demand for loans from retail and corporate customers during the course of 2019. Margins on loans to retail customers were reduced in 2019 due to higher money market rates, while repricing parts of the home mortgage portfolio following the central bank of Norway, Norges Bank's three interest rate rises in 2019 had a positive effect. Margins on loans to corporate customers expanded slightly in 2019. Deposit margins increased during the year in both the retail market and the corporate market due to rising market interest rates. Deposits grew by 4.3 per cent. in 2019. Overall, earnings from net interest income were better in 2019 than the year before.

The equity markets developed positively throughout 2019 and the Oslo Stock Exchange's main index ended 16.5 per cent. higher. Capital gains from securities totalled NOK 96 million for the full year. This was due to a combination of capital losses of NOK 156 million in the interest portfolio, which were counteracted by positive effects totalling NOK 141 million from hedging instruments, as well as capital gains of NOK 111 million from the portfolio of shares and equity certificates.

Impairments on loans and liabilities totalled NOK 235 million in 2019, compared with NOK 324 million in 2018. This resulted in impairments as a percentage of gross loans, including loans sold to the mortgage companies, amounting to 0.12 per cent. The impairments on loans in 2019 largely involved individual commitments within oil-related activities. The board regards the quality of the loan portfolio and risk management as good.

Financial Overview

The SR-Bank Group achieved a pre-tax profit of NOK 3,817 million in 2019. The net profit for the year amounted to NOK 3,124 million, compared with NOK 2,296 million in 2018.

Solid efforts by employees, good credit work and good relationships with customers were important drivers behind a good result. The market position as one of Southern Norway's leading financial groups and the country's second largest Norwegian-owned bank was further strengthened by a net increase of 9,300 new retail customers over the age of 13 and 1,000 new corporate customers. Lending, including loans sold to SpareBank 1 Boligkreditt AS, increased by 4.9 per cent. in 2019. Deposits from customers increased by 4.3 per cent. in 2019. The deposit coverage ratio, measured as deposits as a percentage of total loans, was 49.8 per cent. at year-end, compared with 51.4 per cent. in 2018.

Net interest income increased to NOK 3,987 million in 2019, compared with NOK 3,439 million in 2018. Net interest income as a percentage of average total assets increased to 1.61 per cent. In 2018, from 1.54 per cent. in 2018. The increase was mainly due to a higher lending volume and increased interest margins in the corporate market division.

Net commissions and other operating income totalled NOK 1,416 million in 2019, down from NOK 1,437 million in 2018. The reduction was largely attributable to a NOK 55 million decrease in commissions from

SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS in 2019. The net return on financial investments amounted to NOK 1,127 million in 2019, compared with NOK 569 million in 2018. Income from ownership interests increased by NOK 509 million to NOK 875 million in 2019. The most important reason for this was the increased profit share from SpareBank 1 Gruppen AS.

The group's operating costs for the year amounted to NOK 2,478 million in 2019, compared with NOK 2,229 million in 2018, an increase of NOK 249 million (11.2 per cent.) since 2018. Personnel costs rose by NOK 175 million (13.5 per cent.) to NOK 1,472 million. The growth in costs is a consequence of the group's aggressive market strategy and increased use of resources in strategically selected priority areas. The group's net impairments on loans and liabilities amounted to NOK 235 million compared with NOK 324 million in 2018. The low impairments were due to NOK 92 million in previous impairments being reversed in the second quarter of 2019 following a legally enforceable judgment in which SpareBank 1 SR-Bank was awarded NOK 92 million including interest in damages. Closely monitoring customers and preventive work remain important tools for maintaining a good risk profile in the group's loan portfolio in order to reduce future losses.

The board of SpareBank 1 SR-Bank has reassessed the distribution of the profit for the financial year 2019 based on the COVID-19 situation. On 23 April 2020, the annual general meeting approved the board's proposal that no dividend shall be paid out for 2019 at this time. However, the board has received authorisation from the general meeting to make a decision about the distribution of a dividend, at some later point in time, of up to NOK 5.50 per share based on the bank's approved annual financial statements for 2019. The authorisation will remain valid until the next ordinary general meeting in 2021. At year-end 2019, the Common Equity Tier 1 capital ratio was 17.0 per cent. compared to 14.7 per cent. in 2018. The Tier 1 capital ratio was 18.6 per cent. (15.9 per cent.) and the capital ratio was 20.4 per cent. (17.6 per cent.). The EU's capital adequacy regulations (CRR/CRD IV) were incorporated into the EEA agreement in March 2019, and the implementation of the regulations came into effect in Norway on 31 December 2019. On 11 December 2019, the Ministry of Finance announced that it intended to increase the systemic risk buffer requirement from 3.0 per cent. to 4.5 per cent. with effect from 31 December 2020.

Developments in Q1 2020

The SR-Bank Group made a pre-tax profit of NOK 247 million in the first quarter of 2020 (NOK 1,323 million), NOK 379 million lower than in the previous quarter. This year's first quarter was heavily impacted by the effects of both low oil prices and the COVID-19 outbreak. This particularly affected income from financial instruments and impairments on loans and financial liabilities.

Impairments on loans and financial liabilities amounted to NOK 560 million for the first quarter of 2020 (NOK 49 million), an increase of NOK 421 million from the fourth quarter of 2019. The higher impairments, including IFRS 9 provisions, are linked to the COVID-19 situation and the subsequent low oil prices and high USD exchange rate. This especially applies to the changed long-term market conditions for a single commitment within the oil/offshore segment that requires a larger impairment.

The Common Equity Tier 1 capital ratio was 17.7 per cent. at the end of the first quarter of 2020 (14.7 per cent.). The higher Common Equity Tier 1 capital ratio is due to a reassessed distribution of the profit for the financial year 2019 based on the COVID-19 crisis, where the entire profit has been retained by the bank without the payment of a dividend, and the implementation of new capital adequacy rules in Norway from 31 December 2019. Furthermore, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0 per cent. with effect from March 2020 due to the COVID-19 situation. The Tier 1 capital ratio was 19.2 per cent. (16.0 per cent.), while the total capital ratio was 21.0 per cent. (17.7 per cent.) at the end of the first quarter of 2020. This is well above the required capital ratio of 17.1 per cent..

Risk and Capital Management

The core business of SpareBank 1 SR-Bank ASA is to achieve value creation through taking conscious and acceptable risk. The SR-Bank Group, therefore, invests significant resources in maintaining and developing risk management systems and processes that are in line with leading international practice. The board of SpareBank 1 SR-Bank has established its own risk committee.

The risk and capital management should underpin the SR-Bank Group's strategic development and goal attainment, while ensuring financial stability and prudent asset management. This shall be achieved through:

- a good risk culture characterised by a high awareness of risk management and the SR-Bank Group's core values;
- a good understanding of which risks drive earnings;
- pricing activities and products in line with their underlying risk, insofar as this is possible;
- having adequate financial strength based on a chosen risk profile and simultaneously striving for optimal capital allocation to the various business areas;
- utilising diversification effects; and
- preventing single events seriously damaging the SR-Bank Group's financial position.

The SR-Bank Group's risk is quantified, inter alia, by computing expected losses and risk-adjusted capital for unexpected losses. Expected losses describe the amount one statistically expects to lose during a 12-month period, while risk-adjusted capital describes how much capital the SR-Bank Group believes it needs to cover the actual risk to which the SR-Bank Group is exposed. The most important risks the SR-Bank Group is exposed to are credit risk, market risk, liquidity risk, operational risk and ownership risk. See also "*Risk Factors*" above.

Major Subsidiaries

Eiendomsmegler 1 SR-Eiendom AS

EiendomsMegler 1 SR-Eiendom AS is well represented throughout the group's market area and has 40 branches from Grimstad in the south-east to Bergen in the north Its activities include residential and commercial real estate broker services. In 2019, the company sold 6,441 properties *via* its estate agencies in Rogaland, Hordaland and the Agder counties.

SR-Forvaltning AS

SR-Forvaltning AS is an investment firm licensed to provide active management and fund management services. Pre-tax profit was NOK 25.4 million in 2019 (NOK 34.7 million). The reduction in fund management income was mainly due to a reduction in management fees after price adjustments throughout the year. In 2019, the company experienced good customer growth in the SR-Bank funds, but a reduced volume under discretionary management. The company's costs increased through 2019 as a result of a new savings strategy. The assets under management at year end 2019 amounted to NOK 12.5 billion (NOK 11.4 billion).

SpareBank 1 Regnskapshuset SR AS

SpareBank 1 Regnskapshuset SR AS achieved a pre-tax profit of NOK 10.7 million in 2019 (NOK 4.2 million). The result includes the depreciation of intangible assets amounting to NOK 2.5 million (NOK 1.9 million). The company was established in 2015. At year-end 2019, the company had seven offices, three in Rogaland, three in Bergen and one in Agder and around 2,600 customers.

SR-Boligkreditt AS

SR-Boligkreditt AS is a wholly owned subsidiary and was established in the second quarter of 2015. The purpose of the company is to purchase home mortgages from SpareBank 1 SR-Bank and it funds this by issuing covered bonds. SR-Boligkreditt AS enables SpareBank 1 SR-Bank to diversify and optimise its funding. At year-end 2019, SR-Boligkreditt AS's total assets were NOK 77.9 billion.

FinStart Nordic AS

FinStart Nordic AS achieved a pre-tax profit of NOK 27.3 million in 2019 (NOK 59.5 million). The reduction in its financial results was attributable to higher costs due to the company becoming fully operational in 2019 following a phased start-up in spring 2018. In 2019, the company achieved a positive return on securities of NOK 54.8 million (NOK 70.4 million). The increase in value primarily came from the investment portfolio of the former SR-investment AS. The income included proceeds of NOK 27.9 million in connection with the sale of Monner AS to the parent bank. Costs increased by NOK 16.5 million to NOK 27.1 million due to the company becoming fully operational in 2019.

Monner AS

Monner AS is a payment company and a registered loan arranger and arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian limited liability companies via its proprietary digital platform. On 1 July 2019, SpareBank 1 SR-Bank ASA purchased 100 per cent. of the shares in Monner AS. SpareBank 1 SR-Bank ASA became the company's first external investor through its investment company FinStart Nordic AS with an investment in March 2017. The company has arranged more than NOK 170 million in loans to Norwegian companies. Ownership of Monner AS will enable the group to help entrepreneurs throughout Norway succeed by delivering comprehensive services to companies in their start-up and growth phases. The company posted a deficit of NOK 14.0 million in 2019 (NOK -14.0 million). The negative result is in line with expectations and was due to the company being in an investment and development phase where the costs of products and market development will be higher than earnings.

The SpareBank 1 Alliance

The SpareBank 1 Alliance's purpose is to acquire and provide competitive financial services and products and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance also helps to secure the participating banks' value creation for the benefit of their own regions and the banks' owners.

The SpareBank 1 banks run the alliance through their ownership of, and participation in, SpareBank 1 Banksamarbeidet DA. The development and organisation of the product companies are organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

The SpareBank 1 Alliance Structure

SpareBank 1 Gruppen AS is owned by SpareBank 1 SR-Bank ASA (19.5 per cent.), SpareBank 1 SMN (19.5 per cent.), SpareBank 1 Nord-Norge (19.5 per cent.), SpareBank 1 Østlandet (12.4 per cent.), Samarbeidende Sparebanker AS (19.5 per cent.), and the Norwegian Confederation of Trade Unions ("LO") and affiliated trade unions (9.6 per cent.).

SpareBank 1 Gruppen AS owns 100 per cent. of the shares in SpareBank 1 Forsikring AS, ODIN Forvaltning AS, Conecto AS, SpareBank 1 Factoring AS, Modhi finance AS, and SpareBank 1 Spleis AS, 65 per cent. of the shares in Fremtind Forsikring AS, and 51 per cent. of the shares in LO Favør AS.

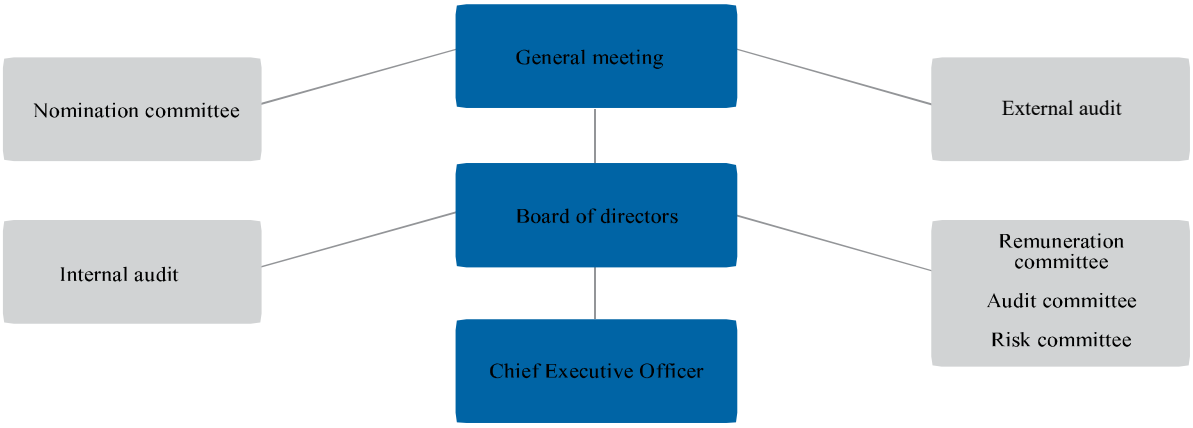
The merger between SpareBank 1 Skadeforsikring AS and DNB Forsikring AS was completed with accounting effect from 1 January 2019, with SpareBank 1 Skadeforsikring AS as the company doing the taking over. SpareBank 1 Gruppen AS owns 65 per cent. of the new company and DNB ASA owns 35 per

cent. SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the alliance's intellectual property rights under common brand name: SpareBank 1. SpareBank 1 SR-Bank ASA owned a 18.0 per cent. stake in SpareBank 1 Utvikling DA at year-end 2019.

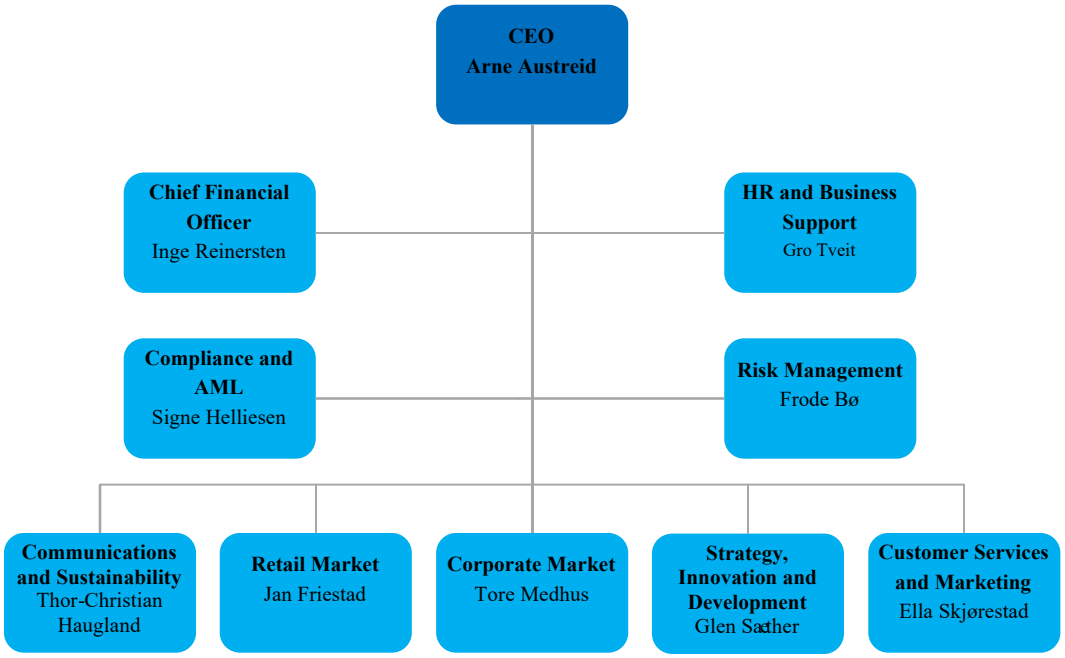
The SpareBank 1 Alliance was established to develop and deliver joint IT / mobile solutions, branding and marketing concepts, business models, products and services, expertise, analysis, processes, best-practice solutions and procurement. The SpareBank 1 Alliance has also developed two competence centres for payment transmission services (based in Trondheim) and credit management (based in Stavanger).

Management and the Board of Directors

SpareBank 1 SR-Bank ASA's management and control bodies have all been established in accordance with Norwegian legislation. The figure below shows an overview of SpareBank 1 SR-Bank ASA's management and control bodies:



Organisation



The shareholders exercise the highest level of authority at SpareBank 1 SR-Bank ASA by way of the general meeting. The general meeting elects the members of both the board of directors and the nomination committee, as well as adopting decisions on remuneration for the members of these bodies.

The Board of Directors

The board of directors of SpareBank 1 SR-Bank ASA consists of eight members, including two members who are elected by employees.

The board of directors is responsible for the administration of SpareBank 1 SR-Bank ASA's business, including taking decisions on individual credit cases. The board of directors are also responsible for SpareBank 1 SR-Bank ASA's operations, including ensuring that accounting and asset management activities are subjected to proper scrutiny.

Name:	**Board position**:	**Business address**:
Dag Mejdell	Board Chairman	Silurveien 18A, 0380 Oslo
Trine Sæther Romuld	Board Member	SalMar ASA, Industriveien 51, N-7266 Kverva
Ingrid Riddervold Lorange	Board Member	Siva SF, Torgarden, N-7462 Trondheim
Jan Skogseth	Board Member	Nikkelveien 22, N-4313 Sandnes
Tor Dahle	Board Member	Sparebankstiftelsen SR-Bank, Domkirkeplassen 2, N-4000 Stavanger
Kate Henriksen	Board Member	Miles AS, O. J. Brochs gate 16a, N-5006 Bergen
Sally Lund-Andersen	Employee Representative	SpareBank 1 SR-Bank ASA, Christen Tranesgt, 35, N-4009 Stavanger
Kristian Kristensen	Employee Representative	SpareBank 1 SR-Bank ASA, 1Christen Tranesgt, 35, N-4009 Stavanger

BOARD OF DIRECTORS

DAG MEJDELL, CHAIR OF THE BOARD. CHAIR OF THE COMPENSATION COMMITTEE AND OBSERVER IN THE RISK MANAGEMENT COMMITTEE

Dag Mejdell has extensive experience from various management positions in business, most recently as the CEO of Posten Norge AS from 2006 to 2016. From 2000 to 2005 he was the CEO of Dyno Nobel ASA and before that he worked for Dyno ASA for 19 years, the last three of which were as the CEO. Mejdell has an MBA from the Norwegian School of Economics in Bergen. Chair of the board of SpareBank 1 SR-Bank ASA since 9 June 2016.

