



**SPAREBANK 1 SMN**  
*(incorporated with limited liability in Norway)*  
**SPAREBANK 1 NORD-NORGE**  
*(incorporated with limited liability in Norway)*  
**SPAREBANK 1 ØSTLANDET**  
*(incorporated with limited liability in Norway)*

**€10,000,000,000**

**Euro Medium Term Note Programme (the “Programme”)**

*This Prospectus (as defined below) supersedes the Prospectus dated 15 June 2018 relating to the €10,000,000,000 Euro Medium Term Note Programme of SpareBank 1 SMN, SpareBank 1 Nord-Norge and SpareBank 1 Østlandet (formerly Sparebanken Hedmark) (each an “Issuer” and together the “Issuers”). This Prospectus does not affect any Notes already issued. This document constitutes three base prospectuses for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) as amended or superseded, (i) the base prospectus for SpareBank 1 SMN, in respect of non-equity securities within the meaning of Article 22 No. 6(4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 as amended (the “Notes”) to be issued by SpareBank 1 SMN under the Programme, (ii) the base prospectus for SpareBank 1 Nord-Norge in respect of Notes to be issued by SpareBank 1 Nord-Norge under the Programme, and (iii) the base prospectus for SpareBank 1 Østlandet in respect of the Notes to be issued by SpareBank 1 Østlandet under the Programme (together, the “Prospectus”).*

Under the Programme each Issuer may from time to time issue Notes denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). The Notes of each Issuer will be obligations of that Issuer alone.

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

The maximum aggregate nominal amount of all 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 Dealer appointed under the Programme from time to time by an Issuer (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this 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 10 July 2005 on prospectuses for securities, as amended (“Prospectus Act 2005”) to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuers in accordance with Article 7(7) of the Prospectus Act 2005. 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.

References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List of the Luxembourg Stock Exchange and have been 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 the Markets in Financial Instruments Directive (Directive 2014/65/EU).

The requirement to publish a prospectus under the Prospectus Directive (as defined under “Important Information” below) only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “EEA”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). **References in this Prospectus to Exempt Notes are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Prospectus in connection with 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 (as defined under “Terms and Conditions of the Notes”) of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the “Final Terms”) which will be filed with the CSSF.

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](http://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”).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. Each Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

SpareBank 1 Nord-Norge has been rated “A1” by Moody’s Investors Service Limited (“Moody’s”) and “A” by Fitch Ratings Limited (“Fitch”). SpareBank 1 SMN has been rated “A1” by Moody’s and “A-” by Fitch. SpareBank 1 Østlandet has been rated A1 by Moody’s and is not rated by Fitch. Each of Moody’s and Fitch is established in the European Union (“EU”) and registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). As such each of Moody’s and Fitch 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, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by Moody's and Fitch. 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.

Amounts payable on Floating Rate Notes will be calculated by reference to LIBOR, EURIBOR or CMS Rate as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of LIBOR and CMS Rate (ICE Benchmark Administration Limited) is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**); the administrator of EURIBOR is not included in ESMA's register of administrators. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute (as administrator of EURIBOR) is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

### **Arranger**

**BofA Merrill Lynch**

### **Dealers**

**BNP PARIBAS**

**Commerzbank**

**HSBC**

**Landesbank Baden-Württemberg**

**BofA Merrill Lynch**

**DekaBank**

**J.P. Morgan**

**UBS Investment Bank**

## **IMPORTANT INFORMATION**

*This Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the EEA).*

*Each Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms or, as the case may be, the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of each Issuer (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Certain information in the "Business Description SpareBank 1 Østlandet" section on pages 121 and 123 has been extracted from certain third party sources as specified therein. 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 such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.*

*Copies of the Final Terms will be available from the registered office of each Issuer and the specified office set out below of each of the Paying Agents (as defined below) and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).*

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

*No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by any Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by any Issuer in connection with the Programme.*

*No person is or has been authorised by any Issuer to give any information or to make any representation not contained in or not consistent with this 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 any of the Issuers or any of the Dealers.*

*Neither this 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 any of the Issuers or any of the Dealers that any recipient of this 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 any of the Issuers. Neither this 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 any of the Issuers or any of the Dealers to any person to subscribe for or to purchase any Notes.*

*Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning any Issuer is correct at any time subsequent to its date 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 Dealers expressly do not undertake to review the financial condition or affairs of any Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.*

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA 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"). 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, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**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 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 Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY**

*This 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 Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Each Issuer and the Dealers do not represent that this 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 any of the Issuers or the Dealers which is intended to 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 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 Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA (including the United Kingdom) and Japan (see “Subscription and Sale”).*

*This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the relevant Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer. 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 may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:*

*(i) has 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 or incorporated by reference in this Prospectus or any applicable supplement;*

*(ii) has 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) has 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) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and*

*(v) is 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.*

*Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal*

*advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.*

## **PRESENTATION OF OTHER INFORMATION**

*All references in this document to “U.S. dollars”, “U.S.\$” and “\$” are to United States dollars, all references to “Yen” and “¥” are to Japanese Yen and all references to “NOK” are to Norwegian Kroner. In addition, all references to “Sterling” and “£” refer to pounds sterling and 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.*

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## **STABILISATION**

*In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Managers(s)) in the applicable Final Terms or Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher 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 Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with the applicable laws and rules.*

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this 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).*

*This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC (the “Prospectus Regulation”).*

*Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this Overview.*

<b>Issuers:</b>	SpareBank 1 SMN SpareBank 1 Nord-Norge SpareBank 1 Østlandet
<b>Legal Identifier Number (LEI)</b>	SpareBank 1 SMN: 7V6Z97IO7R1SEAO84Q32 SpareBank 1 Nord-Norge: 549300SXM92LQ05OJQ76 SpareBank 1 Østlandet: 549300VRM6G42M8OWN49
<b>Guarantor:</b>	None
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	Merrill Lynch International
<b>Dealers:</b>	BNP Paribas BofA Securities Europe SA Commerzbank Aktiengesellschaft DekaBank Deutsche Girozentrale HSBC Bank plc J.P. Morgan Securities plc Landesbank Baden-Württemberg Merrill Lynch International UBS Europe SE  and any other Dealers appointed in accordance with the Programme Agreement.
<b>Risk Factors:</b>	There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including the fact that the Notes may not be a suitable investment for all investors, and risks relating to the structure of particular Series of Notes issued under the Programme. All of these are set out under “Risk Factors”.
<b>Certain Restrictions:</b>	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 in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting

requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this 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 (“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*”).

Under Part II of the Prospectus Act 2005 on prospectuses for securities which implements Directive 2003/71/EC, prospectuses for the admission to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such Act. The approval of the Prospectus by the CSSF does not cover such money market instruments with a maturity of less than twelve months.

<b>Issuing and Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Paying Agent and Luxembourg Listing Agent:</b>	Banque Internationale à Luxembourg S.A.
<b>Programme Size:</b>	Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in euro (as defined), Norwegian Kroner, U.S. dollars, Yen, Sterling and any other currency agreed between the relevant Issuer and the relevant Dealer.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the relevant 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 applicable to the relevant Issuer or the relevant Specified Currency. Unless otherwise permitted by then current laws, regulations and directives, Subordinated Notes will have a minimum maturity of at least five years.
<b>Issue Price:</b>	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.
<b>Form of Notes:</b>	The Notes will be issued in bearer form as described in “ <i>Form of the</i>



Notes”.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the relevant 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 relevant Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by 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 of the relevant Series); or
- (ii) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant 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 relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

**Benchmark Replacement:**

In the case of Notes where the applicable Final Terms specify that Condition 4(e) (*Benchmark replacement*) applies, if the relevant Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to an Original Reference Rate, then the relevant Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, for the determination (with the relevant Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the relevant Issuer agree that there is no Successor Rate, an alternative rate and, in either case, an alternative screen page or source and an Adjustment Spread (if applicable) no later than three Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.

**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:**

Each 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 relevant 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 relevant Issuer and the relevant Dealer may agree.

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

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

The relevant 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, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate the scheduled maturity date (which in the case of Subordinated Notes, must be at least five years after the issue date) and will also indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons, on a Capital Event (in the case of Subordinated Notes), on a MREL Disqualification Event (in the case of Senior Preferred Notes and Senior Non-Preferred Notes where the applicable Final Terms specify that Condition 6(l) applies) or) following an Event of Default (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) or that such Notes will be redeemable at the option of the relevant Issuer (which, in respect of Subordinated Notes, may not take place prior to the fifth anniversary of the Issue Date) and/or the Noteholders (which, in respect of Subordinated Notes, may not take place prior to the fifth anniversary of the Issue Date) in each case upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

Unless previously redeemed or purchased and cancelled, each Note which is not an Exempt Note will be redeemed by the relevant Issuer at least at 100 per cent. of its nominal value on its scheduled maturity date.

If a Capital Event occurs, the relevant Issuer shall be entitled to redeem the Subordinated Notes (subject to the prior written permission of the Relevant Regulator).

Where the applicable Final Terms specify that Condition 6(l) applies, if a MREL Disqualification Event occurs, the relevant Issuer shall be entitled to redeem the Senior Preferred Notes and Senior Non-Preferred Notes (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 (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).

Notes having a maturity of less than one year may be subject to restrictions on their denomination 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 relevant 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 save 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 withholding taxes imposed by the Kingdom of Norway as provided in Condition 7. In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts (in the case of (i) Senior Preferred Notes and Senior Non-Preferred Notes where condition 7(b) is specified as being applicable in the applicable Final Terms and (ii) Subordinated Notes, in respect of any payment of interest only (but not principal)) to cover the amounts so deducted.

**Cross Default:**

The terms of the Senior Preferred Notes and Senior Non-Preferred Notes will, if the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) specify that Condition 9 applies, contain a cross default provision as further described in Condition 9.

Subordinated Notes, Senior Preferred Notes and Senior Non-Preferred Notes in respect of which the Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) specify that Condition 9 does not apply will not contain any events of default.

<b>Set-off:</b>	Holders of (i) Senior Non-Preferred Notes (ii) Subordinated Notes and (iii) Senior Preferred Notes in respect of which the applicable Final Terms specify that Condition 2(b) applies, will not be entitled to set-off the relevant Issuer's obligations under such Notes against obligations owed by them to the relevant Issuer.
<b>Substitution or Variation (if Senior Preferred Notes and Senior Non-Preferred Notes):</b>	Where the applicable Final Terms specify that Condition 6(l) applies, if at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 18, the relevant Issuer may, subject to the provisions of Condition 6(j), (if applicable and to the extent so required), either substitute all (but not some only) the relevant Senior Preferred Notes and Senior Non-Preferred Notes for, or vary their terms so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined in Condition 6(l)), as further provided in Condition 6(l)).
<b>Substitution or Variation (if Subordinated Notes):</b>	Where the applicable Final Terms specify that Condition 6(n) applies, if at any time a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 18, the relevant Issuer may, subject to the provisions of Condition 6(j), (to the extent so required), either substitute all (but not some only) the relevant Subordinated Notes for, or vary their terms so that they remain or, as appropriate, become, Qualifying Subordinated Securities (as defined in Condition 6(n)), as further provided in Condition 6(n).
<b>Status of the Senior Preferred Notes:</b>	Where the applicable Final Terms specify that the Notes are “Senior Preferred Notes”, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, present and future, from time to time outstanding.
<b>Status of the Senior Non-Preferred Notes:</b>	<p>Where the applicable Final Terms specify that the Notes are “Senior Non-Preferred Notes”, the Notes will constitute direct, unconditional and unsecured obligations of the relevant Issuer and rank <i>pari passu</i> among themselves and subject as set out in the paragraph below, in the event of a liquidation, dissolution, administration or other winding up of the relevant Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the relevant Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders (as defined below) and do not provide that the Notes thereby become redeemable or repayable), claims of the holders of Notes and Coupons against the relevant Issuer in respect of or arising under the Notes and Coupons (including any amounts attributable to the Notes and Coupons and any damages awarded for breach of any obligations thereunder) shall rank:</p> <ul style="list-style-type: none"> <li>(i) <i>pari passu</i> without any preference among themselves;</li> <li>(ii) <i>pari passu</i> with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims,</li> </ul>

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 Issuer may (but is not obliged to), by providing notice (the “Ranking Notice”) to the Noteholders in accordance with Condition 13, specify that (subject to the laws of Norway) the 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 with effect from the date specified in the Ranking Notice (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 above, such statutory ranking shall prevail).

**Status of the Subordinated Notes:**

The Subordinated Notes will constitute unsecured subordinated obligations of the relevant Issuer, subordinated as described in Condition 3, and will rank *pari passu* without any preference among themselves. In the event of a liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration, claims of the holders of Notes and Coupons against the Issuer in respect of or arising under the Notes and Coupons (including any amounts attributable to the Notes and Coupons and any damages awarded for breach of any obligations thereunder) shall rank: (i) *pari passu* without any preference among themselves; (ii) at least *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.

**Admission to trading:**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be listed and admitted to trading on the regulated market 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 relevant Issuer and the relevant Dealer in relation to the Series.

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be admitted to trading and, if so, on which stock exchanges and/or markets.

**Ratings:**

SpareBank 1 Nord-Norge has been rated “A1” by Moody’s and “A” by Fitch. SpareBank 1 SMN has been rated “A1” by Moody’s and “A-” by Fitch. SpareBank 1 Østlandet has been rated A1 by Moody’s

and is not rated by Fitch. 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 (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating(s) assigned to the Programme or the relevant Issuer. 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 Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except Conditions 2 and 3 which will be governed by, and construed in accordance with, Norwegian law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom), Belgium, Norway and Japan 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*”).

**United States Selling Restrictions:**

Regulation S, Category 2. TEFRA C or D, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuers may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuers' control. The Issuers have identified in this Prospectus a number of factors which could materially adversely affect their business and ability to make payments due under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme**

#### *Risk assessment*

In the course of its business activities, the relevant Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk and operational risk. Whilst each Issuer believes it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could adversely affect the relevant Issuer's financial condition and reputation. A description of these risks and the systems and processes used to control them is detailed below.

#### *Risk management*

Risk is a basic element in a bank's business model. Consequently, the relevant Issuer places heavy emphasis on identifying, measuring, managing and monitoring central risks in such a way that the relevant Issuer achieves its strategic objectives.

Risk management is a key element of the Issuers' management philosophy, organisation, routines and systems, including good management by objectives using the Balanced Scorecard Approach. The Issuers aim to maintain a moderate risk profile and to apply risk monitoring of such high quality that no single event will seriously impair the Issuers' financial position. As part of this effort, the Issuers scrutinise the most critical risk areas and the measures established to manage these risks at least once a year. This scrutiny is an important element in the Issuers' ongoing risk management. Together with the other banks in the SpareBank 1 collaboration, the Issuers continue to adapt existing risk management processes, including the relevant framework, guidelines and organisation, to meet the expected future requirements from the Basel Committee on Banking Supervision and other relevant regulatory bodies.

#### *Credit risk*

Credit risk is the risk of losses if the Issuers' customers or other counterparties fail to meet their commitments to the Issuers.

The Issuers' credit policy derives from their main strategy, and contains guidelines for risk profile, distribution between the retail market and the corporate market, geographical constraints, maximum overall commitment in some sectors and size of individual commitments, as well as separate rules for specific types of commitments.

The Issuers' risk classification systems are designed with a view to managing the Issuers' loan portfolio in line with the Issuers' credit strategy and to securing an appropriate risk-adjusted return.

The classification system of business market customers utilises a scoring model that takes into account the conduct, financial position and the value of any collateral of the customer. All criteria are objective and based on publicly available information such as audited accounts, credit information and data from the Issuers' own registers.

The risk classification system and credit routines make clear-cut demands on the processes and risk assessments involved in dealing with business and retail market commitments.

A staff member is assigned responsibility for each customer. This staff member is responsible for following up on the customer on a daily basis and for checking that the customer maintains its ability to pay. In addition, each Issuer has a credit support division that takes over dealings with customers who are obviously unable, or are highly likely to become unable, to service their commitments unless action is taken beyond ordinary follow-up.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and other counterparties are inherent in a wide range of the Issuers' businesses. Adverse changes in the credit quality of the Issuers' borrowers and counterparties or a general deterioration in Norwegian or the global economic conditions, or arising from systemic risks in the financial system, or a fall in collateral values, or a change in the Issuers' provisions for bad and doubtful debts and other provisions, could have a material impact on the relevant Issuer's financial position.

Actual loan losses vary over the business cycle, and additional loan losses may occur at a rate higher than experienced in the past due to the prevailing market conditions.

#### *Market risk*

Market risk is the risk of a loss on a financial instrument as a result of changes in market variables and/or market conditions within a specified timeframe. Market risk is managed by means of detailed limits for investments in equities, bonds and on positions taken in the fixed-income and currency markets. The limits are reviewed at least once a year and are adopted yearly by the Issuers' respective Board of Directors. Exposures relative to the adopted limits are reported monthly to the respective Board of Directors. The Issuers' limits are well within the maximum limits set by the authorities.

Changes in currency exchange rates, particularly with regard to Norwegian Kroner, affect the value of the Issuers' assets and liabilities denominated in foreign currencies, and may affect their other business areas. The performance of financial markets may cause changes in the value of the Issuers' investment and trading portfolios.

#### *Liquidity risk*

Liquidity risk is the risk that the Issuers will not be able to meet their obligations as they fall due.

The Issuers' most important source of finance is customer deposits. Due to changes in customer savings behaviour and relatively high credit demand, the Issuers' dependence on other sources of capital has increased. The Issuers expect that this situation will persist.

The Issuers reduce their liquidity risk by diversifying funding across a variety of markets, funding sources and instruments, and by employing long-term borrowing. The Issuers' respective Board of Directors have adopted a liquidity strategy and established a framework that promote a long-term perspective and balance in liquidity procurement. The position in relation to the adopted framework is monitored by the Issuers' respective risk management and reported to the Issuers' respective Board of Directors on a monthly basis. A reserve in the form of committed drawing rights is maintained to further reduce liquidity risk. The Issuers have adopted a preparedness plan to handle both bank-specific and sector-related crisis scenarios.