Other positions: Chair of the boards of Norsk Hydro ASA, Vy AS, Visolit New Finco AS and International Post Corporation CV, and deputy chair of the board of SAS AB

KATE HENRIKSEN, BOARD MEMBER. CHAIR OF THE AUDIT COMMITTEE AND MEMBER OF THE COMPENSATION COMMITTEE

Kate Henriksen is the CEO of Miles Bergen AS. She was formerly the divisional director, retail market, at Sparebanken Vest. Henriksen has a degree in business administration from the Norwegian School of Economics in Bergen. She has also studied information technology and automation at Bergen College of Engineering. Member of the board of SpareBank 1 SR-Bank ASA since 4 June 2015.

Other positions: Member of the board of Miles Bergen AS.

TOR DAHLE, BOARD MEMBER. CHAIR OF THE RISK MANAGEMENT COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE

Tor Dahle (1952) is the general manager at Sparebankstiftelsen SR-Bank. He has experience from various management positions at SpareBank 1 SR-Bank ASA, including as CFO and more recently as Managing Director at SR-Investering AS. Dahle has an MBA from the Norwegian School of Economics in Bergen. Member of the board of SpareBank 1 SR-Bank ASA since 6 June 2013.

Other positions: Chair of the board of EM Software Partners AS.

INGRID RIDDERVOLD LORANGE, BOARD MEMBER. MEMBER OF THE RISK MANAGEMENT COMMITTEE

Ingrid Riddervold Lorange (1969) is the CEO of Siva AS. She extensive and wide-ranging experience from a range of management posts at Telenor, where she was most recently CEO of Telenor Global Shared Services. Lorange has board experience from a range of board positions in the Telenor Group. Lorange graduated in business economics (Siviløkonom) from the BI Norwegian Business School. Member of the Board of SpareBank 1 SR-Bank ASA since April 2020.

Other board appointments: Board member Member of the board of Avinor Flysikring AS.

TRINE SÆTHER ROMULD, BOARD MEMBER. MEMBER OF THE AUDIT COMMITTEE

Trine Sæther Romuld (1968) is the CFO & COO of Salmar ASA. Romuld has extensive experience from a range of leadership roles in seafood, oil services, consultancy and the audit industry with both Norwegian and international firms. Additionally, Romuld has significant experience as a board member and chairman of audit committees for listed companies. Romuld is a state authorised auditor (NHH). Member of the Board of SpareBank 1 SR-Bank ASA since April 2020.

JAN SKOGSETH, BOARD MEMBER. MEMBER OF THE RISK MANAGEMENT COMMITTEE

Jan Skogseth (1955) was the CEO of Aibel AS from 2008 until 2017. He has 35 years of experience from the oil, gas and renewables industries, in oil companies and on the supply side, nationally and internationally. He graduated from South Dakota School of Mines & Technology with an MSc in Mechanical Engineering. Member of the board of SpareBank 1 SR-Bank ASA since 20 April 2017.

Other positions: Chair of the board of Gasco AS, and member of the boards of Scatec Solar ASA and PSW Technology AS.

KRISTIAN KRISTENSEN, EMPLOYEE-ELECTED BOARD MEMBER

Kristian Kristensen (1982) is the deputy chair of the Finance Sector Union of Norway SpareBank 1 SR-Bank. He holds a bachelor's degree in marketing communication from BI Norwegian Business School and has taken courses in technological change and social development at the Norwegian University of Science and Technology ("NTNU") and digital business understanding at BI Norwegian Business School. Member of the board of SpareBank 1 SR-Bank ASA since 9 June 2016.

Other positions: Member of the board of the Finance Sector Union of Norway, Rogaland division.

SALLY LUND-ANDERSEN, EMPLOYEE-ELECTED BOARD MEMBER. MEMBER OF THE COMPENSATION COMMITTEE

Sally Lund-Andersen (1961) is the head group employee representative at SpareBank 1 SR-Bank ASA. Member of the board of SpareBank 1 SR-Bank ASA since 1 January 2012.

Other positions: Chair of the board of the Finance Sector Union of Norway, Rogaland division. Substitute member of the board of Banksamarbeidet DA.

As far as is known to SpareBank 1 SR-Bank ASA, no potential conflicts of interest exist between any duties to SpareBank 1 SR-Bank ASA of the board of directors and their private interests or other duties in respect of their management roles.

Group executive management

ARNE AUSTREID, CHIEF EXECUTIVE OFFICER

Arne Austreid (1956) has been the chief executive of SpareBank 1 SR-Bank since January 2011. He is a trained petroleum engineer and holds an MBA from the University of Aberdeen, UK. He has previously worked for Transocean ASA and Prosafe SE, offshore, onshore and abroad, where his final position was President and CEO of Prosafe SE.

Board appointments: Member of the boards of Fremtind Forsikring AS, SpareBank 1 Gruppen AS and SpareBank 1 Utvikling DA.

INGE REINERTSEN, CHIEF FINANCIAL OFFICER

Inge Reinertsen (1971) became CFO in February 2010. Reinertsen has an MBA from the Norwegian School of Economics in Bergen. He has experience from various management positions in the SpareBank 1 SR-Bank Group and has worked for the group since 2001.

Board appointments: Chair of the boards of SR-Boligkreditt AS, Bjergsted Terrasse 1 AS and SR-Forvaltning AS. Member of the boards of SpareBank 1 Næringskreditt, Monner Group AS, SpareBank 1 Pensjonskasse, FinStart Nordic AS and SpareBank 1 Markets AS.

ELLA SKJØRESTAD, EXECUTIVE VICE PRESIDENT, CUSTOMER SERVICES AND MARKETING

Skjørestad (1980) took up her post as Executive VP Customer Services and Marketing in February 2018. She holds a master's degree in Comparative Politics from the University of Bergen (1999-2005). She has previously worked for Storebrand within P&C insurance and as head of digital sales at Storebrand Direkte. She joined SpareBank 1 SR Bank in June 2010 as head of marketing in the retail banking market Since then she has held positions such as marketing director and director of customer services PM.

Board appointments: Member of the boards of Monner AS, EiendomsMegler 1 SR-Eiendom AS and SpareBank 1 Regnskapshuset AS

FRODE BØ, EXECUTIVE VICE PRESIDENT, RISK MANAGEMENT

Bø (1968) became EVP, Risk Management in January 2006. He holds a Bachelor of Management and has also completed a master's degree programme in operational auditing and risk management at BI Norwegian Business School. Bø's previous experience includes working at Kværner and Mobil Exploration Norway. Up to 2016, he was also a lecturer in the Department of Industrial Economics, Risk Management and Planning at the University of Stavanger. He has worked for SpareBank 1 SR-Bank since 2001.

GRO TVEIT, EXECUTIVE VICE PRESIDENT, HR AND BUSINESS SUPPORT

Tveit (1969) became EVP, HR and Business Support in June 2018. She has a bachelor's degree in accounting and auditing from the University of Stavanger and Hedmark District College. She also holds qualifications in management and strategy, including a master's degree programme on "Future-oriented strategies and organisational forms" from BI Norwegian Business School. She was previously the Finance Director at SpareBank 1 SR-Bank, who she joined in 2001. She has previous experience from Halliburton AS where she was the Commodity and Statutory Accounting Manager and Fjaler Sparebank as an internal auditor.

Board appointments: Member of the boards of Finansparken Bjergsted AS and SpareBank 1 SR-Banks Pensjonskasse.

SIGNE HELLIESEN, EXECUTIVE VICE PRESIDENT, COMPLIANCE

Helliesen (1976) assumed her position as EVP, Compliance in January 2019. Helliesen has an MBA from the Norwegian School of Economics in Bergen. She has also completed an Executive Master's Programme in Internal Auditing at BI Norwegian Business School and has started an Executive MBA in Technology and Innovation of Finance, Fintech at the Norwegian School of Economics. Helliesen has experience from Ernst & Young (EY) as an internal auditor and consultant. She has worked for SpareBank 1 SR-Bank within the area of compliance since 2008.

GLENN SÆTJER, EXECUTIVE VICE PRESIDENT, STRATEGY, INNOVATION AND DEVELOPMENT

Sæther (1966) became EVP, Strategy, Innovation and Development in February 2018. He was previously EVP, Business Support and Development. He graduated in economics and business administration from BI Norwegian Business School and has experience as the chief accountant of Sandnes Municipality, a consultant and marketing executive at Webcenter Unique ASA, and as a senior consultant at Helse Vest RHF. He has worked for SpareBank 1 SR-Bank since 2005.

Board appointments: Chair of the boards of Finansparken Bjergsted AS, Monner AS, and FinStart Nordic AS, and member of the boards of Vester AS and SpareBank 1 Regnskapshuset SR AS.

JAN FRIESTAD, EXECUTIVE VICE PRESIDENT, RETAIL MARKET

Friestad (1966) became EVP, Retail Market in August 2011. He holds a degree in economics and business administration from Stavanger University College and has also taken various Master of Management courses within marketing strategy and management at BI Norwegian Business School. He has worked for SpareBank 1 SR-Bank since 1988.

Board appointments: Chair of the boards EiendomsMegler 1 SR-Eiendom AS and SpareBank 1 Kredittkort AS, and member of the board of SpareBank 1 Betaling AS.

TORE MEDHUS. EXECUTIVE VICE PRESIDENT, CORPORATE MARKET

Medhus (1965) became EVP, Corporate Market in September 2000. He holds a Master of Business and Marketing from Oslo Business School/BI. He has previous experience from Elcon Finans, Forende Credit Finans and Telenor. Medhus has worked for SpareBank 1 SR-Bank since 1994.

Board appointments: Chair of the board of SpareBank 1 Regnskapshuset SR AS, deputy chair of the board of BN Bank ASA, and member of the boards of Conecto AS, FinStart Nordic AS, Monner AS and SpareBank 1 Factoring AS.

THOR-CHRISTIAN HAUGLAND, EXECUTIVE VICE PRESIDENT, COMMUNICATIONS AND SUSTAINABILITY

Haugland (1963) became EVP, Communications in 2005. He was educated at Stavanger University College, the University of Salford and BI Norwegian Business School in economics, communications and management. He has previously worked as the sales and marketing manager for Radisson SAS in Stavanger and general manager in Brødrene Pedersen AS. He has around 20 years' experience from various positions in SpareBank 1 SR-Bank.

Board appointments: Member of the boards of Odin Forvaltning AS, Monner Group AS, FinStart Nordic AS and Nordic Edge AS.

As far as is known to SpareBank 1 SR-Bank ASA, no potential conflicts of interest exist between any duties to SpareBank 1 SR-Bank ASA of the SR-Bank Group executive management and their private interests or other duties in respect of their management roles.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons and/or talons attached, or registered form, without interest coupons or talons attached, or in the case of VPS Notes, uncertificated book entry form.

Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("Regulation S").

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note without interest coupons or talons attached (a "Temporary Global Note") which will:

(i) if the Bearer Global Notes are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms (the "applicable Final Terms"), be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg"); and

(ii) if the Bearer Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the issue date of the relevant Tranche to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system.

Bearer Notes will only be delivered outside the United States and its possessions.

If the applicable Final Terms indicates that the Bearer Global Note is an NGN, the nominal amount of the Notes represented by such Bearer Global Note will be the aggregate from time to time entered in the records of both Euroclear and Clearstream, Luxembourg. The records of Euroclear and Clearstream, Luxembourg (which expression in such Bearer Global Note means the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of each such customer's interest in the Notes) will be conclusive evidence of the nominal amount of Notes represented by such Bearer Global Note and, for such purposes, a statement issued by Euroclear and/or Clearstream, Luxembourg, as the case may be, stating that the nominal amount of Notes represented by such Bearer Global Note at any time will be conclusive evidence of the records of Euroclear and/or Clearstream, Luxembourg at that time, as the case may be.

Upon delivery of a Temporary Bearer Global Note, Euroclear and/or Clearstream, Luxembourg and/or such other agreed clearing system will credit purchasers with nominal amounts of Notes of the relevant Tranche equal to the nominal amounts thereof for which they have paid.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not in NGN form) only outside the United States and its possessions to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not United States persons or persons who have purchased for resale to any United States person, as required by United States Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent (the "Principal Paying Agent").

On and after the date (the "Exchange Date") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described

therein for (a) interests in a permanent global note without interest coupons or talons attached (a "Permanent Global Note" and, together with the Temporary Global Notes, the "Bearer Global Notes" and each a "Bearer Global Note") of the same Series or (b) definitive notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Bearer Definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form), without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein) or (ii) only upon the occurrence of an Exchange Event.

***Exchange Event**:* means that (i) an Event of Default (as defined in Condition 8 of the Ordinary Note Conditions) has occurred and is continuing, (ii) in the case of Bearer Global Notes and Registered Global Notes registered in the name of a nominee for a common depositary or in the name of a nominee for a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available or (iii) in the case of both Bearer Global Notes and Registered Global Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form. The Issuer will promptly give notice to Noteholders of each Series in accordance with Condition 13 of the Ordinary Note Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Issuer may give notice to the Principal Paying Agent or Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent or Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or the Registrar (as the case may be).

The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Note exchangeable for Bearer Definitive Notes.

Bearer Global Notes and Bearer Definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all Permanent Global Notes and Bearer Definitive Notes which have an original maturity of more than one year and on all talons and interest coupons relating to such Permanent Global Notes and Bearer Definitive Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to above generally provide that United States persons (as defined for U.S. federal tax purposes), with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, talons or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes, talons or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Bearer Notes may not be exchanged for any other form of Note issued by the Issuer and vice versa.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a "Registered Global Note").

Registered Global Notes will be deposited with a common depositary or, where stated in the applicable Final Terms to be held under the NSS, with a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Registered Notes will be registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg or, where stated in the applicable Final Terms to be held under the NSS, in the name of a nominee of the common safekeeper. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register on the relevant Record Date (as defined in Condition 4(d)) of the Ordinary Note Conditions as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 4(d)) of the Ordinary Note Conditions immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event as described in the paragraph relating to Exchange Event above.

Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions; see "*Subscription and Sale and Transfer and Selling Restrictions*".

VPS Notes

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. On the issue of such VPS Notes, the Issuer will send a letter to the VPS Trustee (the "VPS Letter"), which letter will set out the terms of the

relevant issue of VPS Notes in the form of a Final Terms supplement attached thereto. On delivery of a copy of such VPS Letter including the relevant Final Terms to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent will credit each subscribing VPS account holder with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in the VPS will take place two Oslo Business Days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will only take place in accordance with the rules and procedures of the VPS from time to time.

VPS Notes may not be exchanged for any other form of Note issued by the Issuer and vice versa.

General

Pursuant to the Agency Agreement (as defined under "Ordinary Note Conditions"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a Common Code and ISIN which are different from the Common Code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Where any Note is represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the "Deed of Covenant") dated 7 July 2017, executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer will notify the ICSDs and the Paying Agents upon issue whether the Notes are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with one of the ICSDs as common safekeeper (and in the case of registered Notes to be held under the NSS, registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Where the Notes are not intended to be deposited with one of the ICSDs as common safekeeper upon issuance, should the Eurosystem eligibility criteria be amended in the future such that the Notes are then capable of meeting such criteria, the Notes may then be deposited with one of the ICSDs as common safekeeper. Where the Notes are so deposited with one of the ICSDs as common safekeeper (and in the case of registered Notes, registered in the name of a nominee of one of the ICSDs acting as a common safekeeper) upon issuance or otherwise, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that the relevant Eurosystem eligibility criteria have been met.

APPLICABLE FINAL TERMS

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended or superseded ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.]

[Singapore SFA Product Classification – In connection with Section 309(B) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale and Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).**]**[1]

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II, as amended or superseded; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

Dated [●]

SpareBank 1 SR-Bank ASA
Legal Entity Identifier: 549300Q3OIWRHQUQM052
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €10,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the [Ordinary Note Conditions] [VPS Conditions] set forth in the prospectus dated 10 June 2020 [and the supplement[s] to the prospectus dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes

[1] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309(B) of the SFA prior to launch of the offer.

of Regulation (EU) 2017/1129 (the "Prospectus Regulation")). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the specified office of each of the Paying Agents. The Base Prospectus and (in the case of Notes listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange) the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such an offer.][2]

[Terms used herein shall be deemed to be defined as such for the purposes of the [Ordinary Note Conditions] [VPS Conditions] set forth in the prospectus dated [13 June 2019][4 May 2018][7 July 2017] [(as supplemented)] and incorporated by reference into the prospectus dated 10 June 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and must be read in conjunction with the prospectus dated 10 June 2020 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Regulation. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the specified office of each of the Paying Agents. The Base Prospectus and (in the case of Notes listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange) the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

1	Series Number		[●]
2	(i)	Tranche Number	[●]
	(ii)	[Series with which Notes will be consolidated and form a single Series:	[●]/Not Applicable]
	(iii)	[Date on which the Notes will be consolidated and form a single Series with the Series specified above:	The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [●]/[the Issue Date]/[exchange of the Temporary Global Note for interest in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [*date*]] [Not Applicable]]
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]

[2] Include this text if the Prohibition of Sales to EEA and UK Retail Investors legend is deleted.