However, the inability of the Issuers to anticipate and provide for unforeseen decreases or changes in funding could have adverse consequences on the Issuers' ability to meet their obligations when they fall due.

### *Operational risk*

Operational risk is the risk of loss inherent in the Issuers' ongoing operations as well as in external events, including the risk of loss as a result of inadequate or faulty internal processes and systems, human error and various forms of attack on the Issuers such as theft, cheque counterfeiting, fraud, embezzlement and computer crime.

Operational risk is often associated with specific, unique events. Several events in the finance industry in recent years have confirmed that losses as a result of operational risk occur regularly. Such losses must be dealt with as they arise and must be continuously monitored. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or the negative publicity resulting from such activities or allegations of such activities associated with the Issuers or a relevant industry sector generally could have a material adverse effect on the Issuers' business, results of operations and/or financial condition. In particular, reputational damage to the Issuers could adversely affect new business sales. Negative publicity in respect of the Issuers could also potentially result in regulators subjecting the Issuers' businesses to closer scrutiny than would otherwise be the case, which may in turn result in higher costs, sanctions or fines.

### *Systemic risk*

Given the high level of interdependence between financial institutions, the Issuers are and will continue to be subject to the risk of deterioration in the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Issuers or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuers interact on a daily basis. Systemic risk could have a material adverse effect on the Issuers' ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

### *IT risk*

The Issuers are 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 Issuers 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 their ICT systems or technical issues associated with, as well as the general cost of, upgrading their ICT systems, the Issuers could face fines from bank regulators if their ICT systems fail to enable them to comply with applicable banking or reporting regulations, including data protection regulations.

The Issuers maintains back-up systems for their operations, with one of those backup systems being located in Norway outside of their premises. However, there are limited scenarios, for example in the event

of a major catastrophe resulting in the failure of its information systems, where the Issuers could lose certain recently entered data with regard to their Norwegian operations or could lose more significant portions of data with regard to their international operations.

The Issuers are reliant on their outsourcing contracts for the maintenance and operation of their ICT systems. Should these companies become unwilling or unable to fulfil their obligations under the relevant outsourcing contract, the Issuers could find the effective functioning of their ICT systems compromised. In particular, the Issuers and their 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 Issuers' internet banking and cash machine functions, resulting in service interruptions. A major disruption to the Issuers' ICT systems, whether under the scenarios outlined above or under other scenarios, could have a material adverse effect on the normal operation of the Issuers' business and thus on their financial condition and the results of their operations.

### *Cybercrime*

Similar to all major financial institutions, the Issuers' 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 continually evolving. Cybersecurity risks are foremost related to the Issuers' internet bank users and include potential unauthorised access to privileged and sensitive customer information, including internet bank credentials as well as account and credit card information. The Issuers have made investments to address threats from cyber attacks; however, there can be no assurance that these investments will be successful in part or in full, or without significant additional expenditures. The Issuers may experience security breaches or unexpected disruptions to their systems and services in the future, which could in turn, result in liabilities or losses to the Issuers, their customers and/or third parties and have an adverse effect on the Issuers' business, reputation and results of their operations.

### *Regulatory Risk*

The Issuers are subject to financial services laws, regulations, administrative actions and policies in Norway. Changes in supervision and regulation, in Norway, could affect the Issuers' business, the products and services offered or the value of their assets. Although the Issuers work closely with their regulators and continually monitor the situation, future regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuers.

*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. The BRRD has been implemented in Norway through amendments to chapter 20 of 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.

Each of the Issuers is a Norwegian bank and accordingly falls within the scope of the BRRD as implemented in Norway. The bankruptcy, composition, insolvency or administrative procedures to which a bank such as the Issuer could be subject under the laws of Norway, are: (i) either resolution pursuant to the tools provided for under the BRRD; or (ii) 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 relevant entity so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity'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, the holders of the 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) or in the near future is expected to meet such conditions; or (ii) 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; and (iii) 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.

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. In Norway, the MREL requirement will be set by the FSAN for each individual institution. As at the date of this Base Prospectus, the FSAN has not yet communicated a MREL requirement for the Issuer. However, the FSAN has published a statement in which it confirms that it expects to set a MREL requirement for the Issuer in the course of 2019. On 19 December 2018 the Norwegian Ministry of Finance passed and published general Norwegian MREL regulations by way of amendments to the Financial Institutions Regulation of 9 December 2016 (the “MREL Rules”). According to the MREL Rules, any MREL requirement determined by the FSAN must after 31 December 2022 be fulfilled with debt instruments that rank junior to ordinary debt instruments issued by the institution. However, the MREL Rules are expected to be updated to reflect any changes to the MREL requirement set out in the BRRD or any legislation enacted thereunder.

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, are not expected to be eligible towards the MREL requirement after 31 December 2022) 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.

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 above) 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 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 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 in final form, it is uncertain how the Proposals will affect the Issuer or holders of the Notes.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

### ***Risks applicable to all Notes***

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature is likely to limit the market value of Notes. During any period when an Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

*There are risks that certain "benchmark" rates may be administered differently or discontinued in the future, including the potential phasing-out of LIBOR after 2021, which may adversely affect the trading market for, value of and return on, Notes based on such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks", (including LIBOR, EURIBOR and CMS Rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "Benchmarks Regulation") was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of "benchmarks", the contribution of input data to a "benchmark" and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuers) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such "benchmarks". On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("FCA") confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "FCA Announcements"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate "benchmark" by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("€STR") as the new risk free rate. €STR is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, certain "benchmarks" (including LIBOR, EURIBOR and CMS Rate) will continue to be supported going forwards. This may cause certain "benchmarks" to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain "benchmarks" (including LIBOR, EURIBOR and CMS Rate): (i) discouraging market participants

from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the "benchmark"; and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

In the case of Notes where the applicable Final Terms specify that Condition 4(e) (*Benchmark replacement*) applies, if the relevant Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred, then the relevant Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 4(e)) and, if applicable, an Adjustment Spread. If the relevant Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the relevant Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the relevant Issuer may determine the replacement rate, provided that if the relevant Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the Terms and Conditions of the Notes shall apply. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

The ultimate fallback for the purposes of calculation of the Rate of Interest or for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes if the relevant "benchmark" remained available in its current form. Furthermore, if the relevant Issuer is unable to appoint an Independent Adviser or if the relevant Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or adjustment spread, if applicable with the Independent Adviser, the relevant Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or adjustment spread, if applicable in a situation in which it is presented with a conflict of interest. In addition, while any adjustment spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of an adjustment spread to the Notes may not do so and may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

The relevant Issuer has also undertaken in the Conditions that it will not make any amendment pursuant to Condition 4(e) of the Terms and Conditions of the Notes if to do so could reasonably be expected to prejudice the qualification of the Notes as, in the case of the Senior Non-Preferred Notes and the Senior Preferred Notes, MREL Eligible Liabilities (as defined in the Terms and Conditions of the Notes) or, in the case of the Subordinated Notes, Tier 2 Capital (as defined in the Terms and Conditions of the Notes) of the relevant Issuer.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

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

Where the applicable Final Terms specify that Condition 6(m) (in the case of Subordinated Notes) or Condition 6(n) (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) applies, if at any time a Capital Event (in the case of Subordinated Notes) or a MREL Disqualification Event (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) occurs or in order to ensure the effectiveness and enforceability of Condition 18, the relevant Issuer may, subject to obtaining the prior written permission of the Relevant Regulator (if applicable), (without any requirement for the consent or approval of the relevant Noteholders) either substitute all (but not some only) of the relevant Notes, as the case may be, for, or vary the terms of the relevant Notes (including changing the governing law of Condition 18 from English law to Norwegian law), as the case may be, so that they remain or, as appropriate, become, Qualifying Subordinated Securities (in the case of Subordinated Notes) or Qualifying MREL Securities (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) as further provided in Condition 6(m) or Condition 6(n), as the case may be. 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 relevant 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 18 may be changed from English law to Norwegian law in order to ensure its 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 gross-up obligation in relation to Subordinated Notes and certain Senior Preferred Notes and Senior Non-Preferred Notes is limited to payments of interest only*

The relevant Issuer's obligation under Condition 7 to pay additional amounts in the event of any withholding or deduction in respect of taxes on any payments under the terms of (i) Senior Preferred Notes and Senior Non-Preferred Notes where Condition 7(b) is specified as being applicable in the applicable final terms and (ii) Subordinated Notes applies only to payments of interest and not to payments of principal or any other amounts. As such, the relevant Issuer would not be required to pay any additional amounts under the terms of such Notes to the extent any withholding or deduction applied to payments of principal or such other amounts. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any such Notes, Noteholders may receive less than the full amount of principal due under such Notes upon redemption, and the market value of such Notes may be adversely affected.

*There are no events of default in relation to Subordinated Notes and certain Senior Preferred Notes and Senior Non-Preferred Notes*

In the event that the relevant Issuer fails to pay interest or principal when due on any Subordinated Note and (if the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) specify that Condition 9 is not applicable) Senior Preferred Notes and Senior Non-Preferred Notes, the holders of such Notes shall not be entitled to bring proceedings against the relevant Issuer for payment of such amounts.

*Waiver of set-off*

The holders of Senior Non-Preferred Notes, Subordinated Notes and Coupons relating thereto and (if the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) specify that Condition 2(c) applies) holders of Senior Preferred Notes and Coupons relating thereto will not be entitled to



set-off the relevant Issuer's obligations under such Notes against obligations owed by them to the relevant Issuer.

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

In addition to the call rights described below under “*Subordinated Notes: Capital Event Redemption*”, Subordinated Notes may also contain provisions allowing the relevant Issuer to call them after a minimum period of, for example, five years. To exercise such a call option, the relevant 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 relevant 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 relevant Issuer. The Relevant Regulator must agree to permit such a call, based upon its evaluation of the regulatory capital position of the relevant Issuer and certain other factors at the relevant time. There can be no assurance that the Relevant Regulator will permit such a call. 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.

### ***Risks applicable to certain types of Exempt Notes***

*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 relevant 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 relevant 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 likely will 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 risk 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 relevant 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.

*Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

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

Inverse Floating Rate Notes 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 typically are more volatile than 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 applicable to Senior Preferred Notes and Senior Non-Preferred Notes***

*The relevant Issuer's obligations under Senior Non-Preferred Notes rank as described in the Conditions*

The relevant Issuer's obligations under Senior Non-Preferred Notes will be unsecured and will rank as further described in Condition 2(ii). Although Senior Non-Preferred Notes may pay a higher rate of interest than Senior Preferred Notes or other liabilities of the relevant Issuer which rank in priority to Senior Non-Preferred Notes, an investor in Senior Non-Preferred Notes may lose all or some of his investment should the relevant Issuer become insolvent or should the relevant Issuer or the Notes become subject to the actions described in the risk factor entitled "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" above.

*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 MREL Eligible Liabilities which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations then applicable) of the relevant Issuer. 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 relevant 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 relevant Issuer may, at its option but subject to Condition 6(j) (if applicable), (i) where the applicable Final Terms specify Condition 6(l) to be applicable, redeem all (but not some only) of such Series of Notes and (ii) where the applicable Final Terms specify Condition 6(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 relevant 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. See "*In certain circumstances, the relevant 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 relevant Issuer.

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

Where the applicable Final Terms state that Condition 6(l) applies, if a MREL Disqualification Event (as defined in the Terms and Conditions of the 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 Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), as further provided in Condition 6(l), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at the amount specified in the applicable Final Terms, 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.

#### ***Risks applicable to Subordinated Notes***

##### *The relevant Issuer's obligations under Subordinated Notes are subordinated*

The relevant Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to the claims of more senior ranking creditors of the relevant Issuer (such as the Senior Preferred Noteholders and Senior Non-Preferred Noteholders).

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the relevant Issuer become insolvent or should the relevant Issuer or the Notes become subject to the actions described in the risk factor entitled "*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*" above.

*Subordinated 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.*

The BRRD contemplates that Subordinated Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool. See “*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*” above).

#### *Subordinated Notes: Capital Event Redemption*

If a Capital Event (as defined in the Terms and Conditions of the Notes) occurs, the relevant 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 Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), as further provided in Condition 6(k), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at the amount specified in the applicable Final Terms, 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.

#### ***Risks related to Notes generally***

Set out below is a description of material risks relating to the Notes generally:

##### *Certain majority decisions will be binding on all Noteholders*

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.

##### *An introduction of withholding tax on interest payments in Norway could lead to a redemption of affected Notes by the relevant Issuer*

In a White Paper to the Parliament in October 2015 (Meld. St. 4 (2015-2016)), the Government advised that it will look further into the possible introduction of a Norwegian withholding tax on interest. In due course, a detailed proposal is expected to be submitted for public consultation when ready.

In the event of the withholding tax being implemented and the payments of interest in respect of an issue of Notes is subject to withholding tax, the relevant Issuer would be required to gross up the payments in accordance with (but subject to the exceptions set out in) Condition 7. If the relevant Issuer has or will become obliged to pay additional amounts as provided in Condition 7, the relevant Issuer may (subject to the conditions set out therein) exercise its right to redeem the Notes at the Early Redemption Amount pursuant to Condition 6(b).

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

The conditions of the Notes (except for Condition 3) are based on English law in effect as at the date of this 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 Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Condition 3 is based on Norwegian law in effect as at the date of this 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 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 its 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 its holding amounts to a Specified Denomination.

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

*In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

The Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and/or other environmental purposes (either in those words or otherwise) ("Green Projects"). Prospective investors should have regard to the information in the relevant Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by the relevant Issuer or the Dealers that the use of such proceeds for any Green Projects 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, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. SpareBank 1 SMN has published a framework relating to an investment in Green Projects which is available on its website (<https://www.sparebank1.no/en/smn/about-us/sustainability/green-bond->

*framework.html*)<sup>1</sup>. SpareBank 1 Nord-Norge and SpareBank 1 Østlandet intend to publish such frameworks prior to the issuance of any Notes which are intended to finance Green projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes 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 relevant Issuer, 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, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. 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 Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), there can be no assurance that the relevant intended project(s) or use(s) which are the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes. None of the Dealers will verify or monitor the application of the proceeds of any such Notes issued under the Programme.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes 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 Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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<sup>1</sup> Any websites included in this Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

## ***Risks related to the market generally***

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.*

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.*

Each Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates. Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.*

One or more independent credit rating agencies may assign credit ratings the Issuer or to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

If any rating assigned to the Issuers or the Notes is revised lower, suspended, withdrawn or not maintained by the Issuers, the market value of the Notes may be reduced.

The Issuers are exposed to changes in the rating methodologies applied by rating agencies. As of the date of this Base Prospectus, the Issuers are rated "A1" by Moody's. In addition, SpareBank 1 Nord Norge and SpareBank 1 SMN are rated A by Fitch. The rating from Moody's as well as the ratings from Fitch carry

stable outlooks. The Issuers' ratings from Moody's currently incorporate one notch of rating uplift due to the rating agency's moderate government support assumption driven by their systemic importance. Moody's said that its government support assumptions are likely to be revised lower, once the proposed legislation for BRRD is passed into law by the parliament. Any adverse changes in rating methodologies may materially and adversely affect the Issuers' operations or financial condition and the Issuers' funding costs and ability to access the debt capital markets.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

#### *Economic activity in Norway*

The Issuers' business activities are dependent on the level of financial services required by their customers. Such requirements are heavily dependent on customer confidence, employment, state of the market and also interest rates. The Issuers conduct the majority of their business in Norway, with a focus upon the geographies outlined in the Issuers' business descriptions set out on pages 80 to 112 of this Prospectus. Performance is impacted by the general level and cyclicity of business in Norway which is in turn affected by both domestic and international political events.

#### *Disruptions in the global credit markets and economy*

Financial markets are subject to periods of historic volatility which may impact the Issuers' abilities to raise debt in a similar manner and at a similar cost to historic funding. Challenging market conditions have resulted in reduced liquidity, a widening of credit spreads and a lack of price transparency in the credit markets. Changes in investment markets, including in interest rates, exchange rate and returns from equity, property and other investments may affect the financial performance of the Issuers.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be incorporated in, and form part of, this Prospectus:

- (a) the auditors' report and audited consolidated and non-consolidated annual financial statements as of and for the two financial years ended 31 December 2017 and 31 December 2018 of each Issuer;
- (b) the unaudited consolidated financial statements as of and for the quarterly period ended 31 March 2019 of each Issuer;
- (c) the memorandum and articles of association of each of the Issuers; and
- (d) the Terms and Conditions of the Notes contained in previous Prospectuses dated 4 July 2008, 30 – 54 (inclusive) and 19 June 2009, 30 – 54 (inclusive) and 11 June 2010, 31 – 53 (inclusive) and 10 June 2011, 38 – 66 (inclusive) and 12 June 2012, 41 – 69 (inclusive) and 20 June 2013, 52 – 81 (inclusive), 20 June 2014, 50 – 77 (inclusive), 18 June 2015, 49 – 75 (inclusive), 10 June 2016, 51 – 78 (inclusive), 9 June 2017, 51-78 (inclusive) and 15 June 2018, 57 – 85 (inclusive) prepared by the Issuers in connection with the Programme.

Following the publication of this Prospectus, a supplement may be prepared by the Issuers and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuers and from the specified office of the Paying Agents for the time being in London and Luxembourg and will also be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

Any non-incorporated parts of the Prospectuses referred to in (d) above are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Each Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

The information incorporated by reference that is not included in the cross-reference list below, is considered to be additional information to be disclosed to investors and is not required by the relevant Annexes of the Prospectus Regulation.