5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)]
6	(a) Specified Denominations:	[●] [[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000] (or equivalent in another currency). No notes in definitive form will be issued with a denomination above [€199,000] (or equivalent in another currency)] [*N.B. Notes must have a minimum denomination of €100,000 (or equivalent in another currency*)]
	(b) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date	[●]/[Issue Date]/[Not Applicable]
8	Maturity Date:	[●]/[Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify particular reference rate*] +/- [●] per cent. *per annum* Floating Rate] [Floating Rate: CMS Linked Interest] [Zero Coupon] [Reset Notes] (see paragraph [15][16][17][18] below)
10	Redemption/Payment Basis	[Redemption at par]/[Redemption at [●] per cent. of the nominal amount]
11	Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [15] [16] applies and for the period from (and including) [date] to (but excluding) the Maturity Date, paragraph [15] [16] applies]/[Not Applicable]
12	Put/Call Options:	[Investor Put] [Issuer Call] [Not Applicable] [see paragraph [20][21] below]]
13	(i) Status of the Notes:	[Senior Preferred/Senior Non-Preferred/Subordinated]
	(ii) No Right of Set-Off or Counterclaim:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
	(iii) Regulatory Consent:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
	(iv) Redemption upon occurrence of Capital Event and amounts payable on redemption therefor:	[Applicable – Condition 5(k) applies/Not Applicable (If applicable, specify the amount payable on redemption following a Capital Event)] (*Only relevant for Subordinated Notes*)
	(v) Redemption upon occurrence of MREL Disqualification	[Applicable – Condition 5(l) applies/Not Applicable (If applicable, specify the amount payable on redemption

	Event and amounts payable on redemption therefor:	following a MREL Disqualification Event)] (*Only relevant for Senior Preferred Notes and Senior Non-Preferred Notes*)
	(vi) Substitution or variation:	[Applicable – Condition [5(m)/5(n)] applies/Not Applicable] (*Condition 5(m) is relevant for Subordinated Notes and Condition 5(n) is relevant for Senior Preferred Notes and Senior Non-Preferred Notes*)
	(vii) Restricted Gross-Up Senior Preferred Notes:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
	(viii) Unrestricted Events of Default:	[Applicable/Not Applicable] (Only relevant for Senior Preferred Notes)
14	[Date [Board] approval for issuance of Notes obtained:]	[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph 15*)
	(i) Rate(s) of Interest:	[●] per cent. *per annum* [payable in arrear on each Interest Payment Date]
	(ii) Interest Payment Date(s):	[●] in each year from (and including) [●] up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	[[●] per Calculation Amount/Not Applicable]
	(iv) Broken Amount(s):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
	(v) Day Count Fraction:	[30/360]/ [Actual/Actual (ICMA)]
	(vi) Determination Date(s):	[[●] in each year]/[Not Applicable]
16	Floating Rate Note Provisions	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph 16*)
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (ii) below /, not subject to adjustment as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(iii) Additional Business Centre(s):	[●]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(v) Party responsible for	[●]

	calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	
(vi)	Screen Rate Determination:	[Applicable/Not Applicable]
	– Reference Rate and Relevant Financial Centre:	Reference Rate: [●] month [currency] [LIBOR]/[EURIBOR]/[CIBOR]/[CITA]/[NIBOR]/[EONIA]/[HIBOR]/[SIBOR]/[STIBOR]/[TIBOR]/[CMS Rate]/[Compounded Daily €STR] Relevant Financial Centre: [London]/[Brussels]/[Oslo]/[Stockholm] Reference Currency: [●] Designated Maturity: [●] Specified Time: [●] in the Relevant Financial Centre
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Observation Method:	[Lag/Shift][Not Applicable]
	– €STR Lag Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable]
	– €STR Shift Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable] [*Specify €STR Lag Period or €STR Shift Period where €STR is the Reference Rate. Specify "p" TARGET Settlement Days for €STR, where "p" shall not be less than five without the prior agreement of the Calculation Agent*]
(vii)	ISDA Determination:	[Applicable/Not Applicable]
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(viii)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(ix)	Margin(s):	[+/-] [●] per cent. *per annum*
(x)	Minimum Rate of Interest:	[[●] per cent. *per annum*][Not Applicable]
(xi)	Maximum Rate of Interest:	[[●] per cent. *per annum*][Not Applicable]
(xii)	Day Count Fraction:	[Actual/Actual [(ISDA)]]/ [Actual/365 (Fixed)]/ [Actual/365 (Sterling)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis] [30E/360 (ISDA)]

17	Reset Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Initial Rate of Interest:	[●] per cent. *per annum* payable in arrear on each Interest Payment Date
	(ii) Initial Mid-Swap Rate:	[●] per cent.
	(iii) First Reset Margin:	[+/-][●] per cent. *per annum*
	(iv) Subsequent Reset Margin:	[[+/-][●] per cent. *per annum*]/[Not Applicable]
	(v) Interest Payment Date(s):	[●] in each year up to and including the Maturity Date
	(vi) Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per Calculation Amount][Not Applicable]
	(vii) Broken Amount(s) up to (but excluding) the First Reset Date:	[[●] per Calculation Amount payable on the Interest Payment Date falling on [●]][Not Applicable]
	(viii) First Reset Date:	[●]
	(ix) Second Reset Date:	[[●]/[Not Applicable]
	(x) Subsequent Reset Date(s):	[[●] [and [●]]/[Not Applicable]
	(xi) Relevant Screen Page:	[●]
	(xii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xiii) Original Mid-Swap Rate basis:	[Annual/Semi-annual/Quarterly/Monthly]
	(xiv) Mid-Swap Floating Leg Maturity:	[●]
	(xv) Reset Determination Date(s):	[●] (*Specify in relation to each Reset Date*)
	(xvi) Specified Time:	[●]
	(xvii) Prior Rate of Interest or Calculation Agent Determination applicable:	[Prior Rate of Interest/Calculation Agent Determination]
	(xvii) Day Count Fraction:	[Actual/Actual (ICMA)]/[30/360]
	(xviii) Determination Date(s):	[[●] in each year][Not Applicable]
	(xix) Calculation Agent:	[●][Not Applicable]
18	Zero Coupon Note Provisions	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph 18*)
	(i) Accrual Yield:	[●] per cent. *per annum*
	(ii) Reference Price:	[●]
	(iii) Day Count Fraction in relation to Early Redemption Amounts:	[30/360]/[Actual/360]/[Actual/365]

PROVISIONS RELATING TO REDEMPTION

19	Notice periods for Condition 5(c)	Minimum period: [●] days

	(Redemption and Purchase – *Redemption for Taxation Reasons*):	Maximum period: [●] days
20	Issuer Call:	[Applicable]/[Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph 20*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount of each Note:	[●] per Note of [●] Specified Denomination
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●]
21	Investor Put:	[Applicable]/[Not Applicable] (*if not applicable, delete the remaining subparagraphs of this paragraph 21*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount of each Note:	[●] per Note of [●] Specified Denomination
	(iii) Notice period (if other than as set out in the Conditions):	[●]
22	Final Redemption Amount of each Note:	[●] per Calculation Amount
23	Early Redemption Amount of each Note payable on redemption:	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	
	(i) Form:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Bearer Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Registered Notes: [Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream,

		Luxembourg/a common Safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the New Safekeeping Structure ("NSS"))] [VPS Notes issued in uncertificated book entry form]
	(ii) New Global Note:	[Yes][No]
25	Additional Financial Centre(s)	[●]/[Not Applicable]
26	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if on exchange into definitive form, more than 27 coupon payments are still to be made]/[No]

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	[Luxembourg/Oslo/other (*specify*)]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [●].] [Application has been made for the Notes to be admitted to trading on the Regulated Market of the Oslo Stock Exchange with effect from [●].] [Application has been made for the Notes to be admitted to trading on the [●] with effect from [●].]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	The Notes to be issued [have been / are expected to be] rated: [●] by Moody's Investors Service Limited ("**Moody's**") [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial transactions with and may perform other services for the Issuer and/or its affiliates in the ordinary course of business.

4 **YIELD (Fixed Rate Notes and Reset Notes only)**

Indication of yield:	[●][N/A]

5 **HISTORIC INTEREST RATES (FLOATING RATE NOTES ONLY)**

[Details of historic [LIBOR/EURIBOR/CMS Rate] rates can be obtained from [Reuters]/ [●].]/[Not Applicable]

6 **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	[FISN:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]

(iv)	[CFI Code:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[●]/[Not Applicable]/[VPS, Norway. VPS identification number: [●]].
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that the relevant Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that the relevant Eurosystem eligibility criteria have been met.]

7 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reason for the offer:	[General corporate purposes] / [Green Bonds: an amount equal to the net proceeds of the issue of the Green Bonds will be allocated to fund Eligible Green Loans ([*set out any further required information here*]). See "*Use of Proceeds*" in the Base Prospectus and the Issuer's Green Bond Framework and related information referred to therein.
Estimated net proceeds:	[●]

8 **DISTRIBUTION**

(i)	Method of Distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/[●]]
(iii)	Date of [Subscription] Agreement:	[●]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*specify name*]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[●]]
(vi)	U.S. Selling Restrictions:	[TEFRA D/TEFRA C/TEFRA not applicable]
(vii)	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

APPLICABLE PRICING SUPPLEMENT

EXEMPT NOTES OF ANY DENOMINATION

The Pricing Supplement in respect of each Tranche of Exempt Notes issued under the Programme will be substantially in the following form, duly completed to reflect the particular terms of the relevant Exempt Notes and their issue.

References to "Notes" in this Pricing Supplement shall be read and construed as a reference to Exempt Notes.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") FOR THE ISSUE OF NOTES DESCRIBED BELOW. THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER HAS NEITHER APPROVED NOR REVIEWED ANY INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT AND ANY NOTES ISSUED PURSUANT TO THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE PROSPECTUS REGULATION.

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") and the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended or superseded ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA and the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA and the UK may be unlawful under the PRIIPS Regulation.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE – In connection with Section 309(B) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale and Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).**]**[1]

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II, as amended or superseded; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of

[1] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309(B) of the SFA prior to launch of the offer.

the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

Pricing Supplement dated [●]

SpareBank 1 SR-Bank ASA

Legal Entity Identifier: 549300Q3OIWRHQUQM052

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €10,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Prospectus dated 10 June 2020 [as supplemented by the supplement[s] dated [*date[s]*]] (the "Prospectus"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [*address*].

Terms used herein shall be deemed to be defined as such for the purposes of the [Ordinary Note Conditions] [VPS Conditions] set forth in the Prospectus [dated [*original date*] [and the supplement dated [*date*]] which are incorporated by reference in the Prospectus].

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be €100,000 or its equivalent in any other currency.*]

1	Series Number:		[●]
2	(a)	Tranche Number:	[●]
	(b)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [[●]/the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [*date*]][Not Applicable]
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		[●]

	(a) Series:	[●]
	(b) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (*if applicable*)]
6	(a) Specified Denominations:	[●]
	(b) Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.* *Note: There must be a common factor in the case of two or more Specified Denominations*.)
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	[●]/Interest Payment Date falling in or nearest to [●]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*specify Reference Rate*] +/- [●] per cent. *per annum* Floating Rate] [Floating Rate: CMS Linked Interest] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [Reset Notes] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)] [Not Applicable]
13	(a) Status of the Notes:	[Senior Preferred/Senior Non-Preferred/Subordinated]
	(i) No Right of Set-Off or Counterclaim:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
	(ii) Regulatory Consent:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)

(iii)	Redemption upon occurrence of Capital Event and amounts payable on redemption therefor:	[Applicable – Condition 5(k) applies/Not Applicable (*If applicable, specify the amount payable on redemption following a Capital Event*)] (*Only relevant for Subordinated Notes*)
(iv)	Redemption upon occurrence of MREL Disqualification Event and amounts payable on redemption therefor:	[Applicable – Condition 5(l) applies/Not Applicable (*If applicable, specify the amount payable on redemption following a MREL Disqualification Event*)] (*Only relevant for Senior Preferred Notes and Senior Non-Preferred Notes*)
(v)	Substitution or variation:	[Applicable – Condition [5(m)/5(n)] applies/Not Applicable] (*Condition 5(m) is relevant for Subordinated Notes and Condition 5(n) is relevant for Senior Preferred Notes and Senior Non-Preferred Notes*)
(vi)	Restricted Gross-Up Senior Preferred Notes:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
(vii)	Unrestricted Events of Default:	[Applicable/Not Applicable] (*Only relevant for Senior Preferred Notes*)
(b)	[Date [Board] approval for issuance of Notes obtained:	[●] [and [●] respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Rate(s) of Interest:	[●] per cent. *per annum* payable in arrear on each Interest Payment Date
(b)	Interest Payment Date(s):	[●] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form*)	[●] per Calculation Amount
(d)	Broken Amount(s): (*Applicable to Notes in definitive form*)	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*specify other*]
(f)	[Determination Date(s):	[[●] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]

(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
15	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]/Not Applicable]
(c)	Additional Business Centre(s):	[●]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
(f)	Screen Rate Determination:	[Applicable/Not Applicable]
	— Reference Rate and Relevant Financial Centre:	Reference Rate: [[●] month [currency] [LIBOR/EURIBOR/NIBOR/CIBOR/CITA/EONIA/HIBOR/SIBOR/STIBOR/TIBOR/CMS Rate/[Compounded Daily €STR]] Relevant Financial Centre: [London/Brussels/Oslo/Stockholm] Reference Currency: [●] Designated Maturity: [●] Specified Time: [●] in the Relevant Financial Centre
	— Interest Determination Date(s):	[●]
	— Relevant Screen Page:	[●]
	— Observation Method:	[Lag/Shift][Not Applicable]
	— €STR Lag Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable]
	— €STR Shift Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable] [*Specify €STR Lag Period or €STR Shift Period where €STR is the Reference Rate. Specify "p" TARGET Settlement Days for €STR, where "p" shall not be less than five without the prior agreement of the Calculation Agent*]
(g)	ISDA Determination:	[Applicable/Not Applicable]

	— Floating Rate Option:	[●]
	— Designated Maturity:	[●]
	— Reset Date:	[●]
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(i)	Margin(s):	[+/-][●] per cent. *per annum*
(j)	Minimum Rate of Interest:	[●] per cent. *per annum*
(k)	Maximum Rate of Interest:	[●] per cent. *per annum*
(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) *Other*]
(m)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[●]
16	**Reset Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Initial Rate of Interest:	[●] per cent. *per annum* payable in arrear on each Interest Payment Date
(b)	Initial Mid-Swap Rate:	[●] per cent.
(c)	First Reset Margin:	[+/-][●] per cent. *per annum*
(d)	Subsequent Reset Margin:	[[+/-][●] per cent. *per annum*]/[Not Applicable]
(e)	Interest Payment Date(s):	[●] in each year up to and including the Maturity Date
(f)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per Calculation Amount][Not Applicable]
(g)	Broken Amount(s) up to (but excluding) the First Reset Date:	[[●] per Calculation Amount payable on the Interest Payment Date falling on [●]][Not Applicable]
(h)	First Reset Date:	[●]
(i)	Second Reset Date:	[[●]/[Not Applicable]
(j)	Subsequent Reset Date(s):	[[●] [and [●]]/[Not Applicable]
(k)	Relevant Screen Page:	[●]
(l)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]

(m)	Original Mid-Swap Rate basis:	[Annual/Semi-annual/Quarterly/Monthly]
(n)	Mid-Swap Floating Leg Maturity:	[●]
(o)	Reset Determination Date(s):	[●] (*Specify in relation to each Reset Date*)
(p)	Specified Time:	[●]
(q)	Prior Rate of Interest or Calculation Agent Determination applicable:	[Prior Rate of Interest/Calculation Agent Determination]
(r)	Day Count Fraction:	[Actual/Actual (ICMA)]/[30/360]
(s)	Determination Date(s):	[[●] in each year][Not Applicable]
(t)	Calculation Agent:	[●][Not Applicable]
17	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Accrual Yield:	[●] per cent. *per annum*
(b)	Reference Price:	[●]
(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[●]
(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
18	**Index Linked Interest Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Index/Formula:	[●]
(b)	Calculation Agent:	[●]
(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent):	[●]
(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
(e)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not

		Applicable]
	(g) Additional Business Centre(s):	[●]
	(h) Minimum Rate of Interest:	[●] per cent. *per annum*
	(i) Maximum Rate of Interest:	[●] per cent. *per annum*
	(j) Day Count Fraction:	[●]
19	**Dual Currency Interest Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate of Exchange/method of calculating Rate of Exchange:	[●]
	(b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[●]
	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(d) Person at whose option Specified Currency(ies) is/are payable:	[●]
PROVISIONS RELATING TO REDEMPTION		
20	Notice periods for Condition 5(c) (Redemption and Purchase – *Redemption for Taxation Reasons*):	Minimum period: [●] days Maximum period: [●] days
21	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount *specify other*/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●]
	(ii) Maximum Redemption Amount:	[●]
	(d) Notice periods:	Minimum period: [●] days Maximum period: [●] days
22	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(c) Notice periods:	Minimum period: [●] days Maximum period: [●] days
23	Final Redemption Amount:	[[●] per Calculation Amount/*specify other*/see Appendix]
24	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):	[[●] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	
	(a) Form:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Bearer Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] [Registered Notes: [Global Note registered in the name of a nominee for [/a common depositary for Euroclear and Clearstream, Luxembourg/a common Safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the New Safekeeping Structure ("NSS"))] [VPS Notes issued in uncertificated book entry form]
	(b) New Global Note:	[Yes][No]
26	Additional Financial Centre(s):	[Not Applicable/[●]]
27	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and	[Not Applicable/[●]]

	interest due on late payment:	
29	Details relating to Instalment Notes:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	— Instalment Amount(s):	[●]
	— Instalment Date(s):	[●]
30	Other terms or special conditions:	[Not Applicable/[●]]

RESPONSIBILITY

The Issuer accept[s] responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1	**LISTING**	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market - note this must not be a regulated market*] with effect from [●].] [Not Applicable]
2	**RATINGS**	
	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].
3	**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**	
	[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]	
4	**OPERATIONAL INFORMATION**	
	(i) ISIN:	[●]
	(ii) Common Code:	[●]
	(iii) [FISN:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
	(iv) [CFI Code:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
	(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream, Luxembourg and the relevant identification number(s):	[●]/[Not Applicable]/[VPS, Norway. VPS identification number: [●]]
	(vi) Delivery:	Delivery [against/free of] payment
	(vii) Names and addresses of additional Paying Agent(s) (if any):	[●]
	(viii) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem

monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

5 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reason for the offer:	[General corporate purposes] / [Green Bonds: an amount equal to the net proceeds of the issue of the Green Bonds will be allocated to fund Eligible Green Loans ([*set out any further required information here*]). See "*Use of Proceeds*" in the Base Prospectus and the Issuer's Green Bond Framework and related information referred to therein.
Estimated net proceeds:	[●]

6 **DISTRIBUTION**

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated, names of Managers:	[Not Applicable/[●]]
(iii) Stabilising Manager(s) (if any):	[Not Applicable/[●]]
(iv) If non-syndicated, name of relevant Dealer:	[Not Applicable/[●]]
(v) U.S. Selling Restrictions:	[TEFRA D/TEFRA C/TEFRA not applicable]
(vi) Additional selling restrictions:	[Not Applicable/[●]]
(vii) Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

TERMS AND CONDITIONS OF THE ORDINARY NOTES

The following are the Terms and Conditions of the Ordinary Notes (the "Ordinary Note Conditions") which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Ordinary Note Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Ordinary Note Conditions, replace or modify the following Ordinary Note Conditions for the purpose of such Notes.

The applicable Final Terms (which term in these Ordinary Note Conditions in relation to Exempt Notes shall be deemed to refer to the applicable Pricing Supplement where relevant, as set out below) (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Ordinary Note is one of a Series (as defined below) of Notes issued by the Issuer pursuant to the Agency Agreement (as defined below).

References herein to the "Ordinary Notes" or the "Notes" shall be references to the Ordinary Notes of this Series and shall mean:

(i) in relation to any Ordinary Notes represented by a global Note (a "Global Note"), units of the lowest denomination specified in the relevant Final Terms ("Specified Denomination") in the currency specified in the relevant Final Terms ("Specified Currency");

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("Bearer Definitive Notes") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("Registered Definitive Notes") (whether or not issued in exchange for a Global Note in registered form).

The Ordinary Notes, the Receipts and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement, as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 10 June 2020 and made between, among others, the Issuer, Citibank, N.A., London Branch as principal paying agent (the "Principal Paying Agent", which expression shall include any successor agent) and the other paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), Citigroup Global Markets Europe AG as registrar (the "Registrar", which expression shall include any additional or successor registrar), and Citibank, N.A., London Branch as transfer agent (the "Transfer Agent", which expression shall include any additional or successor transfer agent and together with any additional transfer agent, the "Transfer Agents").

Interest bearing Bearer Definitive Notes have interest coupons ("Coupons") and, in the case of Notes which when issued in definitive form have more than 27 interest payments remaining, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes (as defined below) in definitive form which are repayable in instalments have receipts ("Receipts") for the payment of the instalments of

principal (other than the final instalment) attached on issue. Registered Notes and Bearer Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Ordinary Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Ordinary Note which complete these Ordinary Note Conditions or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation (an "Exempt Note"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Ordinary Note Conditions, replace or modify these Ordinary Note Conditions for the purposes of this Note. References to the "applicable Final Terms" are to Part A of the Final Terms (or, in the case of Exempt Notes, Part A of the Pricing Supplement) (or the relevant provisions thereof) which are attached to or endorsed on this Ordinary Note.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Any reference to "Noteholders" or "holders" in relation to any Ordinary Notes shall mean (in the case of Bearer Notes) the holders of the Ordinary Notes and (in the case of Registered Notes) the persons in whose name the Ordinary Notes are registered and shall, in relation to any Ordinary Notes represented by a Global Note, be construed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any reference herein to "Couponholder" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "Tranche" means Ordinary Notes which are identical in all respects (including as to listing and admission to trading) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Ordinary Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant, as amended and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 7 July 2017 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar, the other Paying Agents and the Transfer Agents (together referred to as the "Agents"). Copies of the applicable Final Terms are available for viewing at the specified registered office of each of the Issuer and of the Principal Paying Agent. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by an Ordinary Noteholder holding one or more such Ordinary Notes and such Ordinary Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Ordinary Notes and identity. The Ordinary Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Ordinary Note Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Ordinary Note Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 Form, Denomination and Title

The Ordinary Notes are in bearer form ("Bearer Notes") or registered form ("Registered Notes"), and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Ordinary Notes of one Specified Denomination may not be exchanged for Ordinary Notes of another Specified Denomination.

Bearer Notes may not be exchanged for Registered Notes or any other form of note issued by the Issuer, and vice versa.

Unless this Ordinary Note is an Exempt Note, this Ordinary Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include a CMS Linked Interest Note if this Note is specified as being a CMS Linked Interest Note in the applicable Final Terms), a Reset Note or a Zero Coupon Note, depending upon the Interest Basis shown in the applicable Final Terms.

If this Ordinary Note is an Exempt Note, this Ordinary Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include a CMS Linked Interest Note if this Note is specified as being a CMS Linked Interest Note in the applicable Pricing Supplement), a Reset Note, a Zero Coupon Note, an Index Linked Interest Note or a Dual Currency Interest Note, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Ordinary Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Ordinary Note may also be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as indicated in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

This Ordinary Note may be a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Bearer Definitive Notes are issued with Coupons attached. Bearer Definitive Notes will also be issued with Talons attached, if applicable and specified in the Final Terms, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Registrar, any Transfer Agent and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next paragraph.

For so long as any of the Ordinary Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, as the holder of a particular nominal amount of such Ordinary Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, and any other Paying Agents as the holder of such nominal amount of such Ordinary Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Ordinary Notes, for which purpose, in the case of Notes represented by a Bearer Global Note, the bearer of the relevant

Bearer Global Note or, in the case of a Registered Global Note, the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Principal Paying Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Bearer Global Note or Registered Global Note, as the case may be, and the expressions "Noteholders" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a Bearer Global Note or a Registered Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes in NGN (as defined in Condition 4(c)) form, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2 Status of the Ordinary Notes

(a) Status of the Senior Preferred Notes

This Condition applies only to Senior Preferred Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(i) The Senior Preferred Notes and the relative Coupons are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (save for any obligations preferred by mandatory provisions of applicable law) at least *pari passu* with all other unsecured obligations (including deposits) (but in any event senior to the Senior Non-Preferred Notes and other obligations which rank or are expressed to rank *pari passu* with or junior to the Senior Non-Preferred Notes) of the Issuer, present and future, from time to time outstanding. So long as any of the Senior Preferred Notes remains outstanding (as defined in the Agency Agreement), the Issuer undertakes to ensure that the obligations of the Issuer under the Senior Preferred Notes and the relative Coupons rank and will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (including deposits) and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties (but in any event in each case senior to Senior Non-Preferred Notes and other obligations which rank or are expressed to rank *pari passu* with or junior to the Senior Non-Preferred Notes), in each case except for any obligations preferred by mandatory provisions of applicable law.

(ii) No right of set-off or counterclaim

This Condition 2(a) applies only where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

No Noteholder or Couponholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Preferred Notes or Coupons held by such Noteholder or Couponholder, as the case may be.

(b) Status of the Senior Non-Preferred Notes

This Condition applies only to Senior Non-Preferred Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(i) The Senior Non-Preferred Notes and the relative Coupons constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank *pari passu* without any preference among themselves.

(ii) Subject as set out in Condition 2(b)(iii) below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the Noteholders and the Couponholders against the Issuer in respect of or arising under the Senior Non-Preferred Notes and the Coupons (including any amounts attributable to the Senior Non-Preferred Notes and the Coupons and any damages awarded for breach of any obligations thereunder) shall rank:

(A) *pari passu* without any preference among themselves;

(B) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any;

(C) in priority to claims in respect of Non-Preferred Junior Securities; and

(D) junior to any present or future claims of Senior Creditors.

(iii) At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Senior Non-Preferred Notes (together with any other outstanding Series of Senior Non-Preferred Notes) and the relative Coupons shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in Condition 2(b)(ii) above, such statutory ranking shall prevail).

(iv) *Definitions*

In these Terms and Conditions, the following terms shall bear the following meanings:

"BRRD" means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by the Creditor Hierarchy Directive).

"Creditor Hierarchy Directive" means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, or any equivalent legislation.

"Non-Preferred Junior Securities" means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Senior Non-Preferred Notes (including, inter alia, Subordinated Notes and Subordinated Parity Securities (as defined in Condition 2(c))).

"Non-Preferred Parity Securities" means any unsecured obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Senior Non-Preferred Notes.

"Senior Creditors" means (a) depositors of the Issuer and (b) all unsubordinated creditors of the Issuer (including, inter alia, holders of Senior Preferred Notes) other than creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any.

"Statutory Non-Preferred Claims" means, upon Norway adopting legislation introducing a senior non-preferred ranking class as prescribed by Article 108(2) of the BRRD (as amended by Directive (EU) 2017/2399 of the European parliament and the Council of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy), unsecured claims resulting from debt instruments that meet the following conditions:

(A) the original contractual maturity of the debt instruments is at least one year;

(B) the debt instruments contain no embedded derivatives and are not derivatives themselves; and

(C) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under this paragraph.

(v) *No right of set-off or counterclaim*

No Noteholder or Couponholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Non-Preferred Notes or the Coupons held by such Noteholder or Couponholder, as the case may be.

(c) Status of the Subordinated Notes

This Condition 2(c) applies only to Subordinated Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(i) The Subordinated Notes constitute dated, unsecured and subordinated obligations (*ansvarlig lånekapital*) of the Issuer, and will at all times rank *pari passu* without any preference among themselves. The Subordinated Notes are subordinated as described in Condition 2(c)(ii).

(ii) In the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the Noteholders against the Issuer in respect of or arising under the Subordinated Notes (including any amounts attributable to the Subordinated Notes and any damages awarded for breach of any obligations thereunder) shall rank:

(A) *pari passu* without any preference among themselves;

(B) *pari passu* with claims in respect of Subordinated Parity Securities;

(C) in priority to claims in respect of Subordinated Junior Securities; and

(D) junior to any present or future claims of Specified Senior Creditors.

(iii) No Noteholder or Couponholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Subordinated Notes or Coupons held by such Noteholder or Couponholder, as the case may be.

(iv) *Definitions*

In these Terms and Conditions, the following terms shall bear the following meanings:

"Financial Institutions Act" means the Act on Financial Institutions and Financial Groups of 10 April 2015 No. 17 (*Lov om finansforetak og finanskonsern av 10. april 2015 No. 17*), as amended.

"Relevant Regulator" means the FSAN and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Relevant Resolution Authority (as defined in Condition 17(c)) (if applicable), in any case as determined by the Issuer.

"Specified Senior Creditors" means (a) depositors of the Issuer; (b) holders of Senior Preferred Notes; (c) holders of Senior Non-Preferred Notes (both before and after the time at which the Creditor Hierarchy Directive is implemented in Norway); (d) creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any; (e) all unsubordinated creditors of the Issuer (to the extent not referred to above); and (f) creditors who are subordinated creditors of the Issuer (whether in the event of the liquidation, dissolution, administration or other winding-up of the Issuer or otherwise) other than those subordinated creditors whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of Subordinated Notes.

"Subordinated Junior Securities" means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the claims of the holders of Subordinated Notes.

"Subordinated Parity Securities" means any present or future instruments issued by the Issuer which are eligible to be recognised as Tier 2 Capital from time to time by the Relevant Regulator, any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary (as defined below) of the Issuer which are eligible to be recognised as Tier 2 Capital and any instruments issued, and subordinated guarantees, indemnities or other contractual support arrangements entered into, by the Issuer which rank, or are expressed to rank, *pari passu* therewith, but excluding Subordinated Junior Securities.

In this Condition 2, "Subsidiary" has the meaning ascribed to it in Section 1-3 of the Norwegian Public Limited Liability Companies Act 1997.

3 Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) *per annum* equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Ordinary Note Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a Bearer Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Bearer Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub- unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding

In these Ordinary Note Conditions:

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Ordinary Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Ordinary Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls within the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, within the specified period after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Ordinary Note Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Ordinary Note Conditions, "Business Day" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System (as defined in Condition 3(b)(ii)(D))) specified in the applicable Final Terms;

(B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a TARGET Settlement Day (as defined in Condition 3(b)(ii)(D)); and

(C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which TARGET2 System is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub- paragraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent, Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes (other than CMS Linked Interest Notes and Floating Rate Notes referencing Compounded Daily €STR)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined (and the Notes are not CMS Linked Interest Notes and the Reference Rate specified in the applicable Final Terms is not Compounded Daily €STR), the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(f), be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate *per annum*) for the Reference Rate being the Reference Rate specified in the applicable Final Terms, provided that in the case of Notes other than Exempt Notes, the Reference Rate in respect of Floating Rate Notes (other than CMS Linked Interest Notes and Floating Rate Notes referencing Compounded Daily €STR) shall be LIBOR, EURIBOR, NIBOR, CIBOR, CITA, EONIA, TIBOR, HIBOR, SIBOR or STIBOR which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1), no offered quotation appears or, in the case of (2), fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate *per annum*) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent. "Reference Banks" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, or (iii) in the case of a determination of any other Reference Rate, the principal Relevant Financial Centre office of four major banks in the inter-bank market of the Relevant Financial Centre, in each case selected by the Principal Paying Agent in consultation with the Issuer.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Principal Paying Agent determines as being the arithmetic mean

(rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(C) Screen Rate Determination for Floating Rate Notes which are CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and where "CMS Rate" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest for each Interest Period will be determined by the Calculation Agent by reference to the following formula:

CMS Rate plus Margin

If (for the purposes of determining the applicable CMS Rate) the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If three or more of the Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating (only where four or five of the Reference Banks provide such quotation) the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined as at the last preceding Interest

Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

For the purposes of this sub-paragraph (C):

"CMS Rate" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent

"Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the Eurozone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the inter-bank market, in each case selected by the Calculation Agent in consultation with the Issuer.

"Relevant Swap Rate" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions")) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates

for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(iv) in the case of Exempt Notes only, where the Reference Currency is any other currency or if the applicable Final Terms specifies otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

(D) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily €STR

Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the Final Terms as Compounded Daily €STR, the Rate of Interest applicable to such Notes for each Interest Period will (subject as provided below and subject to Condition 3(f)), be Compounded Daily €STR plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent.

As used in these Conditions:

"Compounded Daily €STR" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows (the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{ESTR_{i-pTSD}\ \text{x}\ n_i}{360}\right)-1\right]\text{x}\ \frac{360}{d}$$

where:

"d" is the number of calendar days in:

(A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"d_o" means, for any Interest Period:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Observation Period;

"i" is a series of whole numbers from one to do, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the relevant Observation Period;

"n_i", for any TARGET Settlement Day "i", means the number of calendar days from, and including, such TARGET Settlement Day "i" up to, but excluding, the following TARGET Settlement Day;

"Observation Period" means, in respect of an Interest Period, the period from, and including, the date falling "p" TARGET Settlement Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes the corresponding Interest Period, being the number of TARGET Settlement Days specified as the "€STR Lag Period (p)" in the Final Terms (or, if no such number is so specified, five TARGET Settlement Days);

(B) where "Shift" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes the corresponding Interest Period, being the number of TARGET Settlement Days specified as the "€STR Shift Period (p)" in the Final Terms (or, if no such number is so specified, five TARGET Settlement Days);

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open for the settlement of payments in Euro;

"€STR Reference Rate" means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank initially at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the "ECB's Website") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

"$€STR_{i\text{-}pTSD}$" means:

(A) where "Lag" is specified as the Observation Method in the Final Terms, in respect of any TARGET Settlement Day "i" falling in the relevant Interest Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the €STR Reference Rate for the relevant TARGET Settlement Day "i".

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) (the "ECB Recommended Rate"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "EDFR") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "EDFR Spread").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the relevant Series of Notes referencing Compounded Daily €STR becomes due and payable in accordance with Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date and as if (solely for the purposes of such interest determination) the relevant Interest Period had been shortened accordingly.

As used in these Conditions:

"€STR Index Cessation Event" means the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"€STR Index Cessation Effective Date" means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR);

"ECB Recommended Rate Index Cessation Event" means the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

"ECB Recommended Rate Index Cessation Effective Date" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, if the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, if the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes other than Floating Rate Notes which are CMS Linked Interest Notes or Floating Rate Notes referencing Compounded Daily €STR, and the Calculation Agent, in the case of Floating Rate Notes which are CMS Linked Interest Notes or Floating Rate Notes referencing Compounded Daily €STR, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Floating Rate Notes which are CMS Linked Interest Notes or Floating Rate Notes referencing Compounded Daily €STR, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or, in the case of Floating Rate Notes which are CMS Linked Interest Notes or Floating Rate Notes referencing Compounded Daily €STR, the Calculation Agent, will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Bearer Global Note, the aggregate outstanding nominal amount of the Notes represented by such Bearer Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non- leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent or, in the case of the CMS Linked Interest Notes or Floating Rate Notes referencing Compounded Daily €STR, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (other than in the case of Floating Rate Notes referencing Compounded Daily €STR, by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the second London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or

appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Ordinary Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Ordinary Noteholders, Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CMS Rate or Compounded Daily €STR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3(b) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(d) Interest on Reset Notes

(i) Rate of Interest

Each Reset Note bears interest:

(a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date (the "Initial Period"), at the Initial Rate of Interest;

(b) for the First Reset Period, at the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any) to (but excluding) the Maturity Date, at the relevant Subsequent Reset Rate of Interest.

Interest will be payable, in each case, in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of each Interest Period falling in the Initial Period will amount to the Fixed Coupon Amount. Payments of interest on the first Interest Payment Date will, if so specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

The Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will at or as soon as practicable after each time at which a Rate of Interest in respect of a Reset Period is to be determined, determine the relevant Rate of Interest for such Reset Period. If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Reset Period as soon as practicable after calculating the same.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, the Principal Paying Agent will calculate the amount of interest (the "Reset Notes Interest Amount") payable on the Reset Notes for the relevant Interest Period by applying the relevant Rate of Interest to:

(A) in the case of Reset Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Reset Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Reset Note in definitive form is a multiple of the Calculation Amount, the Reset Notes Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination, without any further rounding.

(ii) Fallbacks

If on any Reset Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as at the Specified Time on such Reset Determination Date, the Rate of Interest applicable to the Notes in respect of each Interest Period falling in the relevant Reset Period will, subject to the provisions in Condition 3(f), be determined by the Principal Paying Agent, or if so specified in the applicable Final Terms, the Calculation Agent on the following basis:

(a) the Principal Paying Agent, or if so specified in the applicable Final Terms, the Calculation Agent shall request each of the Reset Reference Banks to provide the Principal Paying Agent, or if so specified in the applicable Final Terms, the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Specified Time on the Reset Determination Date in question;

(b) if at least three of the Reset Reference Banks provide the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent with Mid-Market Swap

Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent in consultation with the Issuer;

(c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean (rounded as aforesaid) of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent;

(d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent; and

(e) if none of the Reset Reference Banks provides the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 3(d), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be either:

(A) if Prior Rate of Interest is so specified in the applicable Final Terms, equal to the sum of (A) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin, all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent in consultation with the Issuer; or

(B) if Calculation Agent Determination is so specified in the applicable Final Terms, determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent in consultation with the Issuer taking into consideration all available information that it in good faith deems relevant.

(iii) Mid-Swap Rate Conversion

This Condition 3(d)(iii) is only applicable if Mid-Swap Rate Conversion is specified in the applicable Final Terms as being applicable. If Mid-Swap Rate Conversion is so specified as being applicable, the First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent from the Original Mid-Swap Rate Basis specified in the applicable Final Terms to a basis which matches the *per annum* frequency of Interest Payment Dates in respect of the Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it).

(iv) Notification of Rate of Interest and Interest Amounts

In respect of a Reset Period, the Principal Paying Agent will cause the relevant Rate of Interest in respect of such Reset Period and each Reset Notes Interest Amount for each Interest Period falling in such Reset Period to be notified to the Issuer and any stock exchange on which the relevant Reset Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 3(b)(vii)) thereafter. Each Reset Notes Interest Amount so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

(v) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Ordinary Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Ordinary Noteholders, Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vi) Definitions

In this Condition 3(d), the following terms shall bear the following meanings:

"Day Count Fraction" has the meaning given in Condition 3(a).

"First Reset Period" means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date.

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Condition 3(d)(ii) and Condition 3(d)(iii), the rate of interest determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Reset Margin.

"Interest Period" has the meaning given in Condition 3(b).

"Mid-Market Swap Rate" means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an

acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent).

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate *per annum*) for the relevant Mid-Market Swap Rate.

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR (if the Specified Currency is euro), LIBOR (if the Specified Currency is U.S. dollars, Pounds Sterling or Swiss Francs), NIBOR (if the Specified Currency is Norwegian Kroner) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent in its discretion after consultation with the Issuer.

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 3(d)(ii), either:

(a) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate *per annum* and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Specified Time on such Reset Determination Date, all as determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent.

"Original Mid-Swap Rate Basis" has the meaning given in the applicable Final Terms. In the case of Notes other than Exempt Notes, the Original Mid-Swap Rate Basis shall be annual, semi-annual, quarterly or monthly.

"Rate of Interest" means the Initial Rate of Interest, the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest, as applicable.

"Relevant Reset Margin" means, in respect of a Reset Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period.

"Reset Date" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable).

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"Reset Reference Banks" means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent in consultation with the Issuer.

"Subsequent Reset Period" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date, as the case may be.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 3(d)(ii) and Condition 3(d)(iii), the rate of interest determined by the Principal Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Reset Margin.

(e) Accrual of interest

Each Ordinary Note (or in the case of the redemption of part only of an Ordinary Note, that part only of such Ordinary Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Ordinary Note have been paid; and

(ii) five days after the date on which the full amount of the monies payable in respect of such Ordinary Note has been received by the Principal Paying Agent and notice to that effect has been given to the Ordinary Noteholders in accordance with Condition 13 below.

(f) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (provided that, in the case of Reset Notes, such appointment need not be made earlier than 30 days prior to the first date on which the Original Reference Rate is to be used to determine any Rate of Interest (or any component part thereof)).

(i) Independent Adviser

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to consult with the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(f)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 3(f)(iv)).

The Independent Adviser appointed pursuant to this Condition 3(f)(i) and the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Registrar, the Calculation Agent, the Principal Paying Agent, or the Noteholders, as applicable, for any

determination made by the Issuer and/or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3(f)(i).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3(f)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 3(f)(i).