Cross Reference List	Annual Report 2017	Annual Report 2018	Quarterly Financial Statements 31 March 2019
<b>SpareBank 1 SMN</b>			
<i>Financial Statements</i>			
Balance Sheet			
– unconsolidated.....	page 90	page 91	page 22
– consolidated.....	page 90	page 91	page 22

<b>Cross Reference List</b>	<b>Annual Report 2017</b>	<b>Annual Report 2018</b>	<b>Quarterly Financial Statements 31 March 2019</b>
Income Statement			
– unconsolidated.....	page 88	page 89	page 20
– consolidated.....	page 88	page 89	page 20
Cash flow statement			
– unconsolidated.....	page 94	page 95	page 23
– consolidated.....	page 94	page 95	page 23
Change in equity			
– unconsolidated.....	page 91-93	page 92-94	pages 24-27
– consolidated.....	page 91-93	page 92-94	pages 24-27
Accounting Policies and Explanatory Notes			
– unconsolidated.....	pages 95-185	page 96-194	pages 28-58
– consolidated.....	pages 95-185	page 26-49	pages 28-58
Auditors' reports	pages 192-196	pages 201-206	page 59
Alternative Performance Measures (complete document)	N/A	N/A	N/A

### **SpareBank 1 Nord-Norge**

#### *Financial Statements*

Balance Sheet			
– unconsolidated.....	page 37	page 49	page 16
– consolidated.....	page 37	page 49	page 16
Income Statement			
– unconsolidated.....	page 36	page 48	page 15
– consolidated.....	page 36	page 48	page 15
Cash flow statement			
– unconsolidated.....	page 40	page 52	page 18
– consolidated.....	page 40	page 52	page 18
Change in equity			
– unconsolidated.....	page 38-39	page 50-52	page 17
– consolidated.....	page 38-39	page 50-52	page 17
Accounting Polices and Explanatory Notes			
– unconsolidated.....	pages 41-119	page 53-145	pages 20-37
– consolidated.....	pages 41-119	page 53-145	pages 20-37
Auditors' reports	pages 121-124	pages 147-152	43
Alternative Performance Measures	N/A	N/A	38-42

### **SpareBank 1 Østlandet**

#### *Financial Statements*

Balance Sheet .....			
- unconsolidated.....	page 51	page 63	page 13
- consolidated.....	page 51	page 63	page 13

<b>Cross Reference List</b>	<b>Annual Report 2017</b>	<b>Annual Report 2018</b>	<b>Quarterly Financial Statements 31 March 2019</b>
Income Statement.....			
- unconsolidated.....	page 50	page 62	page 11
- consolidated.....	page 50	page 62	page 11
Cash flow statement			
- unconsolidated.....	page 54	page 66	page 16
- consolidated.....	page 54	page 66	page 16
Change in equity			
- unconsolidated.....	page 52-53	pages 64-65	page 14-15
- consolidated.....	page 52-53	page 64-65	page 14-15
Accounting Policies and Explanatory Notes.....			
- unconsolidated.....	pages 56-119	page 69-128	pages 17-41
- consolidated.....	pages 56-119	page 69-128	pages 17-41
Auditors' reports	page 121-27	page 130-137	N/A
Alternative Performance Measures	page 133-134	page 142-144	page 42-45

## FORM OF THE NOTES

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "Temporary Global Note") or, if so specified in the applicable Final Terms, a permanent global note (a "Permanent Global Note" and, together with the Temporary Global Note, each a "Global Note") which, in either case, will (i) if the Global Notes are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the 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 Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") of Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the 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 intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. 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 Issuing and Principal Paying Agent (the "Agent").

On and after the date (the "Exchange Date") which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of 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 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 definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant 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 clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 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) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

“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 provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a 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.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the 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 at a point after the Issue Date of the further Tranche, 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 such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg 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.

Unless the applicable Final Terms specify that Condition 9 is not applicable, any Senior Preferred Note and Senior Non-Preferred Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still 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 15 June 2018, executed by each 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.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.*

**[PROHIBITION OF SALES TO EEA 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”). 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, “MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**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 [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; 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.

[Date]

[SpareBank 1 SMN/SpareBank 1 Nord-Norge/SpareBank 1 Østlandet]

**Legal entity identifier (LEI): [●]/[●]/[●]**

**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 Conditions set forth in the Prospectus dated 17 June 2019 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Prospectus”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. 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 Prospectus. The Prospectus is available for viewing at, and copies may be obtained from, the specified office of each of the Paying Agents. The 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](http://www.bourse.lu)).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [4 July 2008]/[19 June 2009]/[11 June 2010]/[10 June 2011]/[12 June 2012]/[20 June 2013]/[20 June 2014]/[18 June 2015]/[10 June 2016]/[9 June 2017]/[15 June 2018] which are incorporated by reference in the Prospectus dated 17 June 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) as amended or superseded to the extent that such amendments have been implemented in a relevant Member State) and must be read in conjunction with the Prospectus dated 17 June 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [4 July 2008]/[19 June 2009]/[11 June 2010]/[10 June 2011]/[12 June 2012]/[20 June 2013]/[20 June 2014]/[18 June 2015]/[10 June 2016]/[9 June 2017]/[15 June 2018] and are attached hereto. 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 Prospectus. The 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](http://www.bourse.lu)).

*[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 sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

*[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. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *[insert issue amount/ISIN/maturity date/issue date of 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 21 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount
  - (i) Series: [ ]
  - (ii) Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]*] (if applicable)
5. (a) Specified Denominations: [ ]

*(N.B. Notes must have a minimum denomination of*

*EUR 100,000 (or equivalent)*

*(Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*

*“€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.”)*

(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.)*

6. (i) Issue Date: [ ]

(ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]

*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

7. Maturity Date: [Specify date/ or for Floating rate notes – Interest Payment Date falling in or nearest to [specify month and year]]

8. Interest Basis: [[ ] per cent. Fixed Rate]

[[[ ] month [LIBOR/EURIBOR]/[CMS Reference Rate] +/- [ ] per cent. Floating Rate]

[Zero coupon]

see paragraph [13]/[14]/[15] below)

9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes may be redeemed on the Maturity Date at [100] per cent. of their nominal amount

10. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there][Not Applicable]

11. Put/Call Options: [Not Applicable]

[Investor Put]



- [Issuer Call]
- [Not Applicable]
- [(see paragraph [17]/[18] below)]
12. (i) Status of the Notes: [Senior Preferred/Senior Non-Preferred /Subordinated]

If Senior Preferred Notes or Senior Non-Preferred Notes:

- (a) Condition 2(b) (*Set-Off*) [Applicable/Not Applicable]  
(only relevant for Senior Preferred Notes)
- (b) Condition 6(j) (*Consent*) [Applicable/Not Applicable]  
(only relevant for Senior Preferred Notes)
- (c) Condition 6(l) (*Redemption of Senior Preferred Notes and Senior Non-Preferred Notes upon a MREL Disqualification Event*) [Applicable/Not Applicable]
- (d) Condition 6(n) (*Substitution or Variation – Senior Preferred Notes and Senior Non-Preferred Notes*) [Applicable/Not Applicable]
- (e) Condition 7(b) (*Restricted Gross-Up*) [Applicable/Not Applicable]
- (f) Condition 9 (*Events of Default*) [Applicable/Not Applicable]

If Subordinated Notes:

- (a) Condition 6(m) (*Substitution or Variation – Subordinated Notes*) [Applicable/Not Applicable]
- (ii) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (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 up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): (Applicable to Notes in definitive form) [[ ] 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]  
*(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)]*

14. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (iii) below/not subject to adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]
- (ii) First Interest Payment Date: [ ]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/CMS Rate Determination]
- (vi) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]

- (vii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ] month [LIBOR/EURIBOR]
  - Interest Determination Date(s): [ ]
- (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: [ ]
- (In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (viii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (ix) CMS Rate Determination: [Applicable/Not Applicable]
- CMS Screen Page: [Condition 4(b)(ii)(C) applies/[ ]]
  - Interest Determination Date: [Condition 4(b)(ii)(C) applies/[ ]]
  - Multiplier: [ ] per cent.
  - Reference Currency: [Euro/Sterling/United States dollar]
  - Designated Maturity: [[ ]/Not Applicable]
  - Calculation Agent: [Agent/named Manager/other]
- (x) 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*)]
- (xi) Margin(s): [+/-] [ ] per cent. per annum
- (xii) Minimum Rate of Interest: [ ] per cent. per annum

- (xiii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiv) 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)]
- (xv) Condition 4(e) (Benchmark replacement): [Applicable/Not Applicable]

15. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (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**

16. Notice periods for Condition 6(b) (Redemption and Purchase – *Redemption for tax reasons*): Minimum period: [ ] days  
Maximum period: [ ] days

17. Issuer Call: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount of each Note: [[ ] per Calculation Amount]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]

(b) Maximum Redemption Amount: [ ]

(iv) Notice periods (for Condition 6(c) (Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call))): Minimum period: [ ] days  
Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

18. Investor Put: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount: [[ ] per Calculation Amount]

(iii) Notice periods (for Condition 6(d) (Redemption and Purchase – Redemption at the option of the Noteholders (Investor Put))): Minimum period: [ ] days  
Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

19. Final Redemption Amount: [[ ] per Calculation Amount]

20. Early Redemption Amount payable on redemption for taxation reasons, a Capital Event, a MREL Disqualification Event or on event of default: [ ] per Calculation Amount/]

*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:

(a) Form:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes 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 only upon an Exchange Event]

[Notes shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005<sup>2</sup>]

*(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]".)*

(b) New Global Note:

[Yes][No]

22. Additional Financial Centre(s):

[Not Applicable/give details]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 14(iv) relates)*

23. Talons for future Coupons to be attached to Definitive:

[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.]

*(Consider including a term providing for tax certification if requested to enable interest to be paid gross by issuers.)*

## THIRD PARTY INFORMATION

[[*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.]

---

<sup>2</sup> Include for Notes that are to be offered in Belgium.

Signed on behalf of [*name of Issuer*]:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Bourse de Luxembourg and listing on the official list of the Luxembourg Stock Exchange] *[specify relevant regulated market and, if relevant, to admission to an official list if not Luxembourg Stock Exchange]* with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Bourse de Luxembourg and listing on the official list of the Luxembourg Stock Exchange] *[specify relevant regulated market and, if relevant, to admission to an official list if not Luxembourg Stock Exchange]* with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”).]

### 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]*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

### 4. USE OF PROCEEDS

Use of Proceeds: [[ ][Green Projects]/Not Applicable]

### 5. YIELD (Fixed Rate Notes only)



Indication of yield: ☐ /Not Applicable

## 6. HISTORIC INTEREST RATES (FLOATING RATE NOTES ONLY)

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

## 7. OPERATIONAL INFORMATION

(i) ISIN: ☐ ☐

(ii) Common Code: ☐ ☐

(iii) CFI: *[[include 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/Not Available]

(iv) FISN: *[[include 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/Not Available]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(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 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 the 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. 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.]

## 8. DISTRIBUTION

- |        |   |  |
|--------|---|--|
| (i)    | Method of distribution:                       | [Syndicated/Non-syndicated]  |
| (ii)   | If syndicated, names of Managers:             | [Not Applicable/give names]  |
| (iii)  | Date of [Subscription] Agreement:             | [     ]  |
| (iv)   | Stabilisation Manager(s) (if any):            | [Not Applicable/give name]   |
| (v)    | If non-syndicated, name of relevant Dealer:   | [Not Applicable/give name]   |
| (vi)   | U.S. Selling Restrictions:                    | [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]  |
| (vii)  | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br><i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute packaged products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i> |
| (viii) | [Prohibition of Sales to Belgian consumers    | [Applicable/Not Applicable]<br><br><i>(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]</i>  |

## APPLICABLE PRICING SUPPLEMENT

### EXEMPT NOTES OF ANY DENOMINATION

*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.*

**[PROHIBITION OF SALES TO EEA 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”). 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, “MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**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 [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; 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.

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

[Date]

[SpareBank 1 SMN/SpareBank 1 Nord-Norge/SpareBank 1 Østlandet]

[Legal entity identifier (LEI): [●]/[●]/[●]]

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 Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, 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 17 June 2019 [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 Conditions (the “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. Issuer: [ ]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) 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 [insert date] (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: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: *[Specify date or for Floating Rate Notes - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[ ] per cent. Fixed Rate]*  
*[[specify Reference Rate] +/- [ ] per cent. Floating Rate]*  
*[Zero Coupon]*  
*[Index Linked Interest]*  
*[Dual Currency Interest]*  
*[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: *[Not Applicable]*  
*[Investor Put]*  
*[Change of Control Put]*  
*[Issuer Call]*  
*[(further particulars specified below)]*  
*[Not Applicable]*
13. (a) Status of the Notes: *[Senior Preferred/Senior Non-Preferred /Subordinated]*

If Senior Preferred Notes or Senior Non-Preferred Notes:

- (i) Condition 2(b) (*Set-Off*) *[Applicable/Not Applicable]*  
*(only relevant for Senior Preferred Notes)*
- (ii) Condition 6(j) (*Consent*) *[Applicable/Not Applicable]*  
*(only relevant for Senior Preferred Notes)*
- (iii) Condition 6(l) (*Redemption of Senior Preferred Notes and Senior Non-Preferred Notes upon a MREL Disqualification Event*) *[Applicable/Not Applicable]*
- (iv) Condition 6(n) (*Substitution or Variation – Senior Preferred Notes and Senior Non-Preferred Notes*) *[Applicable/Not Applicable]*

(v) Condition 7(b) (*Restricted Gross-Up*) [Applicable/Not Applicable]

(vi) Condition 9 (*Events of Default*) [Applicable/Not Applicable]

If Subordinated Notes:

(i) Condition 6(m) (*Substitution or Variation – Subordinated Notes*) [Applicable/Not Applicable]

(b) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

## 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): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*

(d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
*(Applicable to Notes in definitive form)*

(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) [Ratings Step-up/Step-down: [Applicable/Not Applicable]

(h) 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/CMS Rate Determination/specify other]

(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]

(f) Screen Rate Determination: [Applicable/Not Applicable]

- Reference Rate: Reference Rate: [[ ] month [LIBOR/EURIBOR]]/specify other Reference Rate].

*(Either LIBOR, EURIBOR, CMS Reference Rate or other, although additional information is required if other, including fallback provisions in the Agency Agreement)*

- Interest Determination Date(s): [ ]

*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*

- Relevant Screen Page: [ ]

*(In the case of EURIBOR, if not Reuters*

*EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(g) ISDA Determination: [Applicable/Not Applicable]

- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*

*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*

(h) CMS Rate Determination: [Applicable/Not Applicable]

- CMS Screen Page: [Condition 4(b)(ii)(C) applies/[ ]]
- Interest Determination Date: [Condition 4(b)(ii)(C) applies/[ ]]
- Multiplier: [ ] per cent.
- Reference Currency: [Euro/Sterling/United States dollar]
- Designated Maturity: [[ ]/Not Applicable]
- Calculation Agent: [Agent/named Manager/other]

(i) 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*)]

(j) Margin(s): [+/-] [ ] per cent. per annum

(k) Minimum Rate of Interest: [ ] per cent. per annum

(l) Maximum Rate of Interest: [ ] per cent. per annum

(m) 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]



(n) [Ratings Step-up/Step-down: [Applicable/Not Applicable]

(o) 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: [ ]

(p) Condition 4(e) (Benchmark replacement): [Applicable/Not Applicable]

16. **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]

17. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Index/Formula: [give or annex details]

(b) Calculation Agent [give name]

(c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]

(d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]

(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: [ ]

18. **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: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 19. Notice periods for Condition 6(b) (Redemption and Purchase – *Redemption for tax reasons*): Minimum period: [ ] days  
Maximum period: [ ] days

20. 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/[Spens Amount/Make whole 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

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent [or Trustee])*

21. 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

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent [or Trustee])*

22. [Change of Control Put: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Amount: [ ] per Calculation Amount
- (b) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent [or Trustee])*

23. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see

Appendix]

24. Early Redemption Amount payable on redemption for taxation reasons, a Capital Event, a MREL Disqualification Event or on event of default and/or the method of calculating the same (if required):
- [[ ] per Calculation Amount/specify other/see Appendix]
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes:

(a) Form:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes 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 only upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.]

*(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]".)*

(b) New Global Note:

[Yes][No]

26. Additional Financial Centre(s):

[Not Applicable/give details]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub paragraphs 15(c) and 17(g) relate)*

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 interest due on late payment. [Not Applicable/give details. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Instalment Amount(s): [give details]
- (b) Instalment Date(s): [give details]
30. Other terms or special conditions: [Not Applicable/give details]

## 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 [name 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)]*.

*(The above disclosure is only required if the ratings of the Notes are different to those stated in the Prospectus)*

### 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. [USE OF PROCEEDS]

Use of Proceeds:

[ ] [[Green Projects]]

### 5. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI: *[[include 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/Not Available]

(iv) FISN: *[[include 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/Not Available]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*

- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (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 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. 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.]]

## 6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/*give details*]  
(*Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes*)
- (vii) Prohibition of Sales to EEA Retail [Applicable/Not Applicable]

Investors:

*(If the Notes clearly do not constitute “packaged” products, or the Notes do constitute packaged products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

(viii) [Prohibition of Sales to Belgian Consumers:

[Applicable/Not Applicable]

*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes 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 relevant 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 Terms and 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 Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued pursuant to the Agency Agreement (as amended and restated) (as defined below). References to the “Issuer” shall be references to the party specified as such in the applicable Final Terms (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (as amended and restated) (such Agency Agreement, as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 17 June 2019, and made between, *inter alia*, SpareBank 1 SMN, SpareBank 1 Nord-Norge, SpareBank 1 Østlandet, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the “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 Directive (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 the Conditions, replace or modify the Conditions for the purposes of this Note. References to the applicable Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing 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 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. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any 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 “Couponholders” 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 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 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 15 June 2018 and made by SpareBank 1 SMN, SpareBank 1 Nord-Norge, and SpareBank 1 Østlandet. 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 Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more such Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The 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 Terms and 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 Terms and 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.