For the purposes of this Condition 3(f)(i) only, in respect of any Reset Notes, references to (i) Interest Determination Date shall be read as references to Reset Determination Date, (ii) Interest Period shall be read as references to Reset Period and (iii) Interest Payment Date shall be read as references to Reset Note Reset Date.

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 3(f) and the Issuer, following consultation with

the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(f)(v), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provisions of this Condition 3(f)(iv), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 3(f)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 3(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3(f)(iv), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the then current or future Notes as Tier 2 Capital and/or the Notes eligible liabilities or loss absorbing capacity instruments for the purposes of the Relevant Regulator or by the loss absorption regulations.

Notwithstanding any other provision of this Condition 3(f)(iv), in the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(f) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Registrar, the Transfer Agent, the Principal Paying Agent and, in accordance with Condition 13, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) be binding on the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, the Principal Paying Agent and the Noteholders.

Notwithstanding any other provision of this Condition 3(f), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(f), the

Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 3(f)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 3(d)(ii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 3(f):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);

(iii) in the case of an Alternative Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate;

(iv) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(v) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 3(f)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining Rates of Interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 3(f)(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes;

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of an underlying market; or

(6) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Principal Paying Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Principal Paying Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3(f)(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

4 Payments

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

In the case of Bearer Notes, payments in U.S. dollars will be made by transfer to a U.S. dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 6 below, means the United States of America, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank. All payments in respect of Bearer Notes will be made to accounts located outside the United States, or by cheque mailed to an address outside of the United States, except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6 below. References herein to "specified currency" will include any successor currency under applicable law.

(b) Presentation of Bearer Definitive Notes and Coupons

Payments of principal and interest (if any) in respect of Bearer Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Bearer Definitive Notes, and payments of interest in respect of Bearer Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the

States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 18 below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 below) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any interest-bearing Definitive Notes is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Ordinary Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Notes and otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. On the occasion of each payment, (i) in the case of any Global Note which is not issued in new global note ("NGN") form, a record of such payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent, and such record shall be prima facie evidence that the payment in question has been made and (ii) in the case of any Global Note which is a NGN, the Principal Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(d) Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments

will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Registered Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and of principal in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of the business day (in the ICSDs) prior to the Payment Date (the "Record Date") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and of principal in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest and principal due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition 4 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Principal Paying Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 4(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 4(d) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment

together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

(f) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Ordinary Notes represented by such Global Note and the Issuer or, as the case may be will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving adverse tax consequences to the Issuer.

(g) Payment Day

If the date for payment of any amount in respect of any Ordinary Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment of the relevant payment due until the next following Payment Day and shall not be entitled to any interest or other payment in respect of any such delay. For these purposes, "Payment Day" means any day which (subject to Condition 7 below) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Ordinary Notes in Definitive Form, the relevant place of presentation; and

(B) any Additional Financial Centre (other than the TARGET 2 System) specified in the applicable Final Terms;

(C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) such payment is then permitted under United States law without involving adverse tax consequences to the Issuer.

(h) Interpretation of principal and interest

Any reference in these Ordinary Note Conditions to principal in respect of the Ordinary Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 6;

(ii) the Final Redemption Amount of the Ordinary Notes;

(iii) the Early Redemption Amount of the Ordinary Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Ordinary Notes;

(v) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Ordinary Notes.

(viii) Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 5.

5 Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or (pursuant to Condition 5(m)) substituted, each Ordinary Note will be redeemed by the Issuer at its Final Redemption Amount (which shall be at least equal to the Nominal Amount of each Note) specified in the applicable Final Terms or Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) Redemption at the option of the Issuer (Issuer Call)

This Condition 5(b) is not applicable for Subordinated Notes prior to five years from their Issue Date and references to "Ordinary Notes" in this Condition 5(b) shall be construed accordingly.

Subject, if applicable, to the provisions of Condition 5(j), if Issuer Call is specified in the applicable Final Terms or Pricing Supplement, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Ordinary Noteholders in accordance with Condition 13 below; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent, and to the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Ordinary Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Ordinary Notes, the Ordinary Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Ordinary Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Ordinary Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(b) and notice to that effect shall be given by the Issuer to the Ordinary Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(c) Redemption for Taxation Reasons

Subject as provided in Condition 5(j), the Ordinary Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Ordinary Note is not a Floating Rate Note) or on any Interest Payment Date, (if the Ordinary Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Ordinary Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Ordinary Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any authority therein having power to tax or any political subdivision thereof, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Ordinary Notes;

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and

(iii) in the case of Subordinated Notes, the effect of such obligation is material on the Issuer,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Ordinary Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Principal Paying Agents to make available to the Ordinary Noteholders (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 5(c) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(d) Redemption at the option of the Ordinary Noteholders (Investor Put)

This Condition 5(d) is not applicable for Senior Non-Preferred Notes and Subordinated Notes and references to "Ordinary Notes" in this Condition 5(d) shall be construed accordingly.

If Investor Put is specified in the applicable Final Terms or Pricing Supplement, upon any Noteholder giving to the Issuer in accordance with Condition 13 below not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Ordinary Note the holder of this Ordinary Note must deliver, at the specified office of any Paying Agent, in the case of Bearer Notes, or any Transfer Agent or the Registrar in the case of Registered Notes at any time during normal business hours of such Paying Agent or the Transfer Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Transfer Agent or the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. If this Ordinary Note is in definitive form, this Ordinary Note or evidence satisfactory to the Paying Agent, Transfer Agent or the Registrar concerned that this Ordinary Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Ordinary Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

(e) Early Redemption Amounts

For the purpose of paragraphs (d) and (c) above and Condition 8:

(i) Each Ordinary Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(ii) each Zero Coupon Note will be redeemed at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

$$Early\,Redemption = RP(1+AY)^{y}$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche

of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365.

(f) Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 5(b), Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(g) Purchases

Subject as provided in Condition 5(j), the Issuer or any Subsidiary (as defined in Condition 8(a)) of the Issuer may at any time purchase Ordinary Notes (provided that, in the case of Bearer Definitive Notes, all unmatured Coupons, Receipts and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Ordinary Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(h) Cancellation

All Ordinary Notes which are redeemed will forthwith be cancelled (together with, in the case of Bearer Definitive Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Ordinary Notes so cancelled and any Ordinary Notes purchased and cancelled pursuant to paragraph (e) above (together with, in the case of Bearer Definitive Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(j) Consent

This Condition 5(j) applies to (i) Senior Preferred Notes where Regulatory Consent is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement ("Restricted Senior Preferred Notes"), (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

In the case of (i) Restricted Senior Preferred Notes, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes (as the case may be), no early redemption in any circumstances, purchase under Condition 5(g), substitution or variation under Condition 5(m) (in the case of Subordinated Notes), substitution or variation under Condition 5(n) (in the case of Senior Non-Preferred Notes and Restricted Senior Preferred Notes) or modification under Condition 14 shall take place without the prior written permission of the Relevant Regulator (in each case, if, and to the extent, then required by the rules of the Relevant Regulator and, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes, by the Applicable MREL Regulations, as defined in Condition 5(l)). In addition, in respect of any redemption of Subordinated Notes pursuant to Condition 5(c) or 5(k) only, and except to the extent the Relevant Regulator no longer so requires, the Issuer may only redeem the Subordinated Notes before five years after the Issue Date if the Issuer demonstrates to the satisfaction of the Relevant Regulator that the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable as at the Issue Date. For the avoidance of doubt, redemption of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes under Condition 5(a) or repayment pursuant to Condition 8, shall not require the consent of the Relevant Regulator.

(k) Redemption upon Capital Event – Subordinated Notes

This Condition 5(k) applies only to Subordinated Notes and where this Condition 5(k) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

If a Capital Event occurs, the Issuer may, at its option, but subject to the provisions of Condition 5(j), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), at any time (in the case of Subordinated Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Subordinated Notes which are Floating Rate Notes) redeem all (but not some only) of the Subordinated Notes at their Early Redemption Amount referred to in Condition 5(e) above together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of the relevant notice period, the Issuer shall redeem the Subordinated Notes.

(l) Redemption upon MREL Disqualification Event – Senior Preferred Notes and Senior Non-Preferred Notes, where applicable

This Condition 5(l) applies only to Senior Preferred Notes and Senior Non-Preferred Notes, in each case, only where this Condition 5(l) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and references to "Ordinary Notes", "Noteholders" and "Couponholders" in this Condition shall be construed accordingly.

If a MREL Disqualification Event occurs, the Issuer may, at its option, but subject to the provisions of Condition 5(j), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent

and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), at any time (in the case of Ordinary Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Ordinary Notes which are Floating Rate Notes) redeem all (but not some only) of the Ordinary Notes at their Early Redemption Amount referred to in Condition 5(e) above together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of the relevant notice period, the Issuer shall redeem the Ordinary Notes.

"Applicable MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Norway giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group).

"CRD IV" means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

"CRD IV Directive" means Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time.

"CRD IV Implementing Measures" means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof).

"CRR" means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time.

In this Condition 5(l), "Group" means the Issuer and its Subsidiaries.

"MREL Disqualification Event" means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the last Tranche of the Ordinary Notes, the Ordinary Notes will be fully excluded or partially excluded from the "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of the Ordinary Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

"MREL Requirement" means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group.

(m) Substitution or Variation – Subordinated Notes

This Condition 5(m) applies only to Subordinated Notes and where this Condition 5(m) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

If at any time a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 17(c), the Issuer may, subject to the provisions of Condition 5(j) (without any requirement for the consent or approval of the Noteholders or the Couponholders) on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Subordinated Notes for, or vary the terms of the Subordinated Notes (including changing the governing law of Condition 17(c), from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying Subordinated Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Subordinated Notes.

"Qualifying Subordinated Securities" means securities issued directly or indirectly by the Issuer that:

(a) other than in the case of a change to the governing law of Condition 17(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 17(c), have terms not materially less favourable to the Noteholders as a class than the terms of the Subordinated Notes (as reasonably determined by the Issuer), and, subject thereto, they shall (1) have a ranking at least equal to that of the Subordinated Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the Subordinated Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements of the Relevant Regulator in relation to Tier 2 capital, (5) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) other than in the case of a change to the governing law of Condition 17(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 17(c), where Subordinated Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to such substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying Subordinated Securities; and

(b) are listed on a recognised stock exchange, if the Subordinated Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

In these Terms and Conditions, "Rating Agency" means Moody's Investors Service Limited or its successor.

(n) Substitution or Variation – Senior Preferred Notes and Senior Non-Preferred Notes, where applicable

This Condition 5(n) applies only to Senior Preferred Notes and Senior Non-Preferred Notes, in each case, only where this Condition 5(n) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and references to "Ordinary Notes", "Noteholders" and "Couponholders" in this Condition shall be construed accordingly.

If at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 17(c), the Issuer may, subject to the provisions of Condition 5(j) (without any requirement for the consent or approval of the Noteholders or the Couponholders) on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Ordinary Notes for, or vary the terms of the Ordinary Notes (including changing the governing law of Condition 17(c), from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Ordinary Notes.

"Qualifying MREL Securities" means securities issued directly or indirectly by the Issuer that:

(a) other than in the case of a change to the governing law of Condition 17(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 17(c), have terms not materially less favourable to the Noteholders as a class than the terms of the Ordinary Notes (as reasonably determined by the Issuer), and, subject thereto, they shall (1) have a ranking at least equal to that of the Ordinary Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Ordinary Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the Ordinary Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Ordinary Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) other than in the case of a change to the governing law of Condition 17(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 17(c), where Ordinary Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to such substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying MREL Securities; and

(b) are listed on a recognised stock exchange, if the Ordinary Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

6 Taxation

(a) Gross-up

Subject as provided in Condition 6(b), all payments of principal and interest in respect of the Ordinary Notes Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Ordinary Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Ordinary Note, Receipt or Coupon:

(i) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Ordinary Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of the Ordinary Note, Receipt or Coupon or

(ii) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Ordinary Note Conditions, "Relevant Date" in respect of any Ordinary Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Ordinary Noteholders that, upon further presentation of the Ordinary Note, Receipt or Coupon being made in accordance with the Ordinary Note Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Notwithstanding any other provision of the terms and conditions of the Notes, any amounts to be paid by or on behalf of the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of Sections 1471 through 1474 of the Code (or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding Tax"). None of the Issuer or any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

(b) Senior Non-Preferred Notes, Subordinated Notes and Restricted Gross-Up Senior Preferred Notes

This Condition 6(b) shall only apply to (i) Senior Preferred Notes where Restricted Gross-Up Senior Preferred Notes is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

Notwithstanding Condition 6(a), the obligation to pay additional amounts will apply in respect of payments of interest only.

7 Prescription

The Ordinary Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 18 below) in respect thereof.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4(b) above or any Talon which would be void pursuant to Condition 4(b) above.

8 Events of Default

(a) Events of Default relating to Senior Preferred Notes, where applicable

This Condition shall apply only to Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms or, as the case may be, applicable Pricing Supplement and references to "Ordinary Notes", "Noteholders", "Coupons" and "Couponholders" in this Condition shall be construed accordingly.

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

(i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Ordinary Notes or any of them and in the case of interest that default continues for a period of seven days; or

(ii) if the Issuer fails to perform or observe any of its other obligations under these Ordinary Note Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(iii) any payment obligation under any indebtedness (including deposits) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (howsoever described) or the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any indebtedness (including deposits) within 30 days of the due date for payment (or within the originally applicable grace period, if such period is longer than 30 days) or any security given by the Issuer or any of its Principal Subsidiaries for any indebtedness (including deposits) becomes enforceable or if default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the originally applicable grace period, if such period is longer than 30 days), PROVIDED that no such event shall constitute an Event of Default unless the indebtedness (including deposits) or other relative liability either alone or when aggregated with other indebtedness (including deposits) and/or liabilities relating to all (if any) other events which shall have occurred and be outstanding shall amount to at least €10,000,000 (or its equivalent in any other currency) and PROVIDED further that, for the purposes of this Condition 8(a)(iii), neither the Issuer nor any of its Principal Subsidiaries shall be deemed to be in default with respect to any such indebtedness (including deposits), guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or

(iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; or

(v) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on a solvent basis, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(vi) if (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within l4 days; or

(vii) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a Senior Preferred Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Preferred Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purpose of these Conditions:

"Principal Subsidiary" at any time shall mean a Subsidiary of the Issuer inter alia:

(A) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated gross revenues attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or

(B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Principal Subsidiary,

all as more particularly defined in the Agency Agreement.

A report by the Directors of the Issuer that in their opinion a Subsidiary of the Issuer is/was or is/was not at any particular time or throughout any specified period, a Principal Subsidiary, accompanied, if requested, by a report by the Auditors (as defined in the Agency Agreement) addressed to the Directors of the Issuer as to proper extraction of the figures used by the Directors of the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculations, shall, in the absence of manifest error, be conclusive and binding on all parties; and

"Subsidiary" means any legal entity in which the Issuer either (i) directly or indirectly owns or controls more than 50 per cent. of the entity's shares and votes, or (ii) is entitled to appoint or remove a majority of the entity's directors.

(b) Events of Default relating to Subordinated Notes

There are no events of default in relation to Subordinated Notes.

(c) Events of Default relating to Senior Preferred Notes, where applicable, and Senior Non-Preferred Notes

This Condition shall apply only to (i) Senior Preferred Notes except those for which Unrestricted Events of Default is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and (ii) Senior Non-Preferred Notes.

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

(i) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer; or

(ii) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

(iii) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws,

then any holder of a Senior Preferred Note or Senior Non-Preferred Note, as applicable, may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Preferred Note or Senior Non-Preferred Note, as applicable, held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9 Replacement of Notes, Receipts, Coupons and Talons

Should any Ordinary Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent in London (in the case of Bearer Notes, Receipts, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Ordinary Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

10 Transfer and Exchange of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees

of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Definitive Notes or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) Transfers of Registered Notes in definitive form

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Definitive Note of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Definitive Note, a new Registered Definitive Note in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Ordinary Notes under Condition 5 above, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders of Registered Notes will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

11 Paying Agents, Transfer Agent, Calculation Agent and Registrar

The names of the initial Principal Paying Agent, the initial Registrar and the other initial Paying Agents, and initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar or any Transfer Agent or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other Registrars, Transfer Agents, or Calculation Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Transfer Agent, or Calculation Agent acts, provided that:

(a) so long as the Ordinary Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Principal Paying Agent), in the case of Bearer Notes, and a Transfer Agent (which may be the Registrar), in the case of Registered Notes, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(b) there will at all times be a Paying Agent (which may be the Principal Paying Agent) with a specified office in a city in continental Europe outside Norway;

(c) there will at all times be a Transfer Agent having a specified office in a place approved by the Issuer; and

(d) there will at all times be a Registrar with a specified office outside the United Kingdom and, so long as the Ordinary Notes are listed on any stock exchange, in such place as may be required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(f) above. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Ordinary Noteholders in accordance with Condition 13 below.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Ordinary Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7 above.

13 Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Ordinary Notes are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication will

be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which any Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Ordinary Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) and such notice by mail in connection with the Registered Notes the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Ordinary Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of such Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Ordinary Noteholder shall be in writing and given by lodging the same, together (in the case of any Ordinary Note in definitive form) with the relevant Ordinary Note or Ordinary Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Ordinary Notes are represented by a Global Note, such notice may be given by any holder of an Ordinary Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg as the case may be, may approve for this purpose.

14 Meetings of Ordinary Noteholders, Modification and Waiver

(a) Provisions with respect to Holders of Bearer Notes and/or Registered Notes

The Agency Agreement contains provisions for convening meetings of the Ordinary Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Ordinary Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Ordinary Noteholders holding not less than five per cent. in nominal amount of the Ordinary Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Ordinary Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Ordinary Noteholders whatever the nominal amount of the Ordinary Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Ordinary Notes, the Receipts or the Coupons (including modifying the date of maturity of the Ordinary Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Ordinary Notes or altering the currency of payment of the

Ordinary Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Ordinary Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Ordinary Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Ordinary Noteholders (or as described in the following paragraph) shall be binding on all the Ordinary Noteholders, whether or not they are present at the meeting (or whether or not they participated as provided in the following paragraph, as the case may be), and on all Receiptholders and Couponholders.

The Agency Agreement provides that a resolution (a) in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Ordinary Notes outstanding or (b) by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Ordinary Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Ordinary Noteholders duly convened and held. A resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more Ordinary Noteholders.

(b) Modification

The Principal Paying Agent and the Issuer may agree, without the consent of the Ordinary Noteholders, Receiptholders or Couponholders, to:

(i) any modification (except as mentioned above) of the Ordinary Notes, the Receipts, the Coupons, the Agency Agreement or the Deed of Covenant which, in the opinion of the Issuer, is not prejudicial to the interests of the Ordinary Noteholders; or

(ii) any modification of the Ordinary Notes, the Receipts, the Coupons, the Agency Agreement or the Deed of Covenant which is:

(A) of a formal, minor or technical nature;

(B) is made to correct a manifest or proven error; or

(C) is made to comply with mandatory provisions of the law.

Any such modification shall be binding on the Ordinary Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Ordinary Noteholders in accordance with Condition 13 above as soon as practicable thereafter.

15 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Ordinary Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Ordinary Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Ordinary Notes.

16 Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Ordinary Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Submission to Jurisdiction

(a) Governing law

The Agency Agreement, the Deed of Covenant, the Ordinary Notes (except for Condition 2 above) and the Coupons and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law. Condition 2 above is governed by and shall be construed in accordance with Norwegian law.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Paying Agents, Ordinary Noteholders, the Receiptholders and the Couponholders, that the courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Ordinary Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Ordinary Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Ordinary Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Ordinary Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 17 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Contractual Recognition of Norwegian Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 17(c), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

In this Condition 17(c):

"Norwegian Statutory Loss Absorption Powers" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of Directive 2014/59/EU as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority; and

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer.

(d) Appointment of Process Agent in England

The Issuer appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London, EC2Y 8HQ, England as its agent for service of process in England, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

18 Definitions

In these Ordinary Note Conditions, the following words shall have the following meanings:

"Applicable Banking Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Norway including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy adopted by a governmental authority from time to time and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or to the Issuer and its subsidiaries);

"Calculation Agency Agreement" in relation to any Series of Ordinary Notes requiring a calculation agent (as specified in the applicable Final Terms) means an agreement entered into between the Issuer and the Calculation Agent for such purposes;

"Calculation Agent" means, in relation to the Ordinary Notes of any Series requiring a calculation agent (as specified in the applicable Final Terms), (i) the person appointed as calculation agent in relation to the Ordinary Notes by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other

agreement) and shall include any successor calculation agent appointed in respect of the Ordinary Notes or (ii) the Principal Paying Agent if specified as such in the applicable Final Terms;

"Calculation Amount" means, in relation to any Series of Notes, the amount specified in the applicable Final Terms to calculate Fixed Coupon Amount(s), Broken Amount(s), the relevant Final Redemption Amount and the relevant Early Redemption Amount (as applicable);

"Capital Event" means the determination by the Issuer, after consultation with the Relevant Regulator, that, as a result of a change in Norwegian law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the last Tranche of the Subordinated Notes, the Subordinated Notes are excluded in whole or in part from the Tier 2 capital of the Issuer, such determination to be confirmed by the Issuer in a certificate signed by two authorised signatories, provided that a Capital Event shall not occur where such exclusion is or will be caused by reason of any applicable limit on the amount of such capital under the Applicable Banking Regulations from time to time.;

"CIBOR" means the Copenhagen inter-bank offered rate;

"CITA" means the Copenhagen t/n Interest Average;

"EONIA" means the Euro Overnight Index Average;

"EURIBOR" means the Euro-zone inter-bank offered rate;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"FSAN" means the Financial Supervisory Authority of Norway (*Finanstilsynet*) or such other agency of the Kingdom of Norway as assumes or performs the functions as at the Issue Date performed by the FSAN;

"HIBOR" means the Hong Kong inter-bank offered rate;

"Interest Commencement Date" means, in the case of interest bearing Ordinary Notes, the date specified in the applicable Final Terms from and including which the Ordinary Notes bear interest, which may or may not be the Issue Date;

"Issue Date" means, in respect of any Ordinary Notes, the date of issue and purchase of the Ordinary Notes, as specified in the applicable Final Terms;

"LIBOR" means the London inter-bank offered rate;

"NIBOR" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian inter-bank offered rate administered by Norske Finansielle Referanser AS and calculated in cooperation with Global Rate Set Systems (GRSS) acting as calculation agent (or any other person which takes over the administration and/or calculation of that rate) for the relevant period (before any correction, recalculation or republication by the administrator);

"records" of Euroclear and Clearstream, Luxembourg means the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customer's interest in the Notes;

"Reference Rate" means LIBOR, EURIBOR, NIBOR, CIBOR, CITA EONIA, HIBOR, SIBOR, STIBOR or TIBOR as specified in the applicable Final Terms.

"Register" means the register of bonds of the Issuer required to be maintained pursuant to the Regulations;

"Relevant Date" means the date on which a payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 above;

"Securities Act" means the United States Securities Act of 1933, as amended;

"STIBOR" means the Stockholm Inter-bank offered rate;

"Tier 2 capital" means Tier 2 capital as defined in the CRR as incorporated in Norway through Section 2 of the Norwegian regulation of 22 August 2014 no. 1097 on CRR/CRD IV (Nw. *Forskrift 22. august 2014 nr. 1097 om kapitalkrav og nasjonal tilpasning av CRR/CRD IV*), as amended or replaced; and

"Treaty" means the Treaty on the functioning of the European Union, as amended.

TERMS AND CONDITIONS OF THE VPS NOTES

The following are the Terms and Conditions of the VPS Notes ("VPS Conditions"). VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS.

The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following VPS Conditions, replace or modify the following VPS Conditions for the purpose of such Notes. References to "Final Terms" in these VPS Note Conditions in relation to Exempt Notes shall be deemed to refer to the applicable Pricing Supplement where relevant. Reference should be made to "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant VPS Notes.

References herein to the "VPS Notes" or the "Notes" shall be references to the VPS Notes of this Series and shall mean notes cleared through the Norwegian Central Securities Depositary (*Verdipapirsentralen*) ("VPS Notes" and the "VPS", respectively).

The VPS Notes will have the benefit of the trust agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the "VPS Trustee Agreement"), dated 7 July 2017 made between the Issuer and Nordic Trustee ASA (the "VPS Trustee**"**, which expression shall include any successor as VPS Trustee).

Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS.

The final terms of each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these VPS Conditions or, if this VPS Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation (an "Exempt Note"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these VPS Conditions, replace or modify these VPS Conditions for the purposes of this tranche of VPS Notes. References to the "applicable Final Terms" are to Part A of the Final Terms (or, in the case of Exempt Notes, Part A of the Pricing Supplement) (or the relevant provisions thereof) which supplement these VPS Conditions.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The VPS Trustee acts for the benefit of the holders of the VPS Notes from time to time (the "VPS Noteholders" and the "holders of VPS Notes"), in accordance with the provisions of the VPS Trustee Agreement and these VPS Conditions.

As used herein, "Tranche" means VPS Notes which are identical in all respects (including as to listing and admission to trading) and "Series" means a Tranche of VPS Notes together with any further Tranche or Tranches of VPS Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the VPS Trustee Agreement are available for inspection during normal business hours at the office of the Issuer at Christen Tranes gate 35, 4007 Stavanger, Norway, and at the office of the VPS Trustee at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway.

The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Trustee Agreement and the Final Terms which are applicable to them. The statements in these VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Trustee Agreement.

Words and expressions defined in the VPS Trustee Agreement or used in the applicable Final Terms shall have the same meanings where used in these VPS Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the VPS Trustee Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 Form, Denomination and Title

The VPS Notes are issued in uncertificated book entry form in the currency and Specified Denomination(s) as shown in Part A of the relevant Final Terms, provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant VPS Notes) and will be registered with a separate securities identification code in the VPS.

VPS Notes of one Specified Denomination may not be exchanged for Notes, VPS or otherwise, of another Specified Denomination. VPS Notes will be registered with a separate securities identification code in the VPS.

VPS Notes may not be exchanged for Notes other than VPS Notes, issued by the Issuer, and vice versa.

Unless this VPS Note is an Exempt Note, this VPS Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include a CMS Linked Interest Note if this Note is specified as being a CMS Linked Interest Note in the applicable Final Terms), a Reset Note or a Zero Coupon Note, depending upon the Interest Basis shown in the applicable Final Terms.

If this VPS Note is an Exempt Note, this VPS Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include a CMS Linked Interest Note if this Note is specified as being a CMS Linked Interest Note in the applicable Pricing Supplement), a Reset Note, a Zero Coupon Note, an Index Linked Interest Note or a Dual Currency Interest Note, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this VPS Note is an Exempt Note, this VPS Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

A VPS Note may also be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as indicated in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

A VPS Note may be a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder.

Title to the VPS Notes will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

2 Status of the VPS Notes

(a) Status of the Senior Preferred Notes

This Condition applies only to Senior Preferred Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(i) The Senior Preferred Notes are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (save for any obligations preferred by mandatory provisions of applicable law) at least *pari passu* with all other unsecured obligations (including deposits) (but in any event senior to the Senior Non-Preferred Notes and other obligations which rank or are expressed to rank pari passu with or junior to the Senior Non-Preferred Notes) of the Issuer, present and future, from time to time outstanding. So long as any of the Senior Preferred Notes remains outstanding, the Issuer undertakes to ensure that, the obligations of the Issuer under the Senior Preferred Notes rank and will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (including deposits) and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties (but in any event in each case senior to Senior Non-Preferred Notes and other obligations which rank or are expressed to rank *pari passu* with or junior to the Senior Non-Preferred Notes), in each case except for any obligations preferred by mandatory provisions of applicable law.

(ii) No right of set-off or counterclaim

(a) This Condition 2(a) applies only where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(b) No Noteholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Preferred Notes held by such Noteholder, as the case may be.

(b) Status of the Senior Non-Preferred Notes

This Condition applies only to Senior Non-Preferred Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement..

(i) The Senior Non-Preferred Notes constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank pari passu without any preference among themselves.

(ii) Subject as set out in Condition 2(b)(iii) below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the Noteholders against the Issuer in respect of or arising under the Senior Non-Preferred Notes (including any amounts attributable to the Senior Non-Preferred Notes and any damages awarded for breach of any obligations thereunder) shall rank:

(A) *pari passu* without any preference among themselves;

(B) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any;

(C) in priority to claims in respect of Non-Preferred Junior Securities; and

(D) junior to any present or future claims of Senior Creditors.

(iii) At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Senior Non-Preferred Notes (together with any other outstanding Series of Senior Non-Preferred Notes) shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in Condition 2(b)(ii) above, such statutory ranking shall prevail).

(iv) *Definitions*

In these Terms and Conditions, the following terms shall bear the following meanings:

(a) "BRRD" means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by the Creditor Hierarchy Directive).

(b) "Creditor Hierarchy Directive" means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, or any equivalent legislation.

(c) "Non-Preferred Junior Securities" means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Senior Non-Preferred Notes (including, inter alia, Subordinated Notes and Subordinated Parity Securities (as defined in Condition 2(c))).

(d) "Non-Preferred Parity Securities" means any unsecured obligations of the Issuer which rank, or are expressed to rank, pari passu with the Senior Non-Preferred Notes.

(e) "Senior Creditors" means (a) depositors of the Issuer and (b) all unsubordinated creditors of the Issuer (including, inter alia, holders of Senior Preferred Notes) other than creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any.

(f) "Statutory Non-Preferred Claims" means, upon Norway adopting legislation introducing a senior non-preferred ranking class as prescribed by Article 108(2) of the BRRD (as amended by Directive (EU) 2017/2399 of the European parliament and the Council of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy), unsecured claims resulting from debt instruments that meet the following conditions:

(A) the original contractual maturity of the debt instruments is at least one year;

(B) the debt instruments contain no embedded derivatives and are not derivatives themselves; and

(C) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under this paragraph.

(v) *No right of set-off or counterclaim*

No Noteholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Non-Preferred Notes held by such Noteholder.

(c) Status of the Subordinated Notes

This Condition 2(c) applies only to Subordinated Notes specified as such in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

(i) The Subordinated Notes constitute dated, unsecured and subordinated obligations (*ansvarlig lånekapital*) of the Issuer, and will at all times rank pari passu without any preference among themselves. The Subordinated Notes are subordinated as described in Condition 2(c)(ii).

(ii) In the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, claims of the Noteholders against the Issuer in respect of or arising under the Subordinated Notes (including any amounts attributable to the Subordinated Notes and any damages awarded for breach of any obligations thereunder) shall rank:

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with claims in respect of Subordinated Parity Securities;

(c) in priority to claims in respect of Subordinated Junior Securities; and

(d) junior to any present or future claims of Specified Senior Creditors.

No Noteholder who becomes, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

(iii) *Definitions*

In these Terms and Conditions, the following terms shall bear the following meanings:

"Financial Institutions Act" means the Act on Financial Institutions and Financial Groups of 10 April 2015 No. 17 (*Lov om finansforetak og finanskonsern av 10. april 2015 No. 17*), as amended.

"Relevant Regulator" means the FSAN and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Relevant Resolution Authority (as defined in Condition 15(c)) (if applicable), in any case as determined by the Issuer.

"Specified Senior Creditors" means (a) depositors of the Issuer; (b) holders of Senior Preferred Notes; (c) holders of Senior Non-Preferred Notes (both before and after the time at which the Creditor Hierarchy Directive is implemented in Norway); (d) creditors in respect of any Non-

Preferred Parity Securities and any Statutory Non-Preferred Claims, if any; (e) all unsubordinated creditors of the Issuer (to the extent not referred to above); and (f) creditors who are subordinated creditors of the Issuer (whether in the event of the liquidation, dissolution, administration or other winding-up of the Issuer or otherwise) other than those subordinated creditors whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of Subordinated Notes.

"Subordinated Junior Securities" means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the claims of the holders of Subordinated Notes.

"Subordinated Parity Securities" means any present or future instruments issued by the Issuer which are eligible to be recognised as Tier 2 Capital from time to time by the Relevant Regulator, any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary (as defined below) of the Issuer which are eligible to be recognised as Tier 2 Capital and any instruments issued, and subordinated guarantees, indemnities or other contractual support arrangements entered into, by the Issuer which rank, or are expressed to rank, *pari passu* therewith, but excluding Subordinated Junior Securities.

In this Condition 2, "Subsidiary" has the meaning ascribed to it in Section 1-3 of the Norwegian Public Limited Liability Companies Act 1997.

3 Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) *per annum* equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these VPS Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub- unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS Conditions:

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 3:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of VPS Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of VPS Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls within the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding

Interest Payment Date or, in the case of the first Interest Payment Date, within the specified period after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these VPS Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these VPS Conditions, "Business Day" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System (as defined in Condition 3(b)(ii)(D))) specified in the applicable Final Terms;

(B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a TARGET Settlement Day (as defined in Condition 3(b)(ii)(D)); and

(C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which TARGET2 System is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes (other than CMS Linked Interest Notes and Floating Rate Notes referencing Compounded Daily €STR)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined (and the Notes are not CMS Linked Interest Notes and the Reference Rate specified in the applicable Final Terms is not Compounded Daily €STR), the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(f), be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate *per annum*) for the Reference Rate being the Reference Rate specified in the applicable Final Terms, provided that in the case of Notes other than Exempt Notes, the Reference Rate in respect of Floating Rate Notes (other than CMS Linked Interest Notes and Floating Rate Notes referencing Compounded Daily €STR) shall be LIBOR, EURIBOR, NIBOR, CIBOR, CITA, EONIA, TIBOR, HIBOR, SIBOR or STIBOR which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1), no offered quotation appears or, in the case of (2), fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent. "Reference Banks" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, or (iii) in the case of a determination of any other Reference Rate, the principal Relevant Financial Centre office of four major banks in the inter-bank market of the Relevant Financial Centre, in each case selected by the Calculation Agent in consultation with the Issuer.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Eurozone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(C) Screen Rate Determination for Floating Rate Notes which are CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and where "CMS Rate" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest for each Interest Period will be determined by the Calculation Agent (as specified in the applicable Final Terms) by reference to the following formula:

CMS Rate plus Margin

If (for the purposes of determining the applicable CMS Rate) the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If three or more of the Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating (only where four or five of the Reference Banks provide such quotation) the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

For the purposes of this sub-paragraph (C):

"CMS Rate" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

"Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the Eurozone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the inter-bank market, in each case selected by the Calculation Agent in consultation with the Issuer.

"Relevant Swap Rate" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap

market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions")) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(iv) in the case of Exempt Notes only, where the Reference Currency is any other currency or if the applicable Final Terms specifies otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

(D) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily €STR

Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the Final Terms as Compounded Daily €STR, the Rate of Interest applicable to such Notes for each Interest Period will (subject as provided below and subject to Condition 3(f))), be Compounded Daily €STR plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent.

As used in these Conditions:

"Compounded Daily €STR" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to

such Interest Period (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows (the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{ESTR_{i-pTSD}\ \text{x}\ n_i}{360}\right)-1\right]\text{x}\ \frac{360}{d}$$

where:

"d" is the number of calendar days in:

(A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"d_o" means, for any Interest Period:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days in the relevant Observation Period;

"i" is a series of whole numbers from one to do, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the relevant Interest Period; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the relevant Observation Period;

"n_i", for any TARGET Settlement Day "i", means the number of calendar days from, and including, such TARGET Settlement Day "i" up to, but excluding, the following TARGET Settlement Day;

"Observation Period" means, in respect of an Interest Period, the period from, and including, the date falling "p" TARGET Settlement Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means:

(A) where "Lag" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes

the corresponding Interest Period, being the number of TARGET Settlement Days specified as the "€STR Lag Period (p)" in the Final Terms (or, if no such number is so specified, five TARGET Settlement Days);

(B) where "Shift" is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes the corresponding Interest Period, being the number of TARGET Settlement Days specified as the "€STR Shift Period (p)" in the Final Terms (or, if no such number is so specified, five TARGET Settlement Days);

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open for the settlement of payments in Euro;

"€STR Reference Rate" means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank initially at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the "ECB's Website") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

"$€STR_{i\text{-}pTSD}$" means:

(A) where "Lag" is specified as the Observation Method in the Final Terms, in respect of any TARGET Settlement Day "i" falling in the relevant Interest Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

(B) where "Shift" is specified as the Observation Method in the Final Terms, the €STR Reference Rate for the relevant TARGET Settlement Day "i".

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) (the "ECB Recommended Rate"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement

Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "EDFR") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "EDFR Spread").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the relevant Series of Notes referencing Compounded Daily €STR becomes due and payable in accordance with Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date and as if (solely for the purposes of such interest determination) the relevant Interest Period had been shortened accordingly.

As used in these Conditions:

"€STR Index Cessation Event" means the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"€STR Index Cessation Effective Date" means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR);

"ECB Recommended Rate Index Cessation Event" means the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

"ECB Recommended Rate Index Cessation Effective Date" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, if the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, if the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Calculation Agent, in the case of Floating Rate Notes which are VPS Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non- leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a

period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(vi) *Determination or Calculation by the VPS Trustee*

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 3(b), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the VPS Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(vii) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the second London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 10. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence as aforesaid) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CMS Rate or Compounded Daily €STR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3(b) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the

references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(d) Interest on Reset Notes

(i) *Rate of Interest*

Each Reset Note bears interest:

(a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date (the "Initial Period"), at the Initial Rate of Interest;

(b) for the First Reset Period, at the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any) to (but excluding) the Maturity Date, at the relevant Subsequent Reset Rate of Interest.

Interest will be payable, in each case, in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of each Interest Period falling in the Initial Period will amount to the Fixed Coupon Amount. Payments of interest on the first Interest Payment Date will, if so specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

The Calculation Agent will at or as soon as practicable after each time at which a Rate of Interest in respect of a Reset Period is to be determined, determine the relevant Rate of Interest for such Reset Period.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(ii) *Fallbacks*

If on any Reset Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as at the Specified Time on such Reset Determination Date, the Rate of Interest applicable to the Notes in respect of each Interest Period falling in the relevant Reset Period will be determined by the Calculation Agent on the following basis:

(a) the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Specified Time on the Reset Determination Date in question;

(b) if at least three of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Calculation Agent in consultation with the Issuer;

(c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean (rounded as aforesaid) of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;

(d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent; and

(e) if none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 3(d), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be either:

(A) if Prior Rate of Interest is so specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, equal to the sum of (A) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin, all as determined by the Calculation Agent in consultation with the Issuer; or

(B) if Calculation Agent Determination is so specified in the applicable Final Terms, determined by the Calculation Agent in consultation with the Issuer taking into consideration all available information that it in good faith deems relevant.