In the Conditions, “euro” means 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.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this 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 or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

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

Definitive Notes are issued with Coupons attached, 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 Notes, Receipts and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon 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 succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, S.A. ("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 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 and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a 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, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## **2. STATUS OF THE SENIOR PREFERRED NOTES AND SENIOR NON-PREFERRED NOTES**

### **(a) Status**

This Condition 2(a) applies only to Senior Preferred Notes and Senior Non-Preferred Notes; references to "Notes" and "Coupons" in Condition 2(a)(i) shall be construed as references to Senior Preferred Notes and the related Coupons and references to "Notes", "Coupons" and "Couponholders" in Condition 2(a)(ii) shall be construed as references to Senior Non-Preferred Notes and the related Coupons.

- (i) If the applicable Final Terms specifies the Notes are "Senior Preferred Notes", the Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and unsecured

obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, present and future, from time to time outstanding. So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer undertakes to ensure that the obligations of the Issuer under the Notes rank and will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties, in each case except for any obligations preferred by mandatory provisions of applicable law.

- (ii) If the applicable Final Terms specifies the Notes are “Senior Non-Preferred Notes”, the Notes and the relative Coupons are direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and subject as set out in the paragraph below, in the event of a liquidation, dissolution, administration or other winding up of the Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders (as defined below) and do not provide that the Notes thereby become redeemable or repayable), claims of the holders of Notes and Coupons against the Issuer in respect of or arising under the Notes and Coupons (including any amounts attributable to the Notes and 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.

At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Issuer may (but is not obliged to), by providing notice (the “Ranking Notice”) to the Noteholders in accordance with Condition 13, specify that (subject to the laws of Norway) the 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 with effect from the date specified in the Ranking Notice (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 above in this Condition 2(a)(ii), such statutory ranking shall prevail).

In these 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 3(a)));

“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); and

“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:

- (i) the original contractual maturity of the debt instruments is at least one year;
- (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; and
- (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under this paragraph.

(b) *Set-off*

This Condition 2(b) applies to (i) Senior Preferred Notes in respect of which the applicable Final Terms specifies that this Condition 2(b) is applicable and (ii) Senior Non-Preferred Notes, and references to “Notes” in this Condition 2(b) shall be construed accordingly. No holder of Notes who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, 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 holder of Notes.

### **3. STATUS OF THE SUBORDINATED NOTES**

(a) *Status*

This Condition applies only to Subordinated Notes and references to “Notes”, “Coupons”, “Noteholders” and “Couponholders” in this Condition shall be construed accordingly. The Notes and the Coupons constitute unsecured obligations of the Issuer, subordinated as described below. In the event of a liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration, claims of the holders of Notes and Coupons against the Issuer in respect of or arising under the Notes and Coupons (including any amounts attributable to the Notes and Coupons and any damages awarded for breach of any obligations thereunder) shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) at least *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.

(b) *Definitions*

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

“Additional Tier 1 Capital” means additional Tier 1 capital (Norw. "*Annen godkjent kjernekapital (hybridkapital, herunder fondsobligasjonskapital)*") as described in §15 of the Norwegian regulation of 1990-06-01 no. 435 about calculation of risk capital of financial institutions, clearing houses and investment firms (Norw. "FOR 1990-06-01 nr 435: Forskrift om beregning av ansvarlig kapital for finansinstitusjoner, oppgjørssentraler og verdipapirforetak"), as amended or replaced;

“FSAN” means The Financial Supervisory Authority of Norway (*Finanstilsynet*);

“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 (in the case of Senior Non-Preferred Notes) the Relevant Resolution Authority (as defined in Condition 18) (if applicable), in any case as determined by the Issuer;

“Specified Senior Creditors” means (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors (excluding creditors in respect of Subordinated Parity Securities and Subordinated Junior Securities) of the Issuer in respect of any present or future obligation, whether dated or undated, of the Issuer which by its terms is, or is expressed to be, subordinated in the event of liquidation, dissolution, administration or other winding up of the Issuer by way of public administration, to the claims of depositors and all other unsubordinated creditors of the Issuer;

“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 Notes (which shall include, for the avoidance of doubt, any obligations of the Issuer which are recognised as Additional Tier 1 Capital by the Relevant Regulator);

“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 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; and

“Tier 2 Capital” means Tier 2 capital (Norw. "*Tilleggskapital*") as described in §16 of the Norwegian regulation of 1990-06-01 no. 435 about calculation of risk capital of financial institutions, clearing houses and securities investment firms (Norw. "FOR 1990-06-01 nr 435: Forskrift om beregning av ansvarlig kapital for finansinstitusjoner, oppgjørssentraler og verdipapirforetak"), as amended or replaced.

(c) *Set-off*

This Condition 3(d) applies to Subordinated Notes.

No holder of Notes 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 holder of Notes.

#### 4. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest 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 Terms and 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:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) 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 Terms and Conditions:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of 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 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 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 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, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, “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 or the relevant payment date if the Notes become payable on a date other than an 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 4(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 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 Terms and Conditions, “Business Day” means a day which is:

- (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 London and any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open; 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) 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 Agent under an interest rate swap transaction if the 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 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*

Where Screen Rate 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, subject as provided below, 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 either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 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 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 offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the 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 Agent with 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 the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the 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 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) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the 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 relevant Issuer suitable for the purpose) informs the 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) 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).

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

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent.

“Specified Time” means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

*(C) CMS Rate Determination for Floating Rate Notes*

Where CMS Rate 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, subject as provided below, be determined by the Calculation Agent (as specified in the applicable Final Terms) by reference to the following formula:

$(\text{CMS Rate} \times \text{Multiplier}) \text{ plus Margin}$

If the CMS Screen Page is not available, the Calculation Agent shall request each of the CMS 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 at least three of the CMS 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 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 CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

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 CMS Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

“CMS 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, or (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.

“CMS Screen Page” means (i) where the Reference Currency is Euro, Reuters Screen ICESWAP2 (formerly ISDAFIX2) under the heading "EURIBOR BASIS – EUR" and above the caption "11:00 AM FRANKFURT" or its successor display page; (ii) where the Reference Currency is Sterling, Reuters Screen ICESWAP4 (formerly ISDAFIX4) or its successor display page; and (iii) where the Reference Currency is United States dollar, Reuters Screen ICESWAP1 (formerly ISDAFIX1) or its successor display page, in each case unless otherwise specified in the applicable Final Terms.

“Designated Maturity” shall have the meaning given to this term in the applicable Final Terms.

“Interest Determination Date” means (i) where the Reference Currency is Euro, the second day on which the TARGET2 System is open prior to the start of each Interest Period; (ii) where the Reference Currency is Sterling, the first day of each Interest Period; and (iii) where the Reference Currency is United States dollar, the day that is two U.S. Government Securities Business Days preceding the first day of each Interest Period, in each case unless otherwise specified in the applicable Final Terms.

“Margin” shall have the meaning given to this term in the applicable Final Terms.

“Multiplier” shall have the meaning given to this term in the applicable Final Terms.

“Reference Currency” means either Euro, Sterling or United States dollars, as specified in the applicable Final Terms.

“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 to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months; and
- (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.

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

“Specified Time” means (i) where the Reference Currency is Euro, 11.00 a.m., Frankfurt time; (ii) where the Reference Currency is Sterling, 11.00 a.m. London time; and (iii) where the Reference Currency is United States dollar, 11.00 a.m., New York City time. “U.S. Government Securities Business Day” means any day except for Saturday, Sunday or a day on which The Bond Market Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(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, in the event that 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, in the event that 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 Agent 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 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 Global Note, the aggregate outstanding nominal amount of the Notes represented by such 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 4(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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>2</sub> 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” 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 D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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, in which case D<sub>2</sub> 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 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 Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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

The 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 13 as soon as possible after their determination but in no event later than the fourth 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 4(b), whether by the

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 Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the 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 or CMS 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 or CMS Reference Rate, 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 4(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 Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the 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) *Accrual of interest*

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

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(e) *Benchmark replacement*

This Condition 4(e) is applicable only in relation to Notes in respect of which the applicable Final Terms specify that this Condition 4(e) is applicable and references to “Notes” in this Condition 4(e) shall be construed accordingly. Notwithstanding the foregoing provisions of this Condition 4, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the “Alternative Benchmark Rate”) and, in either case, an alternative screen page or source (the “Alternative Relevant Screen Page”) and an Adjustment Spread (if applicable) no later than three Business Days prior to



the relevant Interest Determination Date relating to the next succeeding Interest Period (the “IA Determination Cut-off Date”) for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(e));

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith and in a commercially reasonable manner agree has replaced the Original Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith and in a commercially reasonable manner agree is most comparable to the Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Original Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Original Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Original Reference Rate and the fallback provisions provided for in Condition 4(b) will continue to apply. For the avoidance of doubt, this sub-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, this Condition 4(e);
- (iv) (subject as provided in Condition 4(e)(vii) below) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(e));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date or Reference Rate applicable to the Notes, and the method for

determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(e)); and

- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent and, in accordance with Condition 13, the Noteholders and until the Agent has been so notified the Original Reference Rate and the fallback provisions provided for in Condition 4(b) will continue to apply.

Notwithstanding any other provision of this Condition 4(e), no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(e), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as:

- (A) in the case of Senior Non-Preferred Notes and Restricted Senior Preferred Notes, MREL Eligible Liabilities; or
- (B) in the case of Subordinated Notes, Tier 2 Capital of the Issuer,

or, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes only, 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 a future Reset Date or Interest Payment Date (as applicable) as the effective maturity of the Notes, rather than the relevant Maturity Date.

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

“Adjustment Spread” means either a spread (which may be positive or negative or zero) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the Original Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable);

“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, 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 or to the Issuer and its subsidiaries);

“Benchmark Event” means:

- (A) the Original Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the Original Reference Rate that it will cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that such Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means that such Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (E) it has or will become unlawful for the Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used.

“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 26th June, 2013 and published in the Official Journal of the European Union on 27th 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 26th June, 2013 and published in the Official Journal of the European Union on 27th June, 2013, as amended or replaced from time to time;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

“MREL Eligible Liabilities” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer under Applicable MREL Regulations;

“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;

“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 (or, if applicable, any other successor or alternative rate (or component part thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 4(e));

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable): (i) 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 (ii) 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; and

“Successor Rate” means the reference rate (and related Alternative Relevant Screen Page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **5. 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 a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively); 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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

### **(b) *Presentation of definitive Notes, Receipts and Coupons***

Payments of principal in respect of 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 definitive Notes, and payments of interest in respect of 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 and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 5(e) 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 ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) 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 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 or Long Maturity 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. 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 definitive Note 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 definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note where applicable 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 Agent, and (ii) in the case of any Global Note which is an NGN, the Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(d) *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 5(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 5(a) 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, unmaturing 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.

(e) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer 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 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 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 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, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8) 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 Notes in definitive form only, the relevant place of presentation; and
  - (B) in any Additional Financial Centre (other than the TARGET2 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 which, if the

Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(g) *Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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 7.

## **6. REDEMPTION AND PURCHASE**

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for tax reasons*

Subject to obtaining any required prior written consent of the Relevant Regulator, as provided in Condition 6(j), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations 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 Notes;
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (iii) in case of Subordinated Notes, the effect of such obligation is material to the Issuer,

((i), (ii) and (as applicable) (iii) together, a “Tax Event”)

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 Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the 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 6(b) 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.

(c) *Redemption at the option of the Issuer (Issuer Call)*

Subject to obtaining any required prior written consent of the Relevant Regulator as provided in Condition 6(j), if Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner 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 Notes, the Notes to be redeemed (“Redeemed Notes”) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected 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 definitive 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.

(d) *Redemption at the option of the Noteholders (Investor Put)*

Subject to obtaining any required prior written consent of the Relevant Regulator, as provided in Condition 6(j), if Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 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 Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent 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 (a “Put Notice”) and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any 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 9.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9:

- (i) Each 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 its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption} = RP(1 + AY)^y$$

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 6(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 6(j) the Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(h) *Cancellation*

Subject as provided in Condition 6(j), all Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the 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 9 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 Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(j) *Consent*

This Condition 6(j) applies to (i) Senior Preferred Notes where this Condition 6(j) is specified as being applicable in the applicable Final Terms ("Restricted Senior Preferred Notes") (ii) Senior Non-Preferred Notes and (iii) Subordinated Notes.

No early redemption in any circumstances, purchase under Condition 6(g), substitution or variation under Condition 6(m) (in the case of Subordinated Notes) or substitution or variation under Condition 6(n) (in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes) shall take place without the prior written consent of the Relevant Regulator (in each case, if, and to the extent, then required by the Relevant Regulator and, in the case of Restricted Senior Preferred Notes and Senior Non-Preferred Notes, by the Applicable MREL Regulations). In addition, in respect of any redemption of Subordinated Notes pursuant to Condition 6(b) or 6(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 of the last Tranche of the Notes. For the avoidance of doubt, redemption of Notes under Condition 6(a) or repayment pursuant to Condition 9, shall not require the consent of the Relevant Regulator.

(k) *Redemption of Subordinated Notes upon Capital Event*

This Condition 6(k) applies only to Subordinated Notes and references to “Notes” and “Noteholders” in this Condition shall be construed accordingly.

Subject to obtaining the prior written consent of the Relevant Regulator as provided in Condition 6(j), if a Capital Event occurs, the Issuer may, at its option, on giving not less than 30 nor more than 60 days’ notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), on any Interest Payment Date redeem all (but not some only) of the Notes at the Early Redemption Amount referred to in Condition 6(e), together with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the relevant Issuer shall redeem the Notes.

“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 the Norwegian Ministry of Finance and/or the Relevant Regulator 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 relevant Issuer or to the relevant Issuer and its subsidiaries).

A “Capital Event” means the determination by the relevant 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 Notes, the Subordinated Notes are either partially or fully excluded from the Tier 2 Capital, such determination to be confirmed by the relevant Issuer in a certificate signed by two authorised signatories of the relevant Issuer. For the avoidance of doubt, any amortisation of the Subordinated Notes pursuant to §16(2)(c) of the Norwegian regulation of 1990-06-01 no. 435 about calculation of risk capital of financial institutions, clearing houses and investment firms (FOR 1990-06-01 nr 435: Forskrift om beregning av ansvarlig kapital for finansinstitusjoner, oppgjørssentraler og verdipapirforetak) (or any equivalent or successor provision) shall not comprise a Capital Event.

(l) *Redemption of Senior Preferred Notes and Senior Non-Preferred Notes upon a MREL Disqualification Event*

This Condition 6(l) applies only to Senior Preferred Notes and Senior Non-Preferred Notes where this Condition 6(l) is specified as being applicable in the applicable Final Terms, and references to “Notes” and “Noteholders” in this Condition shall be construed accordingly.

Subject to obtaining the prior written consent of the Relevant Regulator as provided in Condition 6(j), if a MREL Disqualification Event occurs, the Issuer may, at its option, on giving not less than 30 nor more than 60 days’ notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) redeem all (but not some only) of the Senior Preferred Notes and Senior Non-Preferred Notes at their Early Redemption Amount referred to in Condition 6(e) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two authorised signatories 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.

“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 Notes, the 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 (i) the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (ii) 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.

(m) *Substitution or Variation – Subordinated Notes*

This Condition 6(m) applies only to Subordinated Notes and where this Condition 6(m) is specified as being applicable in the applicable Final Terms, and references to “Notes”, “Noteholders” and “Couponholders” in this Condition shall be construed accordingly.

If at any time a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 18, the Issuer may, subject to the provisions of Condition 6(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 Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes (including changing the governing law of Condition 18, 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 Notes.

“Qualifying Subordinated Securities” means securities issued directly or indirectly by the Issuer that:

- (i) other than in the case of a change to the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18, have terms not materially less favourable to the Noteholders as a class than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised Directors of the Issuer shall have been delivered to the Agent not less than five Business Days prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the Notes, such variation, as the case may be), and, subject thereto, they shall (i) have a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (ii) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (iii) have the same redemption rights as the Notes prior to such substitution or variation, as the case may be, (iv) comply with the then current requirements of the Relevant Regulator in relation to Tier 2 capital, (v) preserve any existing rights under the 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, (vi) shall not at such time, following the substitution or variation pursuant to this Condition 6(m), be subject to a Capital Event or a Tax Event, and (vii) where Notes which have been substituted or varied had a published 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, unless any downgrade is solely attributable to a change in the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18; and
- (ii) are listed on a recognised stock exchange, if the Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

(n) *Substitution or Variation – Senior Preferred Notes and Senior Non-Preferred Notes*

This Condition 6(n) applies only to Senior Preferred Notes and Senior Non-Preferred where this Condition 6(n) is specified as being applicable in the applicable Final Terms, and references to “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 18, the Issuer may, subject to the provisions of Condition 6(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 Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes (including changing the governing law of Condition 18, 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 Notes.

“Qualifying MREL Securities” means securities issued directly or indirectly by the Issuer that:

- (i) other than in the case of a change to the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18, have terms not materially less favourable to the Noteholders as a class than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised Directors of the Issuer shall have been delivered to the Agent not less than five Business Days prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the Notes, such variation, as the case may be), and, subject thereto, they shall (A) have a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (B) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (C) have the same redemption rights as the Notes prior to such substitution or variation, as the case may be, (D) comply with the then current requirements in relation to eligible liabilities (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (E) preserve any existing rights under the 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, (F) shall not at such time, following the substitution or variation pursuant to this Condition 6(n), be subject to a an MREL Disqualification Event or a Tax Event, and (G) where Notes which have been substituted or varied had a published 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, unless any downgrade is solely attributable to a change in the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18; and
- (ii) are listed on a recognised stock exchange, if the Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

## 7. TAXATION

- (a) Subject as provided in Condition 7(b) below, all payments of principal and interest in respect of the 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 such event, the

Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment by more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(f)).

As used in these Conditions the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

- (b) This Condition 7(b) shall only apply to (i) Senior Preferred Notes and Senior Non-Preferred Notes where this Condition 7(b) is specified as being applicable in the applicable Final Terms; and (ii) Subordinated Notes. Notwithstanding the generality of Condition 7(a), the obligation to pay additional amounts will be limited to payments of interest.

## **8. PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) 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 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. EVENTS OF DEFAULT**

- (a) *Events of Default relating to Senior Preferred Notes and Senior Non-Preferred Notes*

This Condition 9(a) only applies to Senior Preferred Notes and Senior Non-Preferred Notes. If any one or more of the following events (each an “Event of Default”) shall occur and be continuing with respect to any Senior Preferred Notes and Senior Non-Preferred Note:

- (i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the 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 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 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 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 9(iii), neither the Issuer nor any of its Principal Subsidiaries shall not 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 terms approved by an Extraordinary Resolution of the Noteholders, 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 14 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, if the applicable Final Terms specify this Condition 9 as being applicable, any holder of an Senior Preferred Notes and Senior Non-Preferred Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Senior Preferred Notes and Senior Non-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

6(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 this Condition:

“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 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.

**If the applicable Final Terms specify that this Condition 9 is “Not Applicable” in respect of any Senior Preferred Notes and Senior Non-Preferred Notes, there are no events of default in relation to such Notes.**

- (b) *There are no events of default in relation to Subordinated Notes.*

## **10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent in Luxembourg 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 Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **11. PAYING AGENTS**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the 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 with a specified office in such



place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority; and

- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Furthermore, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). 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 Noteholders in accordance with Condition 13.

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 Noteholder, Receiptholder or Couponholder. 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 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 8.

## **13. NOTICES**

All notices regarding the 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 Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 the 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.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) 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 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 the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### **14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the 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 Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the 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 Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the 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 Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

#### **15. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the 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 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 Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **(a) *Governing law***

The Agency Agreement, the Deed of Covenant, the Notes (except for Conditions 2 and 3), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes (except for Conditions 2 and 3), the Receipts and the Coupons are governed by, and construed in accordance with, English law. Conditions 2 and 3 are governed by, and shall be construed in accordance with, Norwegian law.

### **(b) *Submission to jurisdiction***

- (i) Subject to Condition 17(b)(iii) below, the English courts have jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons a “Dispute”) and accordingly each of the Issuer and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 17(b)(ii), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **(c) *Appointment of Process Agent***

The Issuer irrevocably appoints London Central Services Ltd at its registered office at 4 Old Park Lane, London W1K 1QW, England as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of London Central Services Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### **(d) *Waiver of trial by jury***

WITHOUT PREJUDICE TO CONDITION 17(b), THE ISSUER WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE NOTES, THE RECEIPTS AND THE COUPONS. THESE CONDITIONS MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

## **18. AGREEMENT WITH RESPECT TO THE EXERCISE OF THE BAIL-IN 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 18, 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 perpetual nature 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 18:

“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.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes or as may otherwise be disclosed in the applicable Final Terms or Pricing Supplement, as the case may be. In particular, if so specified in the applicable Final Terms or Pricing Supplement, the Issuer will apply the net proceeds from an offer of Notes specifically for Green Projects. Such Notes may also be referred to as "**Green Bonds**". SpareBank 1 SMN has published a framework relating to an investment in Green Projects which is available on its website (<https://www.sparebank1.no/en/smn/about-us/sustainability/green-bond-framework.html>)<sup>3</sup>.

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<sup>3</sup> Any websites included in this Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

## **THE SPAREBANK 1 ALLIANCE**

### **THE SPAREBANK 1 ALLIANCE**

The SpareBank 1 banks listed below operate an alliance (the “SpareBank 1 Alliance”) and develop product companies through the jointly owned holding company SpareBank 1 Gruppen AS.

The paramount objective of the SpareBank 1 Alliance is to assure the independence and regional identity of the individual banks that make up the SpareBank 1 Alliance through strong competitiveness, profitability and financial soundness. The parties to the SpareBank 1 Alliance agreement are SpareBank 1 SMN, SpareBank 1 Nord Norge, SpareBank 1 SR-Bank ASA, SpareBank 1 Østlandet and Samarbeidende Sparebanker AS. The current set of contract terms pertaining to the SpareBank 1 Alliance and the SpareBank 1 banks’ rights and obligations have been approved by the Financial Supervisory Authority of Norway (“FSAN”).

### **The SpareBank 1 Alliance Structure**

SpareBank 1 Gruppen AS is owned by SpareBank 1 SMN (19.5 per cent.), SpareBank 1 Nord-Norge (19.5 per cent.), SpareBank 1 SR-Bank ASA (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 SpareBank 1 Forsikring, ODIN Forvaltning, Fremtind Forsikring<sup>4</sup>, SpareBank 1 Gruppen Finans and Conecto.

SpareBank 1 Gruppen AS provides the administrative superstructure for the SpareBank 1 Alliance through SpareBank 1 Banksamarbeidet DA (owned by the regional banks, Samarbeidende Sparebanker and SpareBank 1 Gruppen AS).

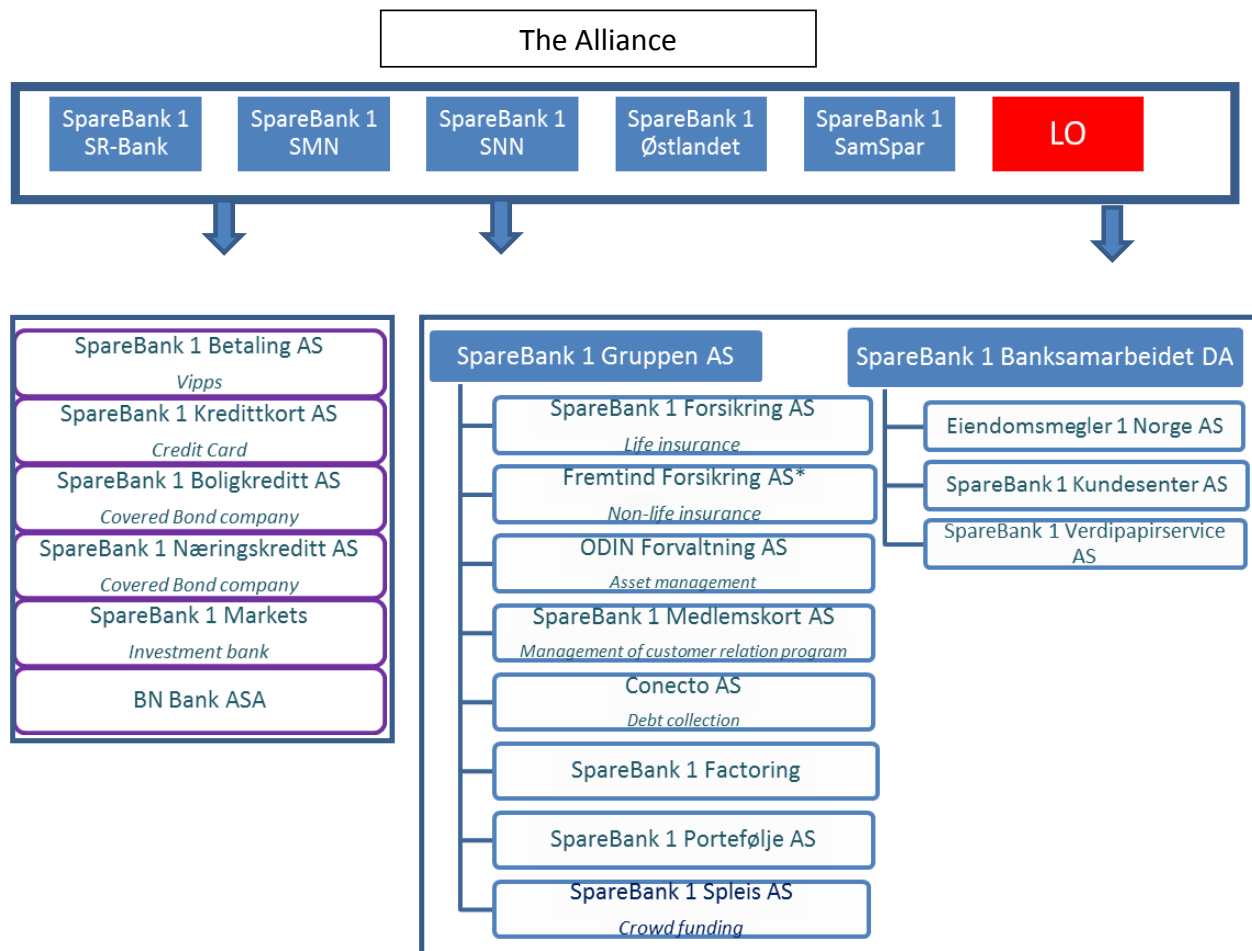
The SpareBank 1 Alliance comprises approximately 225 offices and branches across Norway. In total, the SpareBank 1 Alliance has approximately 6,095 employees. Of these, 1,074 are employed by SpareBank 1 Gruppen and its subsidiaries.

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, one for payment transmission services (Trondheim) and the other for credit management (Stavanger).

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<sup>4</sup> SpareBank 1 Skadeforsikring AS merged with DNB Forsikring 1 January 2019 and changed the name to Fremtind Forsikring AS.

The figure below illustrates the owners and alliance partners:



## **BUSINESS DESCRIPTION OF SPAREBANK 1 SMN**

### **OVERVIEW**

SpareBank 1 SMN (formerly Sparebanken Midt-Norge) was founded in Norway on 26 May 1823 and is duly incorporated under the laws of Norway pursuant to the Financial Undertakings Act 2015 and registered in the Norwegian Registry of Business Enterprises with organisation number 937 901 003. The address of its registered office is Søndre gate 4, P.O. Box 4796 Sluppen, N-7467 Trondheim, Norway (tel +47 915 07300).

SpareBank 1 SMN's core market is Mid-Norway, and the bank operates in four counties; North-Trøndelag, South-Trøndelag, Møre og Romsdal and Sogn og Fjordane. The head office is in Trondheim.

SpareBank 1 SMN has just under 1,500 employees and total assets of NOK 161bn as at 31 December 2018 (calculated on a consolidated basis). SpareBank 1 SMN is a member of the SpareBank 1 Alliance.

SpareBank 1 SMN offers a wide range of financial products and services to retail customers, small and medium-sized companies and the agricultural and public sectors. SpareBank 1 SMN is a regional independent savings bank with a local footing. Closeness and competence characterise SpareBank 1 SMN's relationship to the market.

Through the SpareBank 1 Alliance and its own subsidiaries, SpareBank 1 SMN has secured access to competitive products in the fields of financing, savings and investment, insurance and payment services.

SpareBank 1 SMN and its consolidated subsidiaries (the "SMN Group") maintains a variety of branches in the municipal and administrative centres in its core market. SpareBank 1 SMN currently has 48 branches.

SpareBank 1 SMN had 238,000 customers at year-end 2018.

### **BUSINESS STRATEGY**

SpareBank 1 SMN provides financial products and advice to private individuals, businesses and the public sector in its core markets.

In addition, SpareBank 1 SMN provides estate agency, asset management, and accounting services in the same geographical areas and to the same customer groups.

The SpareBank 1 Alliance is SpareBank 1 SMN's strategic foundation and the basis for SpareBank 1 SMN's regional business strategies and independence. SpareBank 1 SMN will play an active role in the development of the SpareBank 1 Alliance as an expanding financial services grouping. A key aspect of SpareBank 1 SMN's strategy is to maintain a presence via branches in the municipal and administrative centres in its core market.

Within the retail market segment, SpareBank 1 SMN aims to professionalise its operations and constitute an effective sales organisation. Within the corporate market segment, SpareBank 1 SMN aims to maintain its position as a regional market leader. Growth should take place on the basis of risk exposure at all times being in accordance with SMN Group's credit strategy, ensuring a moderate level of losses over time.

SpareBank 1 SMN aims to have a clear, leading position in the savings and pensions market segments in Mid-Norway, and is currently adapting its distribution strategy to the "digital world".

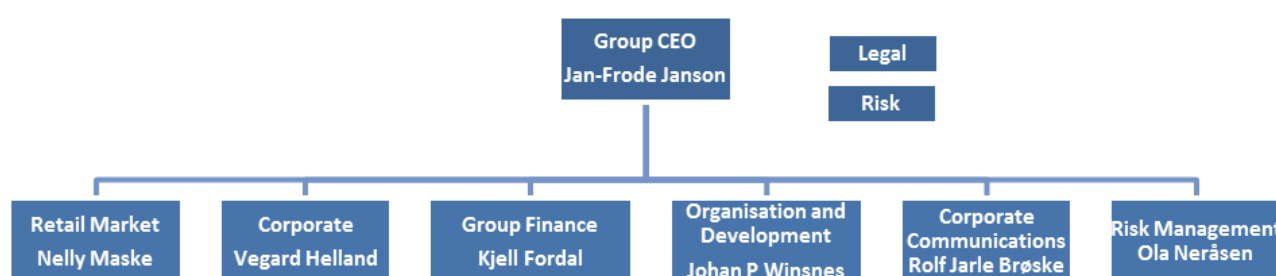
SpareBank 1 SMN is committed to systematically developing its employees' expertise in accordance with regulatory requirements and customer demands, and aims to be the employer of choice, attracting and maintaining skilled employees who are proud of working for SpareBank 1 SMN.



SpareBank 1 SMN aims to secure top-line growth by maintaining and strengthening its position in Mid-Norway. Further, SpareBank 1 SMN will develop its multi-channel strategy and adapt customer contact to meet customer requirements as well as cost-efficient operations. SpareBank 1 SMN recognises the need to continue to develop its organisation through good management, maintenance of a high level of expertise and focus on continuous improvement and organisational flexibility in achieving its goals.

The SMN Group will continue to maintain a strong focus on risk management, and aims to be a profitable, cost-efficient and low-risk bank, with a market share of at least 40 per cent. within its focus areas in Mid-Norway.

SpareBank 1 SMN's administration structure is as follows:



## OPERATING AND FINANCIAL OVERVIEW

*The following is a discussion of the SMN Group's financial condition and results of operations as at 31 December 2018.*

*Percentages in tables have been rounded and accordingly may not add up to 100 per cent. In addition, certain financial data has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Figures in parentheses refer to the corresponding period in 2017.*

- Pre-tax profit: NOK 2,450m (2,279m)
- Post-tax profit: NOK 2,090m (1,828m)
- CET1 capital ratio: 14.6 per cent (14.6 per cent)
- Growth in lending: 7.8 per cent (8.2 per cent) and in deposits 5.4 per cent (13.9 per cent)
- Loan losses: NOK 263m (341m)

In 2018 SpareBank 1 SMN achieved a pre-tax profit of NOK 2,450m (2,279m). The post-tax profit was NOK 2,090m (1,828m). Overall operating income in 2018 came to NOK 4,580m (4,229m), an increase of NOK 351m from the previous year.

The profit share from SpareBank 1 Gruppen and other related companies was NOK 416m (437m). Dividend and return on financial instruments came to NOK 341m (322m), of which NOK 90m was accounted for by a gain resulting from the merger of Vipps, Bank-Axcept and Bank ID.

Operating expenses came to NOK 2,624m (2,369m) in 2018. The growth in costs is largely ascribable to the focus on BN Bolig, capacity expansion at SpareBank 1 Markets and growth at SpareBank 1 Regnskapshuset SMN.

Losses on loans and guarantees totalled NOK 263m (341m), measuring 0.17 per cent (0.24%) of overall lending. The losses are mainly in oil-related activities.

Good growth was posted in lending and deposits in 2018. Lending rose by 7.8% (8.2%) and deposits by 5.4% (13.9%).

As at 31 December 2018 the CET1 ratio was 14.6 per cent (14.6 per cent). The CET1 ratio target is 15.0 per cent.

## **RISK AND CAPITAL MANAGEMENT**

SpareBank 1 SMN aims to maintain a moderate risk profile and to employ high quality risk monitoring to substantially reduce the chances of a single event seriously impairing SpareBank 1 SMN's financial position. SpareBank 1 SMN's risk profile is quantified through targets for rating, risk-adjusted return, expected loss, necessary economic capital and regulatory capital adequacy.

The principles underlying SpareBank 1 SMN's risk management are laid down in SpareBank 1 SMN's risk management policy. SpareBank 1 SMN places much emphasis to identifying, measuring, managing and following up central risks to ensure that the SMN Group progresses in line with its adopted risk profile and strategies.

Risk management within the SMN Group is intended to support the SMN Group's strategic development and target attainment. The risk management regime is designed to ensure financial stability and prudent asset management. This will be achieved through:

- a strong organisational culture featuring a high level of risk-management awareness
- a sound understanding of the risks that drive earnings and risk costs, thereby creating an improved basis for decision-making
- striving for an optimal use of capital within the adopted business strategy
- Contingency plans are in place and will reduce the risk for unexpected negative events which could be detrimental to the SMN Group's operations and reputation in the market

Return on risk-adjusted capital is a key strategic target at SpareBank 1 SMN. It entails allocating capital to business areas based on the estimated risk attending the business concerned, and continuous monitoring of return on capital. Calculation of risk-adjusted capital makes it possible to compare risk across risk groups and business areas. Risk is also gauged and monitored by measuring positions relative to quantitative risk limits and key portfolio risk limits.

SpareBank 1 SMN applies a focused capital management process designed to assure:

- effective capital procurement and capital application in relation to the SMN Group's strategic objectives and adopted business strategy
- satisfactory capital adequacy in relation to the chosen risk profile
- competitive returns
- competitive terms and good long-term access to capital market funding

- the SMN Group's ability to maintain at minimum its present international ratings
- utilisation of growth potentials in the SMN Group's defined market area
- that no individual events can seriously impair the SMN Group's financial position

The SMN Group's overall risk exposure and risk trend are monitored through periodic risk reports to the Administration and the Board of Directors. Overall risk monitoring and reporting are carried out by the Risk Management Division which is independent of the SMN Group's business areas.

## MAJOR SUBSIDIARIES

The following section provides a description of SpareBank 1 SMN's principal subsidiaries. All of SpareBank 1 SMN's subsidiaries are incorporated in Norway.

The subsidiaries posted an aggregate pre-tax profit of NOK 225.1m in 2018 (compared to NOK 258.1m in 2017). The results are from the companies' financial statements.