(iii) *Mid-Swap Rate Conversion*

This Condition 3(d)(iii) is only applicable if Mid-Swap Rate Conversion is specified in the applicable Final Terms as being applicable. If Mid-Swap Rate Conversion is so specified as being applicable, the First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted by the Calculation Agent from the Original Mid-Swap Rate Basis specified in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement to a basis which matches the *per annum* frequency of Interest Payment Dates in respect of the Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it).

(iv) *Notification of Rate of Interest and Interest Amounts*

In respect of a Reset Period, the Calculation Agent will cause the relevant Rate of Interest in respect of such Reset Period and each Reset Notes Interest Amount for each Interest Period falling in such Reset Period to be notified to the Issuer and any stock exchange on which the

relevant Reset Notes are for the time being listed and the VPS and the VPS Trustee (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 2(b)(vii)) thereafter. Each Reset Notes Interest Amount so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 10.

(v) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(d), by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence as aforesaid) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vi) *Definitions*

In this Condition 3(d), the following terms shall bear the following meanings:

"Day Count Fraction" has the meaning given in Condition 3(a).

"First Reset Period" means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date.

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Condition 3(d)(ii) and Condition 3(d)(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Reset Margin.

"Interest Period" has the meaning given in Condition 3(b).

"Mid-Market Swap Rate" means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate *per annum*) for the relevant Mid-Market Swap Rate.

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR (if the Specified Currency is euro), LIBOR (if the Specified Currency is U.S. dollars, Pounds Sterling or Swiss Francs), NIBOR (if the Specified Currency is Norwegian Kroner) or (in the case of any other Specified

Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Calculation Agent in its discretion after consultation with the Issuer.

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 3(d)(ii), either:

(a) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate *per annum* and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Specified Time on such Reset Determination Date, all as determined by the Calculation Agent.

"Original Mid-Swap Rate Basis" has the meaning given in the applicable Final Terms. In the case of Notes other than Exempt Notes, the Original Mid-Swap Rate Basis shall be annual, semi-annual, quarterly or monthly.

"Rate of Interest" means the Initial Rate of Interest, the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest, as applicable.

"Relevant Reset Margin" means, in respect of a Reset Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period.

"Reset Date" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable).

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"Reset Reference Banks" means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Calculation Agent in consultation with the Issuer.

"Subsequent Reset Period" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date, as the case may be.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 3(d)(ii) and Condition 3(d)(iii), the rate of interest determined by the

Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Reset Margin.

(e) Accrual of interest

Each VPS Note (or in the case of the redemption of part only of a VPS Note, that part only of such VPS Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date on which all amounts due in respect of such VPS Note have been paid.

(f) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (provided that, in the case of Reset Notes, such appointment need not be made earlier than 30 days prior to the first date on which the Original Reference Rate is to be used to determine any Rate of Interest (or any component part thereof)).

(i) *Independent Adviser*

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to consult with the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(f)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 3(f)(iv)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 3(f)(i) and the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Issuer and the Independent Adviser shall have no liability whatsoever to the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, or the Noteholders, as applicable, for any determination made by the Issuer and/or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3(f)(i).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3(f)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 3(f)(i).

For the purposes of this Condition 3(f)(i) only, in respect of any Reset Notes, references to (i) Interest Determination Date shall be read as references to Reset Determination Date, (ii) Interest Period shall be read as references to Reset Period and (iii) Interest Payment Date shall be read as references to Reset Note Reset Date.

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 3(f) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(f)(v), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provisions of this Condition 3(f)(iv), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 3(f)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 3(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3(f)(iv), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the then current or future Notes as Tier 2 Capital and/or the Notes eligible liabilities or loss absorbing capacity instruments for the purposes of the Relevant Regulator or by the loss absorption regulations.

Notwithstanding any other provision of this Condition 3(f)(iv), in the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

(v) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(f)(i) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Registrar, the Transfer Agent and, in accordance with Condition 13, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) be binding on the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, and the Noteholders.

Notwithstanding any other provision of this Condition 3(f), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(f), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 3(f)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 3(d)(ii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions*

As used in this Condition 3(f):

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);

(iii) in the case of an Alternative Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate;

(iv) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(v) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 3(f)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining Rates of Interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 3(f)(iv).

"Benchmark Event" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is or

will be (or is or will be deemed by such supervisor to be) no longer representative of an underlying market; or

(6) it has become unlawful for the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Principal Paying Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Principal Paying Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3(f)(i).

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(g) Calculation Agent

The Issuer shall procure that there shall at all times be a Calculation Agent if provision is made for this in respect of the VPS Notes and for so long as any VPS Note (which is a Floating Rate Note) is outstanding. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, in respect of such VPS Notes as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over- the-counter index options market) that is

most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. The Issuer may act as its own Calculation Agent.

4 Payments

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6 below. References herein to "specified currency" will include any successor currency under applicable law.

(b) Payments in respect of VPS Notes

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS. Any external Calculation Agent will act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of any external Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS (which may be the Issuer itself), (ii) one or more external Calculation Agent(s) where the VPS Conditions so require and for so long as any VPS Note (which is a Floating Rate Note) is outstanding, and (iii) such other agents as may be required by any other stock exchange on which the VPS Notes may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 10 below.

(c) Payment Day

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment of the relevant payment due until the next following Payment Day and shall not be entitled to any interest or other payment in respect of any such delay. For these purposes, "Payment Day" means any day which (subject to Condition 7 below) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) London; and

(B) any Additional Financial Centre (other than the TARGET 2 System) specified in the applicable Final Terms;

(C) if TARGET 2 system is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 system is open; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) such payment is then permitted under United States law without involving adverse tax consequences to the Issuer.

(d) Interpretation of principal and interest

Any reference in these VPS Conditions to principal in respect of the VPS Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 6;

(ii) the Final Redemption Amount of the VPS Notes;

(iii) the Early Redemption Amount of the VPS Notes;

(iv) the Optional Redemption Amount(s) (if any) of the VPS Notes;

(v) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

(viii) Any reference in these Terms and Conditions to interest in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 5.

5 Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or (pursuant to Condition 5(m)) substituted, each VPS Note will be redeemed by the Issuer at its Final Redemption Amount (which shall be at least equal to the Nominal Amount of each Note) specified in, the applicable Final Terms or Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) Redemption at the option of the Issuer (Issuer Call)

This Condition 5(b) is not applicable for Subordinated Notes prior to five years from their Issue Date and references to "VPS Notes" in this Condition 5(b) shall be construed accordingly.

Subject if applicable, to the provisions of Condition 5(j):

If Issuer Call is specified in the applicable Final Terms or Pricing Supplement, the Issuer may, having given not less than 15 nor more than 30 days' notice to the VPS Noteholders in accordance with Condition 10 below (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed ("Redeemed VPS Notes") will be selected in accordance with the rules and procedures of the VPS in the relation to such VPS Notes, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").

(c) Redemption for Taxation Reasons

Subject, to obtaining prior written consent of the FSAN as provided in Condition 5(j), the VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the VPS Note is not a Floating Rate Note) or on any Interest Payment Date, (if the VPS Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the VPS Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any authority therein having power to tax or any political subdivision thereof, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the VPS Notes;

(ii) in the case of Subordinated Notes, the effect of such obligation is material on the Issuer; and

(iii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the VPS Trustee to make available to the VPS Noteholders (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 5(c) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(d) Redemption at the option of the VPS Noteholders (Investor Put)

This Condition 5(d) is not applicable for Senior Non-Preferred Notes and Subordinated Notes and references to "VPS Notes" in this Condition 5(d) shall be construed accordingly.

If Investor Put is specified in the applicable Final Terms or Pricing Supplement, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 10 below not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such VPS Note on the Optional Redemption Date and at the Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice (the "Put Notice") to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any VPS Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

(e) Early Redemption Amounts

For the purpose of paragraphs (c) and (d) above and Condition 8:

(i) Each VPS Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(ii) each Zero Coupon Note will be redeemed at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

$$Early\ Redemption = RP(1 + AY)^{y}$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365.

(f) Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of

Condition 5(b), Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(g) Purchases

Subject to obtaining the prior written consent of the FSAN as provided in Condition 5(j), the Issuer or any Subsidiary (as defined in Condition 8(a)) of the Issuer may at any time purchase VPS Notes at any price in the open market or otherwise.

(h) Cancellation

All VPS Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Notes to be deleted from the records of the VPS.

All VPS Notes which are redeemed will forthwith be cancelled in the same manner. Any VPS Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Notes shall be discharged.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Calculation Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

(j) Consent

This Condition 5(j) applies to (i) Senior Preferred Notes where Regulatory Consent is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement ("Restricted Senior Preferred Notes"), (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

In the case of (i) Restricted Senior Preferred Notes, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes (as the case may be), no early redemption in any circumstances or purchase under Condition 5(g), substitution or variation under Condition 5(m) (in the case of Subordinated Notes), substitution or variation under Condition 5(n) (in the case of Senior Non-Preferred Notes and Restricted Senior Preferred Notes) or modification under Condition shall take place without the prior written permission of the Relevant Regulator (in each case, if, and to the extent, then required by the rules of the Relevant Regulator and, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes, by the Applicable MREL Regulations, as defined in Condition 5(l)). In addition, in

respect of any redemption of Subordinated Notes pursuant to Condition 5(c) or 5(k) only, and except to the extent the Relevant Regulator no longer so requires, the Issuer may only redeem the Subordinated Notes before five years after the Issue Date if the Issuer demonstrates to the satisfaction of the Relevant Regulator that the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable as at the Issue Date. For the avoidance of doubt, redemption of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes under Condition 5(a) or repayment pursuant to Condition 8, shall not require the consent of the Relevant Regulator.

(k) Redemption upon Capital Event – Subordinated Notes

This Condition 5(k) applies only to Subordinated Notes and where this Condition 5(k) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

If a Capital Event occurs, the Issuer may, at its option, but subject to the provisions of Condition 5(j), on giving not less than 30 nor more than 60 days' notice to the Calculation Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable), at any time (in the case of Subordinated Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Subordinated Notes which are Floating Rate Notes) redeem all (but not some only) of the Subordinated Notes at their Early Redemption Amount referred to in Condition 5(e) above together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of the relevant notice, the Issuer shall redeem the Subordinated Notes.

(l) Redemption upon MREL Disqualification Event – Senior Preferred Notes and Senior Non-Preferred Notes, where applicable

This Condition 5(l) applies only to Senior Preferred Notes and Senior Non-Preferred Notes, in each case, only where this Condition 5(l) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and references to "VPS Notes" and "Noteholders" in this Condition shall be construed accordingly.

If a MREL Disqualification Event occurs, the Issuer may, at its option, but subject to the provisions of Condition 5(j), on giving not less than 30 nor more than 60 days' notice to the Calculation Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), at any time (in the case of VPS Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of VPS Notes which are Floating Rate Notes) redeem all (but not some only) of the VPS Notes at their Early Redemption Amount referred to in Condition 5(e) above together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of the relevant notice period, the Issuer shall redeem the VPS Notes.

"Applicable MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Norway giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group).

"CRD IV" means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

"CRD IV Directive" means Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time.

"CRD IV Implementing Measures" means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof).

"CRR" means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time.

In this Condition 5(l), "Group" means the Issuer and its Subsidiaries.

"MREL Disqualification Event" means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the last Tranche of the VPS Notes, the VPS Notes will be fully excluded or partially excluded from the "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of the VPS Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

"MREL Requirement" means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group.

(m) Substitution or Variation – Subordinated Notes

This Condition 5(m) applies only to Subordinated Notes and where this Condition 5(m) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement.

If at any time a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 15(c), the Issuer may, subject to the provisions of Condition 5(j) (without any requirement for the consent or approval of the Noteholders) on giving not less than 30 nor more than 60 days' notice to the Calculation Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Subordinated Notes for, or vary the terms of the Subordinated Notes (including changing the governing law of Condition 15(c), from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying Subordinated Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Subordinated Notes.

"Qualifying Subordinated Securities" means securities issued directly or indirectly by the Issuer that:

(a) other than in the case of a change to the governing law of Condition 15(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 15(c), have terms not materially less favourable to the Noteholders as a class than the terms of the Subordinated Notes (as reasonably determined by the Issuer), and, subject thereto, they shall (1) have a ranking at least equal to that of the Subordinated Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the Subordinated Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements of the Relevant Regulator in relation to Tier 2 capital, (5) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) other than in the case of a change to the governing law of Condition 15(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 15(c), where Subordinated Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to such substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying Subordinated Securities; and

(b) are listed on a recognised stock exchange, if the Subordinated Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

In these Terms and Conditions, "Rating Agency" means Moody's Investors Service Limited or its successor.

(n) Substitution or Variation – Senior Preferred Notes and Senior Non-Preferred Notes, where applicable

This Condition 5(n) applies only to Senior Preferred Notes and Senior Non-Preferred Notes, in each case, only where this Condition 5(n) is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and references to "VPS Notes" and "Noteholders" in this Condition shall be construed accordingly.

If at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 15(c), the Issuer may, subject to the provisions of Condition 5(j) (without any requirement for the consent or approval of the Noteholders) on giving not less than 30 nor more than 60 days' notice to the Calculation Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the VPS Notes for, or vary the terms of the VPS Notes (including changing the governing law of Condition 15(c), from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the VPS Notes.

"Qualifying MREL Securities" means securities issued directly or indirectly by the Issuer that:

(a) other than in the case of a change to the governing law of Condition 15(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 15(c), have terms not materially less favourable to the Noteholders as a class than the terms of the VPS Notes (as

reasonably determined by the Issuer), and, subject thereto, they shall (1) have a ranking at least equal to that of the VPS Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the VPS Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the VPS Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) other than in the case of a change to the governing law of Condition 15(c) to Norwegian law in order to ensure the effectiveness and enforceability of Condition 15(c), where the VPS Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to such substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying MREL Securities; and

(b) are listed on a recognised stock exchange, if the VPS Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

6 Taxation

(a) Gross-up

Subject as provided in Condition 6(b), all payments of principal and interest in respect of the VPS Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

In that event, the Issuer shall pay such additional amounts as shall result in receipt by the VPS Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any VPS Note:

(i) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such VPS Note by reason of his having some connection with the Kingdom of Norway other than the mere holding of the VPS Note or

(ii) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these VPS Conditions, "Relevant Date" in respect of any VPS Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the VPS Noteholders that, upon further presentation of the VPS Note being made in accordance with the VPS Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Notwithstanding any other provision of the terms and conditions of the Notes, any amounts to be paid by or on behalf of the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the "Code"), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of Sections 1471 through 1474 of the Code (or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding Tax"). None of the Issuer or any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

(b) Senior Non-Preferred Notes, Subordinated Notes and Restricted Gross-Up Senior Preferred Notes

This Condition 6(b) shall only apply to (i) Senior Preferred Notes where Restricted Gross-Up Senior Preferred Notes is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

Notwithstanding Condition 6(a), the obligation to pay additional amounts will apply in respect of payments of interest only.

7 Prescription

The VPS Notes will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 16 below) in respect thereof.

8 Events of Default

(a) Events of Default relating to Senior Preferred Notes, where applicable

This Condition 8(a) shall apply only to Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms or, as the case may be, applicable Pricing Supplement and references to "VPS Notes" and "Noteholders" in this Condition shall be construed accordingly. If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

(i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the VPS Notes or any of them and in the case of interest that default continues for a period of seven days; or

(ii) if the Issuer fails to perform or observe any of its other obligations under these VPS Note Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(iii) any payment obligation under any indebtedness (including deposits) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (howsoever described) or the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any indebtedness (including deposits) within 30 days of the due date for payment (or within the originally applicable grace period, if such period is longer than 30 days)

or any security given by the Issuer or any of its Principal Subsidiaries for any indebtedness (including deposits) becomes enforceable or if default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the originally applicable grace period, if such period is longer than 30 days), PROVIDED that no such event shall constitute an Event of Default unless the indebtedness (including deposits) or other relative liability either alone or when aggregated with other indebtedness (including deposits) and/or liabilities relating to all (if any) other events which shall have occurred and be outstanding shall amount to at least €10,000,000 (or its equivalent in any other currency) and PROVIDED further that, for the purposes of this Condition 8(a)(iii), neither the Issuer nor any of its Principal Subsidiaries shall be deemed to be in default with respect to any such indebtedness (including deposits), guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or

(iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or

(v) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on a solvent basis, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(vi) if (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within l4 days; or

(vii) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a Senior Preferred Note may, by written notice to the Issuer at the specified office of the Calculation Agent, effective upon the date of receipt thereof by the Calculation Agent, declare Senior Preferred Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purpose of these Conditions:

"Principal Subsidiary" at any time shall mean a Subsidiary of the Issuer inter alia:

(A) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated gross revenues attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or

(B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Principal Subsidiary.

A report by the Directors of the Issuer that in their opinion a Subsidiary of the Issuer is/was or is/was not at any particular time or throughout any specified period, a Principal Subsidiary, accompanied, if requested, by a report by the Auditors addressed to the Directors of the Issuer as to proper extraction of the figures used by the Directors of the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculations, shall, in the absence of manifest error, be conclusive and binding on all parties; and

"Subsidiary" means any legal entity in which the Issuer either (i) directly or indirectly owns or controls more than 50 per cent. of the entity's shares and votes, or (ii) is entitled to appoint or remove a majority of the entity's directors.

(b) Events of Default relating to Subordinated Notes

There are no events of default in relation to Subordinated Notes.

(c) Events of Default relating to Senior Preferred Notes, where applicable, and Senior Non-Preferred Notes

This Condition shall apply only to (i) Senior Preferred Notes except those for which Unrestricted Events of Default is specified as being applicable in the applicable Final Terms or, as the case may be, the applicable Pricing Supplement, and (ii) Senior Non-Preferred Notes.

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

(i) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer; or

(ii) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

(iii) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws,

then any holder of a Senior Preferred Note or Senior Non-Preferred Note, as applicable, may, by written notice to the Issuer at the specified office of the Calculation Agent, effective upon the date of

receipt thereof by the Calculation Agent, declare any Senior Preferred Note or Senior Non-Preferred Note, as applicable, held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9 Registration and Transfer of VPS Notes

(a) Transfers of interests in VPS Notes

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

(b) Registration of transfer upon partial redemption

In the event of a partial redemption of VPS Notes under Condition 5 above, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(c) Costs of registration and administration of the VPS Register

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

10 Notices

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a regulated market, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such regulated market. Any such notice shall be deemed to have been given on the date two days after delivery to the VPS.

11 Meetings of VPS Noteholders and Modification and Waiver

(a) Provisions with respect to Holders of VPS Notes

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) of a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two-thirds of votes). Such a meeting may be convened by the VPS Trustee at the request of the Issuer, Oslo Børs or by VPS Noteholders holding not less than 10 per cent. in nominal amount of the VPS Notes for the time being remaining outstanding.

The quorum at a meeting for passing a resolution is one or more persons holding at least 50 per cent. of the nominal amount of outstanding VPS Notes or at any adjourned meeting one or more persons being or representing VPS Noteholders whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain

provisions of the VPS Notes or the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds of the nominal amount of outstanding VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one-third of the nominal amount of the outstanding VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

(b) Modification

The VPS Trustee Agreement provides that:

(i) in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of voting VPS Notes is required:

I modification of the Maturity Date of the VPS Notes specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;

II reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in relation to the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;

III reduction of any Minimum Interest Rate and/or Minimum Interest Rate specified in the applicable Final Terms;

IV modification of the currency in which payments under the VPS Notes are to be made;

V modification of the majority requirement to pass a resolution in respect of the matters listed in this paragraph (i);

VI any alteration of Clause 4.1(f) of the VPS Trustee Agreement (which sets out the matters for which a majority of two-thirds of votes is required);

VII the transfer of rights and obligations under the VPS Conditions and the VPS Trustee Agreement to another Issuer; and/or

VIII a change of VPS Trustee,

(ii) save as set out in Condition 11(b)(i) above, the VPS Trustee, without providing prior written notice to, or consultation with, the VPS Noteholders may make decisions binding on all affected VPS Noteholders relating to the Final Terms, the VPS Conditions and/or the VPS Trustee Agreement, provided that such decision is either (x) not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, (y) made solely for rectifying obvious errors and mistakes, or (z) required to be made pursuant to law, court order or other administrative decision. The VPS Trustee shall as soon as possible notify the affected VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

12 VPS Trustee

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to

its satisfaction. VPS Noteholders are deemed to have accepted and will be bound by the Conditions and the terms of the VPS Trustee Agreement.

13 Further Issues

The Issuer shall be at liberty from time to time without the consent of the VPS Noteholders to create and issue further notes having terms and conditions the same as the VPS Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS Notes.

14 Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this VPS Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

15 Governing Law and Submission to Jurisdiction

(a) Governing law

The VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes are governed by, and shall be construed in accordance with, English law, save as to Conditions 2, 8, 9, 10, 11, 12 and 13 above are governed by and shall be construed in accordance with Norwegian law. The VPS Trustee Agreement is governed by and shall be construed in accordance with Norwegian law.

VPS Notes must comply with the Norwegian Act of 15 March 2019 no. 64 on Central Securities Depositories (the "**CSD Act**") (Nw. *verdipapirsentralloven*), which implements Regulation (EU) No. 909/2014 into Norwegian law, and to the extent applicable, the Norwegian act on Registration of Financial Instruments of 5 July 2002 No. 64 (*Lov om registrering av finansielle instrumenter*), as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under these Acts and any related regulations and legislation.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Paying Agents, and the VPS Noteholders, that the courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the VPS Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes) and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the VPS Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the VPS Notes) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Noteholders that the courts of Norway are to have jurisdiction to settle any disputes which may arise out of, or in connection with, the VPS Trustee Agreement.

Nothing contained in this Condition 15 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Contractual Recognition of Norwegian Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 15(c), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority.

(iii) In this Condition 15(c):

"Norwegian Statutory Loss Absorption Powers" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of Directive 2014/59/EU as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority; and

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer.

(d) Appointment of Process Agent in England

The Issuer appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London, EC2Y 8HQ, England as its agent for service of process in England, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

16 Definitions

In these VPS Conditions the following words shall have the following meanings:

"Applicable Banking Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Norway including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy adopted by a governmental authority from time to time and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or to the Issuer and its subsidiaries);

"Calculation Agency Agreement" in relation to any Series of VPS Notes requiring a calculation agent (as specified in the applicable Final Terms) means an agreement entered into between the Issuer and the Calculation Agent for such purposes;

"Calculation Agent" means, in relation to the VPS Notes of any Series requiring a calculation agent (as specified in the applicable Final Terms), (i) the person appointed as calculation agent in relation to the VPS Notes by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the VPS Notes or (ii) the Principal Paying Agent if specified as such in the applicable Final Terms;

"Calculation Amount" means, in relation to any Series of VPS Notes, the amount specified in the applicable Final Terms to calculate Fixed Coupon Amount(s), Broken Amount(s), the relevant Final Redemption Amount and the relevant Early Redemption Amount (as applicable);

A "Capital Event" means the determination by the Issuer, after consultation with the Relevant Regulator, that, as a result of a change in Norwegian law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the last Tranche of the Subordinated Notes, the Subordinated Notes are excluded in whole or in part from the Tier 2 capital of the Issuer, such determination to be confirmed by the Issuer in a certificate signed by two authorised signatories of the Issuer, provided that a Capital Event shall not occur where such exclusion is or will be caused by reason of any applicable limit on the amount of such capital under the Applicable Banking Regulations from time to time;

"CIBOR" means the Copenhagen inter-bank offered rate;

"CITA" means the Copenhagen t/n Interest Average;

"EONIA" means the Euro Overnight Index Average;

"EURIBOR" means the Euro-zone inter-bank offered rate;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"FSAN" means the Financial Supervisory Authority of Norway (Finanstilsynet) or such other agency of the Kingdom of Norway as assumes or performs the functions as at the Issue Date performed by the FSAN;

"HIBOR" means the Hong Kong inter-bank offered rate;

"Interest Commencement Date" means, in the case of interest bearing VPS Notes, the date specified in the applicable Final Terms from and including which the VPS Notes bear interest, which may or may not be the Issue Date;

"Issue Date" means, in respect of any VPS Notes, the date of issue and purchase of the VPS Notes, as specified in the applicable Final Terms;

"LIBOR" means the London inter-bank offered rate;

"NIBOR" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian inter-bank offered rate administered by Norske Finansielle Referanser AS and calculated in cooperation with Global Rate Set Systems (GRSS) acting as calculation agent (or any other person which takes over the administration and/or calculation of that rate) for the relevant period (before any correction, recalculation or republication by the administrator);

"Oslo Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo;

"outstanding" means, in relation to the VPS Notes of any Series, all the VPS Notes issued other than:

(a) those VPS Notes which have been redeemed and cancelled pursuant to the VPS Conditions;

(b) those VPS Notes in respect of which the date for redemption in accordance with the VPS Conditions has occurred and the redemption monies (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the VPS Conditions after that date) have been duly paid to or to the order of the VPS Agent in the manner provided in these VPS Conditions (and where appropriate notice to that effect has been given to the VPS Noteholders in accordance with the VPS Conditions) and remain available for payment of the relevant VPS Notes;

(c) those VPS Notes which have been purchased and cancelled in accordance with the VPS Conditions; and

(d) those VPS Notes in respect of which claims have become prescribed under the VPS Conditions; provided that for the purpose of:

(i) attending and voting at any meeting of the VPS Noteholders of the Series; and

(ii) determining how many and which VPS Notes of the Series are for the time being outstanding for the purposes of Condition 3 and the noteholder meetings provisions set out in the VPS Trustee Agreement,

those VPS Notes (if any) which are for the time being held by or for the benefit of the Issuer or any Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"records" of the VPS means the records that the VPS holds for its customers which reflect the amount of such customer's interest in the VPS Notes;

"Reference Rate" means LIBOR, EURIBOR, NIBOR, CIBOR, CITA, EONIA, HIBOR, SIBOR, STIBOR or TIBOR as specified in the applicable Final Terms;

"Relevant Date" means the date on which a payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 10 above;

"SIBOR" means the Singapore Inter-bank offered rate;

"STIBOR" means the Stockholm Inter-bank offered rate;

"TIBOR" means the Tokyo inter-bank offered rate;

"Tier 2 capital" means Tier 2 capital as defined in the CRR as incorporated in Norway through Section 2 of the Norwegian regulation of 22 August 2014 no. 1097 on CRR/CRD IV (Nw. *Forskrift 22. august 2014 nr. 1097 om kapitalkrav og nasjonal tilpasning av CRR/CRD IV*), as amended or replaced; and

"Treaty" means the Treaty on the functioning of the European Union, as amended.

TAXATION

The following is a general description of certain Norwegian, participating Member States (as defined below) and United States tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Norway, those participating Member States (as defined below) and United States of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Norwegian Taxation

The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Base Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes under the Programme. Investors are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of such Notes.

Norwegian Taxation – Non-Residents

Introduction

The tax consequences described below apply to Noteholders who are not tax resident in Norway. In the following paragraphs, it is assumed that the Notes are held in the form of bearer bonds or debentures (*mengdegjeldsbrev*).

Taxation on interest

Interest paid to a non-resident holder of Notes will not be subject to Norwegian income or withholding tax.

Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

Such tax liability may be modified through applicable tax treaties.

On 27 February 2020, the Norwegian Ministry of Finance published a proposal for the introduction of withholding tax on certain interest payments from Norway. The proposal as published will not affect interest payments on Notes issued by the Issuer. However, the proposal will be subject to a hearing followed by a final legislative proposal, which may deviate from the current proposal.

Taxation of capital gains

A non-resident holder of Notes is not subject to taxation in Norway on gains derived from the sale, disposal or redemption of the Notes.

Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

Such tax liability may be modified through an applicable tax treaty.

Wealth tax

Norway does not levy any property tax or similar taxes on the Notes.

An individual non-resident holder of Notes is not subject to wealth tax, unless the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

Such tax liability may be modified through applicable tax treaties.

Transfer tax

There is currently no Norwegian transfer tax on the transfer of Notes.

Norwegian Taxation – Norwegian residents

Introduction

The tax consequences described below apply to Noteholders who are tax resident in Norway ("Norwegian Noteholders"). Again, it is assumed that the Notes are held in the form of bearer bonds or debentures (*mengdegjeldsbrev*).

Taxation of interest

For Norwegian Noteholders, interest on bonds (such as the Notes) is taxable as "ordinary income" subject to a flat rate of 22 per cent. This applies irrespective of whether the Norwegian Noteholders are individuals or corporations. For financial institutions the tax rate for "ordinary income" is 25 per cent. Interest is taxed according to a realisation principle; as a main rule in the income year in which interest is accrued (i.e. regardless of when the interest is actually paid). For taxpayers without a statutory obligation to keep accounting records, special provisions apply in case of breach of contract resulting in due interest not being paid by the end of the income year.

Taxation upon disposal or redemption of the Notes

Redemption at the relevant Maturity Date of the Notes as well as prior disposal of the Notes is treated as a realisation of such Notes and will trigger a capital gain or loss for Norwegian Noteholders under Norwegian tax law. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22 per cent, (25 per cent. for financial institutions). Losses will be deductible from a Norwegian Noteholder's "ordinary income", taxed at the same rate.

Any capital gain or loss is computed as the difference between the amount received by the Norwegian Noteholder on realisation and the cost price of the Notes. The cost price is equal to the price at which the Norwegian Noteholder acquired the Notes. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from a Norwegian Noteholder's taxable income in the year of the realisation.

Net wealth taxation

The value of the Notes held by a Norwegian Noteholder at the end of each income year will be included in the computation of his/her taxable net wealth for municipal and state net wealth tax purposes. Under Norwegian tax law, listed notes are valued at their quoted value on 1 January in the relevant assessment year. The marginal rate of net wealth tax is currently 0.85 per cent.

Limited liability companies and certain similar entities are exempt from net wealth taxation.

Inheritance and gift tax

Norway does not impose inheritance tax or similar tax on inheritance or gifts.

Transfer taxes etc.; VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, disposal or redemption of securities such as the Notes. Furthermore, there will be no VAT payable in Norway on the transfer of the Notes.

Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal for a Directive for a common financial transactions tax **(**"FTT"**)** in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "Participating Member States"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of FATCA and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed U.S. Treasury regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Ordinary Notes—Further Issues*" and "*Terms and Conditions of the VPS Notes—Further Issues*")) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes that are not distinguishable, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding

under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a programme agreement (such agreement, as amended and/or supplemented and/or restated from time to time, the "Programme Agreement") dated 10 June 2020 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase the Ordinary Notes only. Any such agreement will extend to those matters stated under "*Form of the Notes*" (only in relation to the Ordinary Notes) and "*Terms and Conditions of the Ordinary Notes"*. The Ordinary Note Arranger and the Dealers have not been involved in the structuring of the VPS Notes, will not participate in any issuances of the VPS Notes and therefore accept no responsibility or liability in connection with the VPS Notes (in particular, for any subscriptions to the VPS Notes under the Programme and/or any issuance or underwriting thereof). In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Transfer and Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and U.S. Treasury regulations thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C or TEFRA D apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or, in the case of Bearer Notes, deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each Dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restriction shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or the Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive (EU) 2016/97, (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Dealer represents and agrees:

(i) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Norway

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the Issuer has confirmed in writing to each Dealer that the Base Prospectus

have been filed with the FSAN, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Norway or to residents of Norway except:

(a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor;

(b) to "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007;

(c) to fewer than 150 natural or legal persons (other than "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer;

(d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

The Notes shall be registered with the Norwegian Central Securities Depository (*Verdipapirsentralen, or VPS*) in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (i) the Notes are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Base Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Financial Services Act") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "Banking Act") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(ii) (if applicable) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-*bis* of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms (or the applicable Pricing Supplement, as the case may be).

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

VPS

Verdipapirsentralen ASA is a Norwegian public limited liability company which is licensed to conduct the business of registering financial instruments in Norway in accordance with the Act of 5 July 2002 no. 64 on the Registration of Financial Instruments (*Lov om registrering av finansielle instrumenter*) (the "Securities Register Act"). The Securities Register Act requires that, among other things, all notes and bonds issued in Norway shall be registered in the VPS (the "VPS Securities"), except (i) notes and bonds issued by Norwegian issuers outside Norway and denominated in Norwegian kroner with subscription limited to non-Norwegian tax residents only, or in a currency other than Norwegian kroner, and (i) notes and bonds issued by foreign issuers in a currency other than Norwegian kroner.

From 1 January 2020, the Securities Register Act has been repealed and replaced by the CSD Act, which implements Regulation (EU) No. 909/2014 into Norwegian law. However, transitional rules have been passed to allow the VPS to operate under the old rules in the Securities Register Act until such time when VPS has been authorised as a CSD under the CSD Act/CSDR.

VPS is a paperless securities registry and registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry. Any issuer of VPS Securities will be required to have an account (issuer's account) where all the VPS Securities are registered in the name of the holder and each holder is required to have her/his own account (investor's account) showing such person's holding of VPS Securities at any time. Both the issuer and the VPS Noteholder will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm.

It is possible to register a holding of VPS Securities through a nominee.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes under the Programme have been authorised by a resolution of the Board of Directors of the Issuer dated 19 December 2019.

Approval of the Base Prospectus, Admission to Trading and Listing of Notes

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Ordinary Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

It is expected that each Tranche of Notes which is to be listed on the Luxembourg Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note or a Permanent Global Note initially representing the Notes of such Tranche.

In addition, Notes may be listed on one of the Oslo Stock Exchange's regulated markets, as more particularly described on the cover page of this Base Prospectus.

Documents Available

So long as Notes are capable of being issued under the Programme or any Notes otherwise remain outstanding under the Programme, copies of the following documents will, when published, be available on the website of the Issuer at https://www.sparebank1.no/en/sr-bank/about-us.html:

(i) the constitutional documents (with an English translation thereof) of the Issuer;

(ii) the Agency Agreement, the Deed of Covenant, the forms of the Global Notes, the Definitive Notes and the Coupons and the Talons, and the VPS Trustee Agreement;

(iii) a copy of this Base Prospectus;

(iv) any future prospectuses, information memoranda and supplements including Final Terms and Pricing Supplements to this Base Prospectus and any other documents incorporated therein by reference (save that Final Terms or Pricing Supplements relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and in Luxembourg and provided that such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity before being able to do so);

(v) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2018, together with the audit report prepared in connection therewith;

(vi) the audited consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2019, together with the audit report prepared in connection therewith;

(vii) the unaudited interim consolidated financial statements of the Issuer as of and for the three month period ended 31 March 2020; and

(viii) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published unaudited interim consolidated financial statements (if any) of the Issuer, in each case with any audit or review reports prepared in connection therewith.

In addition, copies of this Base Prospectus and each Final Terms relating to Notes (other than VPS Notes) which are admitted to trading on the Luxembourg Stock Exchange's regulated market will be available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VPS) the appropriate information will be specified in the applicable Final Terms. Euroclear; Clearstream, Luxembourg; and the VPS are the entities in charge of keeping the records.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of the VPS is Fred. Olsens Gate 1, P.O.Box 1174 Sentrum, 0107 Oslo, Norway.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes or Reset Notes (other than Fixed Rate Notes or Reset Notes which are Exempt Notes), an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price and (in the case of Reset Notes) on the basis of the rate of interest as at the Issue Date of the Notes. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no material adverse change in the prospects of the Issuer or of the SR-Bank Group since 31 December 2019, and there has been no significant change in the financial performance or financial position of the Issuer or of the SR-Bank Group since 31 March 2020.

Litigation

Neither the Issuer nor any member of the SR-Bank Group has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or of the Group.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Auditors

The independent auditors of the Issuer are PriceWaterhouseCoopers AS (the "Auditors"), a member of the Norwegian Institute of Public Accountants (Den norske Revisorforening). The Auditors have audited the consolidated financial statements of the Issuer as of and for the years ended 31 December 2019 and 31 December 2018, as incorporated in this Base Prospectus by reference.

Listing Agent

Banque Internationale à Luxembourg SA is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Luxembourg Stock Exchange or to trading on the Luxembourg Stock Exchange's regulated market for the purposes of the Prospectus Regulation.

Issuer LEI and Website

The Legal Entity Identifier code of the Issuer is 549300Q3OIWRHQUQM052.

The website of the Issuer is https://www.sparebank1.no/en/sr-bank/about-us.html. The information on such website does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus as described under "*Documents Incorporated by Reference and Supplements to the Base Prospectus*".

Except where such information has been incorporated by reference into this Base Prospectus as described above, the contents of the Issuer's website, any website mentioned in this Base Prospectus or any website

directly or indirectly linked to these websites have not been verified and do not form part of this Base Prospectus and investors should not rely on such information.

THE ISSUER

SpareBank 1 SR-Bank ASA
Christen Tranes gate 35, PO Box 250
4007 Stavanger, Norway

PRINCIPAL PAYING AGENT AND TRANSFER AGENT

Citibank, N.A., London Branch
Citigroup Centre, Canada Square,
London E14 5LB, United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG
Germany Agency and Trust Department
Reuterweg 18, 60323 Frankfurt, Germany

VPS AGENT

SpareBank 1 SR-Bank ASA
Christen Tranes gate 35
4007 Stavanger, Norway

VPS TRUSTEE

Nordic Trustee AS
Kronprinsesse Märthas plass 1
0160 Oslo, Norway

ORDINARY NOTE ARRANGER

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf
London E14 5JP, United Kingdom

VPS NOTE ARRANGER

SpareBank 1 SR-Bank ASA
Christen Tranes gate 35
4007 Stavanger, Norway

DEALERS (ORDINARY NOTES ONLY)

Citigroup Global Markets Limited
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf
London E14 5JP
United Kingdom

Landesbank Baden-Württemberg
Am Hauptbahnhof 2
70173 Stuttgart
Germany

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

LUXEMBOURG LISTING AGENT AND LUXEMBOURG PAYING AGENT

Banque Internationale à Luxembourg SA
69 route d'Esch
L-2953 Luxembourg

LEGAL ADVISERS

To the Issuer as to Norwegian law

Advokatfirmaet BAHR AS
Tjuvholmen allé 16
NO-0252 Oslo, Norway

To the Dealers as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

AUDITORS TO THE ISSUER

PricewaterhouseCoopers AS
Dromning Eufemias gate 8
NO-0106 Oslo, Norway