<b>Pre-tax profit (NOK million)</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>
EiendomsMegler 1 Midt-Norge	-22.9	2.6	-25.5
SpareBank 1 Finans Midt-Norge	148.5	128.3	20.2
SpareBank 1 Regnskapshuset SMN	70.4	60.3	10.0
Sparebank 1 Markets	15.1	1.9	13.3
SpareBank 1 SMN Invest	8.0	43.3	-35.3
Other companies	6.0	21.6	-15.7
<b>Total</b>	<b>225.1</b>	<b>258.1</b>	<b>-33.1</b>

**Eiendomsmegler 1 Midt-Norge** is a real estate brokerage in Trøndelag and in Møre og Romsdal. The company recorded a pre-tax profit of NOK -22.9m in 2018 (2.6m).

**SpareBank 1 Finans Midt-Norge** has commercial responsibility for the leasing and secured loan financing product areas, and also offers consumer financing. The company recorded a pre-tax profit of NOK 148.5m in 2018 (128.3m). SpareBank 1 SMN owns 64.6 per cent of the shares of SpareBank 1 Finans Midt-Norge, and the rest is owned by Samarbeidende Sparebanker AS and Sparebanken Sogn og Fjordane.

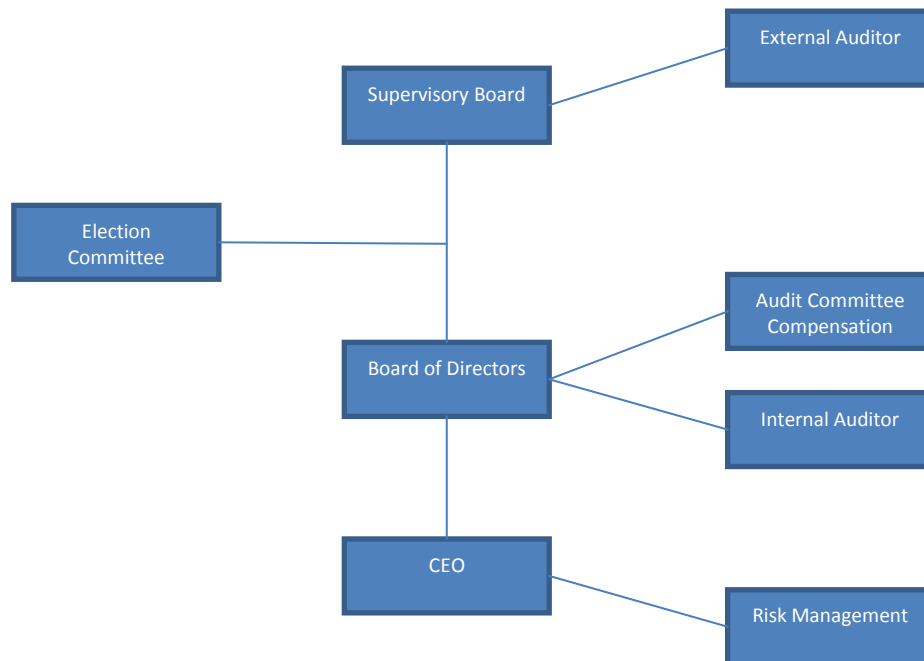
**SpareBank 1 Regnskapshuset SMN** operates within financial management and accounting. The company posted a pre-tax profit of NOK 70.3m (60.3m) in 2017.

**SpareBank 1 SMN Invest** invests in shares, mainly in regional businesses. The company posted a net profit of NOK 8m (43.3m) as per the fourth quarter of 2017.

**SpareBank 1 Markets AS** is an investment bank offering a complete product range. SpareBank 1 SMN owns 66.7 per cent of the company, which is headquartered in Oslo and has offices in Trondheim, Tromsø and Ålesund. The company's pre-tax profit for 2018 was NOK 15.1m compared with NOK 1.9m in 2017.

## MANAGEMENT AND THE BOARD OF DIRECTORS

In accordance with the Financial Undertakings Act, SpareBank 1 SMN has a two-tier board structure consisting of a Supervisory Board and Board of Directors. The figure below shows an overview of SpareBank 1 SMN's management and control bodies:



A savings bank is basically a ‘self-owned’ institution. However, savings banks that have issued equity capital certificates (EC) will be partly owned by the EC holders. A savings bank’s governance structure and the composition of its governing bodies will to some extent differ from those of limited liability companies; see Chapter 8 of the Financial Institutions Act which sets out the bodies which a savings bank must have – a “general meeting” - in SpareBank1 SMN’s articles of association named “committee of representatives” - and a board of directors. SpareBank 1 SMN’s paramount body is the committee of representatives comprising EC holders, depositors, employees and representatives of the public authorities.

According to the Financial Institutions Act, at least three quarters of the members shall be persons who are not employed by the institution. Emphasis shall be given to ensuring that the elected members in aggregate reflect the financial institution's customer structure and other stakeholder groups as well as its societal role, unless such interests are attended to by another overarching corporate body.

The committee of representatives ensures that SpareBank 1 SMN operates in line with its mission and in conformity with law, its articles of association and decisions of the committee of representatives.

At savings banks that have issued transferable ECs, at least one-fifth and not more than two-fifths of the members of the committee of representatives must be elected by the EC holders. The committee of representatives approves the SMN Group’s accounts, authorises the Board of Directors to raise subordinated capital and to undertake any increase of capital, and appoints the members of SpareBank 1 SMN’s Board of Directors and election committee. The committee of representatives also fixes the remuneration for the above bodies. The members of the Board of Directors, the Group CEO and the auditor are summoned to meetings of SpareBank 1 SMN’s committee of representatives. They may participate in the proceedings but are not entitled to vote. The chairman of the committee of representatives presides over the meeting, or in the latter’s absence, the deputy chairman.

The supervisory board currently has 32 members and 30 alternates with the following representation:

- EC holders: 12 members and 10 alternates
- county councils of South Trøndelag, North Trøndelag and Møre and Romsdal: 3 members with 3 alternates
- depositors: 9 members with 9 alternates

- employees: 8 members with 8 alternates

### Supervisory Board

Members elected by the ECC holders	Address	Domicile	No of Equity Capital Certificates	Activities performed outside SpareBank 1 SMN
Lars Bjarne Tvete (deputy chair)	Frydenbergvn 6	7050 Trondheim	30,000	Local investor
Thor Arnie Falkanger	Th. Falkanger AS	Fjordgt 42 7486 Trondheim	179,255	Local investor
Torgeir Svae	Østermoen	2542 Vingelen	2,500	Investor
Marit Collin	Nedre Ila 9	7018 Trondheim	4,655	CEO Kantega
Åsmund Skår	Nes Terrasse 11	1394 Nesbru	1,200	Investor and Professional Board Member: Chairman of Pareto Welth Management AS, P F Bassøe AS, Pareto Bassøe Management, Pareto Dry Cargo AS and Pareto Bank
Therese Bjørstad Karlsen	Roosevelts veg 17A	7058 Jakobsli	170	Commercial real estate manager Coop
Knut Solberg (chair)	Lokes vei 43	7033 Trondheim	1,981	CEO Studentsamskipnaden
Jøran Nyheim	Lundsengveien 4	6414 Molde	3,965 391	Sparebankstiftelsen SMN
Nina Kleven	Bergsligata 11	7018 Ila	1,100	Area Manager Elotec AS
Nils Martin Williksen	Nordveien 240	7900 Rørvik	10.049	CEO Nils Williksen AS
Berit Tiller	Andreas Holms vei 6A	7020 Trondheim	408	Politiker Trondheim kommune
Frithjof Anderssen	Øvre Alle 17	7030 Trondheim	26,797	CEO Motor-Trade AS
Linda Renate Linmo	Granvegen 15	7870 Grong	1,562	Employee SpareBank 1 SMN
Anders Skrove	SpareBank 1 SMN	Fjordgløttvegen 25, 7713 Steinkjer	1,437	Employee SpareBank 1 SMN

Members elected by the ECC holders	Address	Domicile	No of Equity Capital Certificates	Activities performed outside SpareBank 1 SMN
Bjørn Larsen	SpareBank 1 SMN	Reppeveien 6B, 7054 Ranheim	3,338	Employee SpareBank 1 SMN
Anne Valstad-Aalmo	Kyvannsvegen 39	7025 Trondheim	912	Employee SpareBank 1 SMN
Geir Tore Mathisen	SpareBank 1 SMN	Brøsetvegen 32B, 7045 Trondheim	2,597	Employee SpareBank I SMN
Rolf Bratlie	SpareBank 1 SMN	Postboks 194 7223 Melhus	1,312	Employee SpareBank 1 SMN
Bjørn Kristian Dyrseth	SpareBank 1 SMN	Romsdalsgata 9,6413 Molde	2,603	Employee SpareBank I SMN
Berit Bøifot	SpareBank 1 SMN	Smia,6413 Molde	4,828	Employee SpareBank 1 SMN
Per Olav Tyldum	Bjørkveien 7	7863 Overhalla	-	Mayor in Overhalla kommune
Vegard Forbord	Lerkehaugvegen 53	7711 Steinkjer	-	COO Smart Labs AS
Marit Dille	Naeroysteine	7950 Abelvaer	3,339	CEO Prosesskompaniet AS
Anne Rita Bakken	Kalkflata 1	7509 Steinkjer	-	CEO Anne Rita Bakken
Jan-Yngvar Kiel	Klefstadhaugen 16B	7070 Bosberg	-	Rådmann Skaun kommune
Wollert Krohn-Hansen	Eli Sjursdotters vei 8A	7021 Trondheim	-	Retired
Elin Hagerup	Hareveien 11	7021 Trondheim	-	Ombudsman Healthcare Sør Trøndelag
Randi Bakken	Wessels gate	7043 Trondheim	-	CEO RAND Invest AS
Line Melkild	Bjørge gate 1a	6600 Sundalsøra	-	Accounting Consultant
Jan Inge Kaspersen	Reppasmarka 90	7517 Hell	-	Trøndelag Fylkeskommune
Stig Klomsten	Bjøra 23	7078 Bosberg	-	Trøndelag fylkeskommune
Tove-Lise	Hjelltrøa 48	6600 Sundalsøra	-	Møre & Romsdal Fylkeskommune

<b>Members elected by the ECC holders</b>	<b>Address</b>	<b>Domicile</b>	<b>No of Equity Capital Certificates</b>	<b>Activities performed outside SpareBank 1 SMN</b>
Torve				

## Board of Directors

SpareBank 1 SMN's Articles of Association provide for a Board of Directors of up to ten members, with up to six alternates, to be elected by the Supervisory Board. One of the members of the Board of Directors, and one alternate, is to be elected by and among the employees in the SMN Group. The current Board of Directors is comprised of nine members, including one alternate Director. Two of the Directors are representatives of the employees of the SMN Group. Members are elected for terms of up to two years.

The Board of Directors, among other functions, shall supervise the day-to-day management of SpareBank 1 SMN's activity in general and ensure a sound organisation of the business activities. The Board of Directors has a duty to keep itself informed about SpareBank 1 SMN's financial position and to ensure that its activities, accounts and asset management are subject to adequate control.

<b>Board of Directors</b>	<b>Address</b>	<b>Domicile</b>	<b>No of ECCs</b>	<b>Activities performed outside SpareBank 1 SMN</b>
Kjell Bjordal (chair)	P: Marg.Dahls gt 9	6413 Molde	130,000	Professional Board Member: Chairman of Brodrene Dyroy, Norsk Landbrukskjemi, EWOD Norway and EWOS Innovation. Board member of entra Eiendom and Axess
Bard Benum (deputy chair)	Klaebu veien 194	7037 Trondheim	0	Professional Board Member: Chairman of Smart Energy AS and Liertoppen Invest AS. Board member of Novelda AS
Mette Kamsvåg	Fannefjordsveien 118	6421 Molde	5,600	CEO M-K Consulting AS
Tonje Foss	Granlivegen 18	7024 Trondheim	0	Regional Director at Atea Norge AS
Christian Stav	Åsvegen 77	7715 Steinkjer	0	CEO NTE
Morten Loktu	Nina Griegs vei 14	7046 Trondheim	5,000	Senior Vice President Equinor ASA
Janne Thyø Thomsen	Skodsborgparken 56, 4tv	2942 Skodsborg, DANMARK	3000	Consultant self employed
Inge Lindseth	Venusvegen 6C	7037 Trondheim	3,485	Employee, SpareBank 1 SMN
Christina	Pinebergvegen	7045	440	Employee, SpareBank 1 SMN

<b>Board of Directors</b>	<b>Address</b>	<b>Domicile</b>	<b>No of ECCs</b>	<b>Activities performed outside SpareBank 1 SMN</b>
Straub	11	Trondheim		

As far as is known to SpareBank 1 SMN, no potential or actual conflicts of interest exist between any duties to SpareBank 1 SMN of the Board of Directors and supervisory board and their private interests or other duties in respect of their management roles

#### **SpareBank 1 SMN's senior management**

<b>Name</b>	<b>Position</b>	<b>Activities performed outside SpareBank 1 SMN</b>
Jan-Frode Janson	Group CEO	Board member SpareBank 1 Gruppen, Chairman of SpareBank 1 Betaling, Board member Vipps A, Chairman Eiendomsmegler 1 Midt Norge, Chairman Sparebank 1 Markets .
Vegard Helland	Executive director – Corporate Banking	Chairman of SpareBank 1 Finans Midt-Norge, SpareBank 1 Factoring, Conecto and SMB Lab. Board member of SpareBank 1 Markets, SpareBank 1 Portefølje, SpareBank 1 SMN Card Solutions and Mavi XV.  Joined SpareBank 1 SMN in 2003, and has focused primarily on major clients. Head of Corporate Banking since August 2010. Has chaired SpareBank 1 SMN's group credit committee since 2007.
Kjell Fordal	Executive director – Finance and Strategy	Chairman of SpareBank 1 Regnskapshuset SMN, SpareBank 1 SMN Pensjonskasse, SpareBank 1 Næringskreditt, SpareBank 1 Boligkreditt, SpareBank 1 SMN Invest, GMA Invest, Prøven Eiendom, BN Bolig and Trondhjems Turistforening. Board member of SpareBank 1 Markets, SpareBank 1 Kredittkort, BN Kreditt.
Nelly Maske	Executive director – Retail Banking and Organisation and Development	Board member of BN Bolig and Odin Forvaltning
Rolf Jarle Brøske	Executive director – Communications and Society	Chairman Spleis AS, board member Stiftelsen UNI, board member Nidarosdomens guttekor, board member Trøndelag Høyre, member of Trondheim council
Ola Neråsen	Executive director – Risk Management	Board member of Betr AS

As far as is known to SpareBank 1 SMN, no potential or actual conflicts of interest exist between any duties to SpareBank 1 SMN of the senior management and their private interests or other duties in respect of their management roles.

The business address for each of the persons listed under the senior management is the registered office of SpareBank SMN (Søndre gate 4, P.O. Box 4796 Sluppen, N-7467 Trondheim, Norway).



## **BUSINESS DESCRIPTION OF SPAREBANK 1 NORD-NORGE**

### **OVERVIEW**

SpareBank 1 Nord-Norge is the result of the merger of around 40 savings banks in Nordland, Troms and Finnmark. SpareBank 1 Nord-Norge has a comprehensive network of 38 branches from Helgeland in the south to Svalbard in the north.

SpareBank 1 Nord-Norge's history started with the establishment of Tromsø Sparebank in 1836. Many of the region's small savings banks merged in the 1960s and 1970s. The wave of mergers culminated in the establishment of Sparebanken Nord-Norge on 1 July 1989. In the early 1990s, Nordkapp Sparebank and Sparebanken Nordland also became part of SpareBank 1 Nord-Norge.

In 1996 SpareBank 1 Nord-Norge became part of the SpareBank 1 Alliance - a group of four regional banks. These banks collectively own SpareBank 1 Gruppen AS, which is a supplier of various financial products and services.

The SpareBank 1 Alliance and SpareBank 1 Gruppen AS have played a very important role in SpareBank 1 Nord-Norge growing into a solid, strong bank 'For Northern Norway', which is SpareBank 1 Nord Norge's vision.

SpareBank 1 Nord-Norge is a savings bank duly incorporated under the laws of Norway pursuant to the Financial Undertakings Act 2015 and registered with the Norwegian Registry of Business Enterprises with organisation number 952706365. The address of the registered office is Storgata 65, 9008 Tromsø (tel +47 77 6 22000).

### **BUSINESS STRATEGY**

SpareBank 1 Nord-Norge and its subsidiaries (the "SNN Group") hold a unique position in the region, enjoying customer relationships with almost half of the population and a powerful distribution system thanks to branches in 38 locations.

Our corporate vision is "For Northern Norway". This means that SpareBank 1 Nord-Norge wants to be known as being:

- The region's local bank
- A group that creates value in, and invests it back into, Northern Norway
- Close and competent - with decisions taken on a local level
- Financially sound, generous and people-oriented - rich in tradition, yet modern
- A driving force behind the development of Northern Norway – "we care about you!"

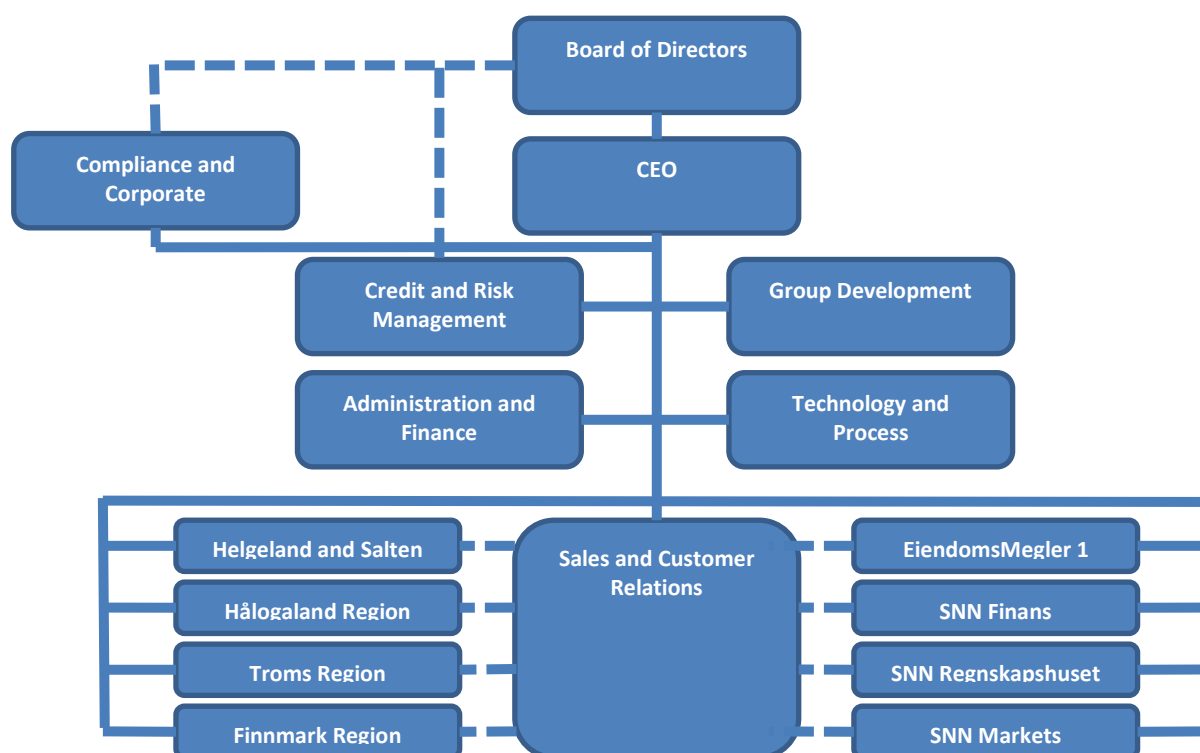
SpareBank 1 Nord-Norge provides comprehensive, modern financial solutions to customers based in the northern Norwegian market. SpareBank 1 Nord-Norge is an independent financial services group within the SpareBank 1 Alliance. Being part of a national alliance ensures effective technological development and competitive terms and conditions.

SpareBank 1 Nord-Norge aims to be a bank that renews itself for the benefit of the people and businesses in northern Norway. SpareBank 1 Nord-Norge's strategy is to be aggressive in the market and be thought of as a clear alternative to national and international competitors.

SpareBank 1 Nord-Norge is an attractive workplace with a corporate culture characterised by dynamic training, a will to win, and a willingness to work together towards a common goal. Its operations are based on strict requirements concerning integrity and business ethics.

SpareBank 1 Nord-Norge has two shareholder groups: 46.4 per cent. is owned via the Oslo Stock Exchange, while the North Norwegian community owns 53.6 per cent. This ownership model underpins the company's North Norwegian profile and strong position in the region, including through the allocation of dividends to the North Norwegian community.

SpareBank 1 Nord-Norges' administration structure is as follows:



## FINANCIAL OVERVIEW

The following is a discussion of the SNN Group's financial condition and results of operation as at 31 December 2018.

*Percentages in tables have been rounded and accordingly may not add up to 100 per cent. In addition, certain financial data has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Figures in parentheses refer to the corresponding period in 2017.*

- Pre-tax profit: NOK 1,920m (1,764m)
- Post-tax profit: NOK 1,542m (1,440m)
- CET1 capital ratio: 14.5 per cent (14.9 per cent)
- Lending growth: 7.9 per cent (6.1 per cent)
- Deposits growth: 10.6 per cent (7.4 per cent)

- Loan losses: NOK 22m (184m)

SpareBank 1 Nord-Norge has increased the net interest income from NOK 1,770 million in 2017 to NOK 1,896 million in 2018.

SpareBank 1 Nord-Norge is aiming to continue to increase its income through a broad range of products within areas other than traditional credit activities that involve no credit risk, such as savings, investments and insurance. In 2018, and 2017, the SNN Group's net commissions and other operating income accounted for 36% of total income excluding income from financials.

The SNN Group's net loan loss for 2018 amounted to NOK 22 million, down from NOK 183 million in 2017. The loss is distributed with NOK 3 million in the retail market and NOK 19 million in other losses.

SpareBank 1 Nord-Norge holds, at year end 2018 a CET-1 at 14.5 per cent., down from 14.9 per cent in 2017. The ratio corresponds to the targeted CET-1 solvency ratio at 14.5 per cent..

## **RISK AND CAPITAL MANAGEMENT**

For SpareBank 1 Nord-Norge it is important that external and internal reporting maintains a high level of quality. The SNN Group is dependent on a good reputation and trust among its customers, owners, the authorities and other business associates in order to be an attractive partner and a natural first choice. In order to achieve this, the SNN Group must have a clear and efficient structure for the division of responsibility and management.

SpareBank 1 Nord-Norge shall, at any given time, operate in accordance with the relevant laws, regulations and internal guidelines, including the Group's core values and ethical guidelines (SNN Code of Conduct).

SpareBank 1 Nord-Norge's risk and capital management should support the SNN Group's strategic development and achievement of targets, and at the same time ensure financial stability and proper asset management. This is to be achieved through:

- A strong organizational structure characterized by high risk management awareness.
- Striving towards an optimal application of capital within the adopted business strategy.
- Striving for an equal risk-adjusted return on customers over time within the adopted business strategy.
- Exploitation of synergy and diversification effects.
- Having sufficient core/subordinated capital according to the chosen risk profile.

The Group aims to ensure that the aggregated risk level is moderate and within the limits set by the Group's subordinated capital and other provisions. The Group's minimum goal is to maintain its current international rating in order to ensure a long-term ample supply of ordinary borrowing from the capital markets.

## **MAJOR SUBSIDIARIES**

**SpareBank 1 Finans Nord-Norge AS** is 100 per cent. owned by SpareBank 1 Nord-Norge and has business responsibilities for the product areas of leasing and secured financing, with Northern Norway as the primary market area. In addition, the company offers consumer financing. The company recorded a pre-tax result of NOK 175m in 2018 (7m). SpareBank 1 Finans Nord-Norges's results in 2017 were affected by losses on a single commitment..

**EiendomsMegler 1 Nord-Norge AS** is a member of a nationwide alliance with other real estate companies owned by SpareBank 1 banks. The company is 100 per cent. owned by SpareBank 1 Nord-Norge and carries

out real estate operations at 16 different locations in Northern Norway. The company delivered a pre-tax result of NOK 19m in 2018 (18m).

**SpareBank 1 Regnskapshuset Nord-Norge AS** is responsible for the operations in the fields of financial management and accounting. It recorded a pre-tax result of NOK 22m in 2018 (16m).

As part of the Group's greater focus on its core activities, this company's former business is being restructured/wound up. **SpareBank 1 Nord-Norge Portefølje AS** was nevertheless retained as a legal entity for legal and practical reasons. The object of the company is to "manage stakes owned by the SpareBank 1 Nord-Norge Group and business naturally associated with this". Parts of the business include managing ownership stakes that date from previous customer commitments in the Bank.

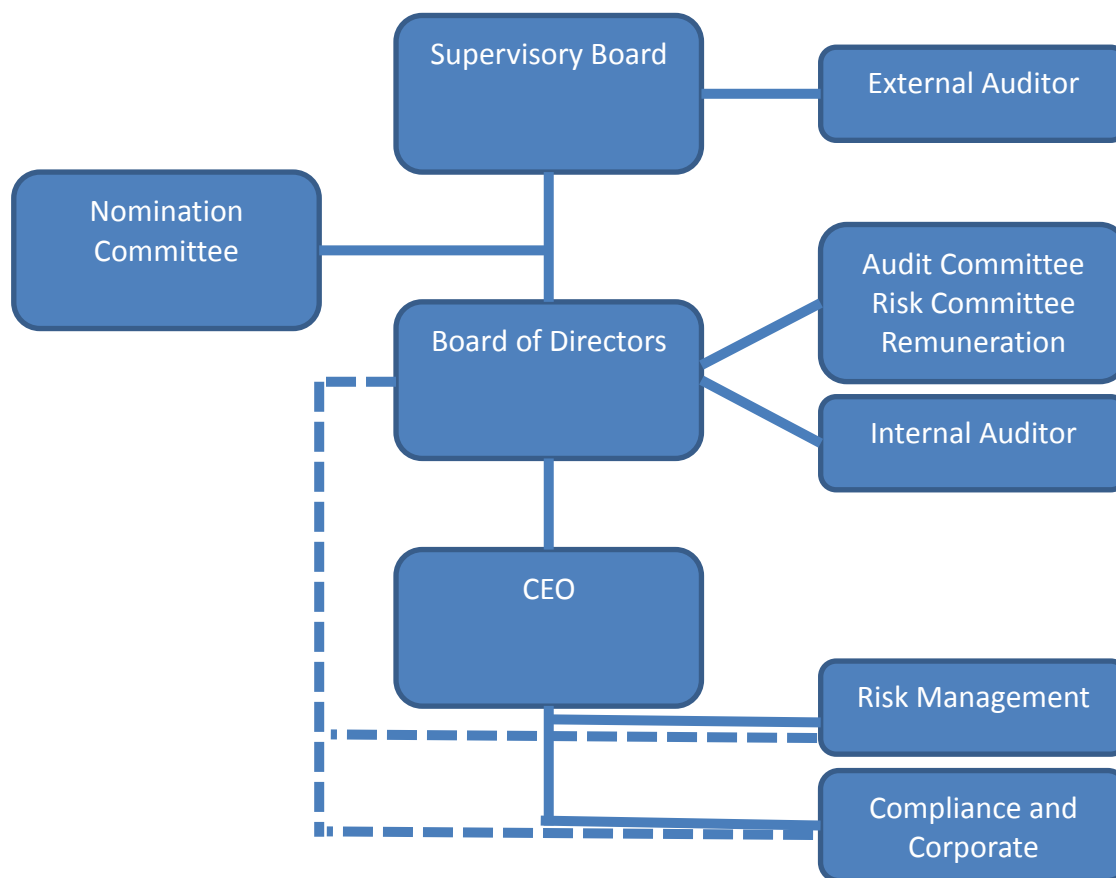
The market value of SpareBank 1 Nord-Norge Portefølje's investments was MNOK 21.3 as at 31.12.18, divided between MNOK 11.3 in equity investments and MNOK 10.0 in subordinated loans. The company's equity amounted to MNOK 12.5. Profit as at 31.12.2018 was MNOK -1 after tax.

The individual subsidiaries' results are presented in Note 16 to the interim financial statements.

The subsidiary Nord-Norge Eiendom IV and the underlying subsidiary Alsgården AS have been sold. A realised gain of NOK 6 million was then recognised in the third quarter of 2018.

## MANAGEMENT AND THE BOARD OF DIRECTORS

In accordance with the Financial Undertaking Act, SpareBank 1 Nord-Norge has a two-tier board structure consisting of a Supervisory Board and Board of Directors.



The Bank's management structure is based on the Bank's vision, established goals, strategies and core values. It is intended to ensure goal-oriented and independent management and control that covers all processes and

control measures implemented by the Bank's management to ensure effective business management and implementation of the Bank's strategies. A number of independent control bodies have been established that are intended to ensure that owners and other interested parties receive correct information about commercial and financial matters. The control bodies have different duties and purposes. The various bodies' general roles and responsibilities are defined by the law, regulations and the Articles of Association. Effective target-oriented management is a prerequisite for continuously measuring the Bank's strategic goal attainment. The Bank uses scorecards, rolling prognoses and the accounts as management tools. Accountability is ensured by clearly communicating business plans and agreed targets to the employees. This is operationalised through clearly defined roles, responsibilities and expectations, and managers who are responsible for achieving targets within the various areas of responsibility.

The following table sets out the members of the Supervisory Board of SpareBank 1 Nord-Norge:

<b>Members</b>	<b>Number of Equity Capital Certificates</b>	<b>Activities performed outside SpareBank 1 Nord-Norge</b>
Roar Dons (Chairman)	12,852	CEO Pellerin Utvikling AS
Kari Ann Olsen Lind (Deputy Chairman)	-	
Charlotte Ringkjøb	-	Attorney
Kim Daniel Arthur	-	Entrepreneur
Mona Abelsen	-	Business owner Mona Abelsen Store AS
Rita Myrvang	-	CEO
Marit Hætta Øverli		Artist
Johanne Marie Olaussen		Student
Bjørn-Ronald Olsen		CEO
Kjetil Fjellgaard		Finance and Personnel
Lisa Friborg		Head of operations
Kurt Jenssen	-	Deputy mayor/ Head of Operations
Beate Bø Nilsen	-	Market and communication manager
Synnøve Søndergaard	51	District Secretary
Kari Lene Olsen	-	CEO
Trond Mohn	2,124,024	CEO
Tom Rømer Svendsen	1,000	Financial Analyst
Håkon Løbach Willumsen	3,000	CEO
Ane Engel Røger	7,384	Associate

<b>Members</b>	<b>Number of Equity Capital Certificates</b>	<b>Activities performed outside SpareBank 1 Nord-Norge</b>
Linn Knudsen	2,132	Accounting
Kjell Kolbeinsen	11,046	Chairman
Erling Dalberg	-	CEO
Gry-Janne Rugås	27,483	CFO
Elin Wintervold	18,078	Goldsmith
Odd Erik Hansen	400,000	CEO
Sissel Ditlefsen	16,666	Optician
Marie M. Fangel	44,150	Craft artist
Lars Martin Lunde	2,584,322	CEO
Rigmor S. Berntsen		Self-employed
Birger Dahl	170,000	Chairman
Irina S. Møllersen	453	Employee SpareBank 1 Nord-Norge
Kjetil Ask Olsen	284	Employee SpareBank 1 Nord-Norge
Ann Kirsten Larsen	25,230	Employee SpareBank 1 Nord-Norge
Chris Magne Martinsen	475	Employee SpareBank 1 Nord-Norge
Ole Jørgen Ørjavik	11,037	Employee SpareBank 1 Nord-Norge
Hans Olav Gjøvik	3,752	Employee SpareBank 1 Nord-Norge
Tor Magne Oppheim	6,215	Employee SpareBank 1 Nord-Norge
Eivind Bergmo	26,532	Employee SpareBank 1 Nord-Norge
Dag Inge Lund	625	Employee SpareBank 1 Nord-Norge
Svein Borhaug	4,626	Employee SpareBank 1 Nord-Norge

The following table sets out the members of the Board of Directors of SpareBank 1 Nord-Norge as of 9 May 2018:

<b>Members</b>	<b>Number of Equity Capital Certificates</b>	<b>Current occupation</b>	<b>Other business activities</b>
Karl Erik Schjøtt-Pedersen (Chairman)	6,532	CEO at The Norwegian Oil and Gas Association	
Hans-Tore Bjerkaas (Deputy Chairman)	19,293		Polaris Media ASA (BM) and Ullevall Media Center (C)
Sonja Djønné	7,777	General manager at IT Partner	Askeladden Ressurssenter AS (BM), Helgelandssykehuset HF (BM), Meløy Kapital AS (BM), IT Partner Helgeland AS (C) and Clima AS (C)
Greger Mannsverk	20,996	CEO Gma Holding AS, Kimek AS, Kimek Eiendom AS, Kimek Holding AS, Kimek Offshore AS, Kimek Offshore Resources AS	Arctic Offshore AS (BM), Ballspark AS (BM), Barents Miljø AS (BM), Bugøynes Eiendom AS (BM), Kirkenes Maritime Park AS (BM), Kirkenesbase AS (BM), Mælen AS (BM), Nb Drift AS (BM), Neidenelven Eiendom AS (BM), Norway King Crab Holding AS (BM), Norway King Crab Production AS (BM), Norway Shrimp AS (BM), Pro Barents AS (BM), Sør-Varanger Turistutvikling AS (BM), Troika Seafood AS (BM), Sør-Varanger Invest AS (BM), Finnmarksrøya AS (C), Gt Finans AS (C), Gti Eiendom AS (C), Kirkenes Fish AS (C) and Maritime Industrial Cluster Kirkenes (BM), GT Holding AS, Norsk industry, GT Finans 2 AS
Ingvild Myhre	-	Partner at Rådgiverne LOS	Akershus Energi AS, Kongsberg Satellite Services AS, Dialog AS, Eidsiva Bredbånd AS, Eninvest AS, Home Control AS, IPCO AS, Istyrelsen AS, Mestringshusene AS; Medokk AS, Norlandia Health & Care Group AS, Nte Marked AS, Expert Analytics AS, Space Norway AS, Stiftelsen Nakuhel Norge Nasjonalt Senter for Natur – kultur – helse, Uroboros AS, Vardar AS, Videonor AS, Ice Group ASA, Nemko AS, NTNU Accel AS, Simula Research Laboratory AS, Stiftelsen Norsk Teknisk Museum, Velferdsfabrikken AS )
Kjersti Terese Stormo	861	Director at BE	Norske Havner, Sentrumsterminalen, Visit

<b>Members</b>	<b>Number of Equity Capital Certificates</b>	<b>Current occupation</b>	<b>Other business activities</b>
		Kraftsalg AS	Bodø
Vivi Ann Pedersen (employee representative)	24,230		
Kjetil Berntsen (employee representative)	571		

As far as is known to SpareBank 1 Nord-Norge, no potential or actual conflicts of interest exist between any duties to SpareBank 1 Nord-Norge of the Board of Directors and Supervisory Board and their private interests or other duties in respect of their management roles.

The business address for each of the persons listed under the Supervisory Board and Board of Directors is the registered office of SpareBank 1 Nord-Norge.

SpareBank 1 Nord-Norge's senior management

<b>Name</b>	<b>Position</b>
Petter Høiseth	Chief Executive Officer
Bengt Olsen	Chief Financial Officer
Geir Andreassen	Chief Technology Officer
Liv Bortne Ulriksen	Chief Risk Officer
Ronni Møller Pettersen	Chief Commercial Officer
Trond Hansen	Chief Regional Officer Finnmark
Christian Overvaag	Chief Regional Officer Troms
Lasse Hagerupsen	Chief Regional Officer Hålogaland
Trude Glad	Chief Regional Officer Helgeland and Salten

As far as is known to SpareBank 1 Nord-Norge, no potential or actual conflicts of interest exist between any duties to SpareBank 1 Nord-Norge of the senior management and their private interests or other duties in respect of their management roles.

The business address for each of the persons listed under the senior management is the registered office of SpareBank 1 Nord-Norge.



## **BUSINESS DESCRIPTION OF SPAREBANK 1 ØSTLANDET**

### **OVERVIEW**

SpareBank 1 Østlandet can trace its history back to 1845, when funds from local granaries, forest commons, local authorities and private individuals were pooled to found the first of the savings banks that later became Sparebanken Hedmark and then SpareBank 1 Østlandet.

The bank came into being through a series of mergers between formerly independent savings banks in the county of Hedmark. Altogether, 22 local savings banks have merged and evolved to become Hedmark's largest provider of external debt financing. Prior to 1 April 2017, the bank's name was Sparebanken Hedmark. It assumed its current name following the merger with Bank 1 Oslo Akershus AS ("B1OA") on 1 April 2017. The bank's head office is in Hamar, Norway.

In June 2006, SpareBank 1 Østlandet became part of the SpareBank 1 alliance. The alliance has been key in the development and offering of relevant products to the customers of SpareBank 1 Østlandet, enabling the combination of efficient operations and economies of scale with independent local banking operations.

In the autumn of 2011, the former Sparebanken Hedmark expanded into the neighboring county of Oppland with branches in the cities of Gjøvik and Lillehammer. In 2012, the bank also established a presence in the municipality of Nes in the county of Akershus by purchasing a local branch from B1OA.

In 2013, Sparebanken Hedmark acquired 40.5 per cent. of B1OA. In December 2015, Sparebanken Hedmark signed an agreement with the Norwegian Confederation of Trade Unions and related associations (collectively referred to as "LO") and the other SpareBank 1 banks to acquire the remaining shares in B1OA. The acquisition was completed in June 2016. Finally, the legal merger between Sparebanken Hedmark and B1OA was completed at 1 April 2017, and the combined bank assumed its current name SpareBank 1 Østlandet. With the expansion into Oslo and other parts of Akershus, SpareBank 1 Østlandet has become Norway's fourth largest savings bank group.

The technical merger of all IT-systems successfully completed the merger between the former Sparebanken Hedmark and the former Bank 1 Oslo Akershus AS during Q4-17 with the subsequent planned headcount reductions of support staffed also being completed.

SpareBank 1 Østlandet has, as at 31 December 2018, around 337,000 customers, 1,139 employees across 37 branches. Total assets were NOK 165 billion, including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

In the autumn of 2016, the Ministry of Finance gave its approval for SpareBank 1 Østlandet, as the first bank in Norway, to pay out annual customer dividends based on the Bank's profits. The first qualifying year started 1 January 2017, and first payout in April 2018.

SpareBank 1 Østlandet is a savings bank incorporated under the laws of Norway pursuant to Financial Undertakings Act 2015, and is registered with the Norwegian Registry of Business Enterprises with organization number 920 426 530. The address of its registered office is Strandgata 15, PO Box 203, N-2302 Hamar and the telephone number of its registered office is +47 915 02999. SpareBank 1 Østlandet is a credit institution licensed by the Ministry of Finance and supervised by the Norwegian FSA (FSAN).

### **BUSINESS STRATEGY**

SpareBank 1 Østlandet provides financial products and services to private individuals, businesses and the public sector in the eastern regions of Norway. As the leading financial group in the Inland region<sup>5</sup>, the group contributes to growth and development through financing individuals and companies. SpareBank 1 Østlandet also provides leasing, accounting and real estate brokerage services through its subsidiary

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<sup>5</sup> Source: Posisjonsundersøkelse 2015, TNS Gallup. Conducted H1-15

companies. With the acquisition of B1OA, SpareBank 1 Østlandet expanded its home market to include a larger part of Eastern Norway.

SpareBank 1 Østlandet's mission statement is "creating together". The overarching goal of SpareBank 1 Østlandet is to remain one of Norway's largest, most well-capitalized and profitable financial groups.

During 2017, SpareBank 1 Østlandet established a new strategic destination for the period 2018 to 2021. By the end of 2021:

- To be the third largest savings bank in Norway
- To have one of the most attractive equity certificates on Oslo Stock Exchange
- To be differentiated from the main competition and to have increased its market share
- To make banking easy for customers and employees
- To be the best in the alliance at cross-sales and have utilized the profitable potential in the Group
- To have established SpareBank 1 Østlandet as a bank with a distinct ethical and social guidance profile



## FINANCIAL OVERVIEW

The following provides an overview of the SpareBank 1 Østlandet Group's financial performance as at 31 December 2018.

*Percentages and certain financial data in the corresponding tables are rounded, and may not add up to 100 per cent. Figures in parentheses refer to the corresponding period in 2017.*

- Profit after tax: NOK 1,414 (1,263) million
- Earnings per EEC: NOK 8.46 (7.92)
- Net interest income: NOK 2,074 (1,956) million
- Net commissions and other operating income: NOK 1,286 (1,263) million
- Net income from financial assets and liabilities: NOK 291 (277) million
- Total operating expenses: NOK 1,881 (1,898) million
- Losses on loans and guarantees: Costs of NOK 35 million (reversals of NOK 20 million)
- CET1 capital ratio: 16.8 (16.8) per cent
- Leverage ratio: 7.5 (7.1) per cent
- LCR: 152.8 (114.0) per cent.

Sparebanken Hedmark and Bank 1 Oslo Akershus AS merged operations with effect from 1 April 2017.

In the fourth quarter of 2018, SpareBank 1 Østlandet carried out a private placement of 8,139,534 new equity certificates with gross proceeds of NOK 700 million, bringing the total numbers of equity capital certificates (ECC) as at 31 December 2018 to 115,319,521 with a ECC capital of NOK 5,765,976,050. Largest owners are Sparebankstiftelsen Hedmark and the Norwegian Confederation of Trade Unions (LO).

The lending growth inclusive of transferred loans to the covered bond companies, was NOK 10.6 (10.1) billion, equivalent to 8.2 (8.4) per cent.

Deposits from customers grew by NOK 5.5 (2.9) billion, equivalent to 8.4 (4.6) per cent. The high figures are due to the acquisition and consolidation of B1OA.

## **RISK AND CAPITAL MANAGEMENT**

SpareBank 1 Østlandet aims to maintain a low to moderate risk profile and to employ risk monitoring of such high quality that no single incident will seriously impair the bank's financial position. The risk profile has been set through risk statements for different risk areas and quantified through targets for rating, return on equity and regulatory capital adequacy.

SpareBank 1 Østlandet's risk management shall support the Bank's strategic development and the attainment of its goals. Risk management shall also ensure financial stability and satisfactory asset management. This is to be achieved by:

- A strong corporate culture characterized by high awareness of risk management
- A good understanding of which risks drive earnings
- Striving towards an optimal application of capital within the adopted business strategy
- Avoiding unexpected negative events that can seriously impair the Group's financial status

SpareBank 1 Østlandet's capital management needs to ensure:

- Effective funding and use of capital funds in relation to the Group's strategic goals and approved business strategy
- Competitive returns
- Satisfactory capital adequacy in relation to the Bank's chosen risk profile
- Competitive terms and good long-term access to funding in capital markets

- Exploitation of the growth opportunities in the Group's defined market area
- That no individual negative events can seriously harm the Group's financial status

Based on the strategic goals, a capital plan is drawn up each year for the following three years to ensure long-term and targeted capital management. The capital plan takes into account projections of the Group's financial development over the next three years. These projections are based on the expected developments in the period, as well as a situation with a serious economic downturn over a minimum of three years.

Based on the projections of the total capital requirements, the management and the Board make an overall assessment about whether the capital requirements are sufficient and adapted to SpareBank 1 Østlandet's current and future risk profile and strategic goals.

SpareBank 1 Østlandet aims to be the most well-capitalized regional savings bank, and therefore has a target for common equity (CET1) of 16 per cent.

## **SUBSIDIARIES**

### **EiendomsMegler 1 Hedmark Eiendom AS**

EiendomsMegler 1 Hedmark Eiendom AS is a part of the EiendomsMegler 1 Alliance, one of Norway's largest chain of real estate agents. The company has branches in all major cities and towns in Hedmark, as well as branches in Nes in Akershus and Gjøvik in Oppland. Most of the agencies are located together with the bank's branches in order to promote cooperation between the bank and real estate agencies in delivering relevant products to the customers of the group. The company has 11 branches and is the largest local real estate agent in its market area measured in the number of home sales. Profit after tax NOK 8 (10) million.

### **SpareBank 1 Finans Østlandet AS**

SpareBank 1 Finans Østlandet AS offers leasing and loan finance to the business sector, as well as unsecured loans for cars, motorcycles and caravans to private individuals. SpareBank 1 Østlandet is the majority shareholder (95 %), with SpareBank 1 Ringerike Hedeland as joint minority owner (5 %). The company has a presence in Oslo, Akershus, Østfold, Buskerud, Vestfold, Hedmark and Oppland. This has made the company a significant participant in the leasing and secured financing market in Eastern Norway. Profit after tax NOK 139 (118) million.

**TheVIT** (previously SpareBank 1 Regnskapshuset Østlandet AS) TheVIT provides services within finance, human resource, management consultancy and accounting, targeting small and medium-sized companies within production, trade, and farming. SpareBank 1 Østlandet owns 70.7 % of the shares. Profit after tax NOK -9 (-3) million.

### **EiendomsMegler 1 Oslo Akershus AS**

EiendomsMegler 1 Oslo Akershus AS is a wholly owned administration and settlement office for the group's real estate services in the Oslo and Akershus regions. The company supports and owns 100% of the real estate agency EiendomsMegler 1 Oslo AS. Most of the agencies are co-located with the bank's branches in the Oslo and Akershus regions, in order to promote cooperation between the bank and real estate agencies in delivering relevant products to the customers of the group. Profit after tax NOK 3 (-12) million.

### **Vato AS**

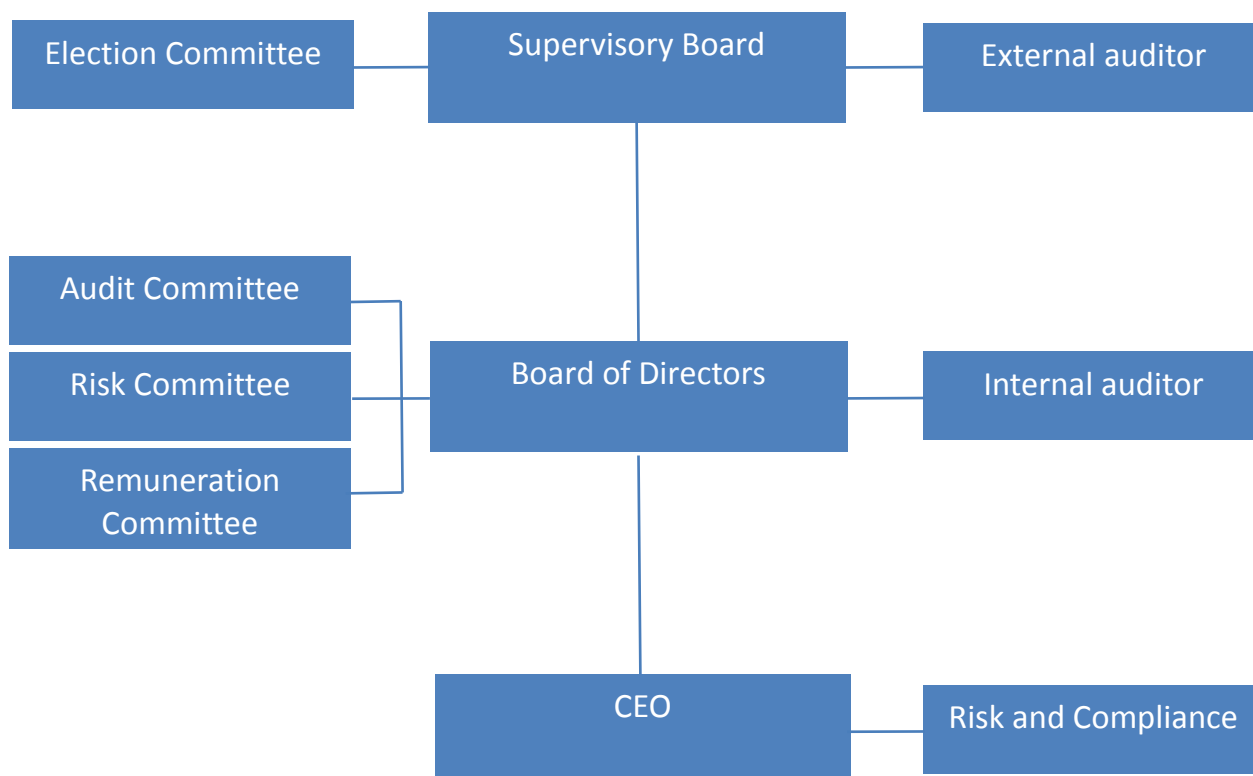
Vato AS is a property management company that was set up to manage some of SpareBank 1 Østlandet's office buildings in Hedmark County. The book value of the company is NOK 9 million.

## Youngstorget 5 AS

Youngstorget 5 AS is a Norwegian private limited liability company. The book value of the company is NOK 148 million.

### MANAGEMENT AND THE BOARD OF DIRECTORS

SpareBank 1 Østlandet's various management and control bodies have been established with respect to Norwegian legislation. The figure below shows an overview of the bank's management and control bodies.



The governance structure and the composition of the governing bodies of savings banks differs somewhat from those of limited liability companies, as the Financial Undertakings Act sets out the bodies which a savings bank must have – a supervisory board (also termed ‘committee of representatives’ or ‘board of trustees’) and a board of directors.

#### The Supervisory Board

As the bank's highest decision-making body, the Supervisory Board ensures that the bank operates in accordance with its objectives and in compliance with legislation and regulations.

The Supervisory Board has 40 members and 40 alternates with the following representation:

- 14 customers (depositors)
- 4 publically elected officials (Hedmark County Council)
- 12 equity certificate representatives
- 10 bank employees

The following is a list of the current members of the Supervisory Board (as of 28 March 2019).

<b>Name</b>	<b>Number of Equity Capital Certificates</b>	<b>Background</b>
Malin Westby Skoglund	-	Controller
Arne Udneseter	-	CEO
Brit Godtlun	512	Forest Manager
Siv Nytrøen Reiten	-	Head of Human Resources
Amund Spangen	-	Farmer
Ragnhild B. Abrante	-	Communication Adviser
Heidi Hemstad	-	CEO
Pål Jan Stokke	-	CEO
Bodil Helene Andersen	-	Accountant
Guro Oudenstad Strætkvern	-	Area Planning Manager
Martine J. Thorleifsson	-	Marketing Manager
Trine Hagelin		Nurse
Linda Aas	134	Accountant
Aslaug Marie Etterlid Ringstad	-	Sales Director
Dag Rønning	-	Farmer
Turid Backe-Viken	-	Marketing Manager
Ditte Marie Geisler Olsen	-	Shop Assistant
Per Roar Bredvold	-	Self Employed
Ken Wahlberg	3,055	Employee SpareBank 1 Østlandet
Øystein Bjørkli	641	Employee SpareBank 1 Østlandet
Aase Bergersen	1,025	Employee SpareBank 1 Østlandet
Liv Krokan Murud	3,055	Employee SpareBank 1 Østlandet
Per Skattum	3,055	Employee SpareBank 1 Østlandet
Catherine Norland	-	Employee SpareBank 1 Østlandet
Cato Edvardsen	-	Employee SpareBank 1 Østlandet
Anniken Wolf Joner	3,055	Employee SpareBank 1 Østlandet
Magnar Nybakk	3,055	Employee SpareBank 1 Østlandet
Ann Mari Melgård	-	Employee SpareBank 1 Østlandet

<b>Name</b>	<b>Number of Equity Capital Certificates</b>	<b>Background</b>
Arne Grunt	3,000	Retiree
Trond Hagerud	4,910	CEO
Hanne Elisabeth Sundby	292	CEO
Marianne Steenland	-	Veterinarian
Inge Storberg	3,300	Retiree
Roar Stormoen	1,282	Department Manager
Jan Gjerdrum	1,282	Self Employed
Marit Johnsrud	153	Lawyer
Olav Vold	2,472	Farmer
Eli Arnkværn Bryhni	1,282	CEO
Peggy Hessen Følsvik	-	Vice President
Tor-Arne Solbakken	-	Senior Adviser

### **Board of Directors**

According to its Articles of Association, the Board of Directors of SpareBank 1 Østlandet shall consist of 7 to 9 members. The Board of Directors is elected by the Supervisory Board based on the nomination of the electoral committee, except for the two employee representatives. Directors are elected for terms of up to two years. The Supervisory Board in separate electoral processes elects the chair and deputy chair.

The following table sets out the current members of the Board of Directors of SpareBank 1 Østlandet. In the following, the denominations “C” and “BM” indicates a position as chair of the Board of Directors and ordinary board member, respectively, and “CEO” and “CFO” indicate a position as Chief Executive Officer and Chief Financial Officer, respectively, in the relevant companies.

<b>Board of Directors</b>	<b>Number of Equity Capital Certificates</b>	<b>Current occupation</b>	<b>Other business activities</b>
<b>Siri Jarandsen Strømmevold (Chair)</b>	2,282	Managing director of Tynset Bokhandel	Feste NordØst AS (BM)
<b>Nina C. Lier (Deputy Chair)</b>	1,282	CFO of Sykehuset Innlandet	
<b>Alexander Sandberg Lund</b>	4,286	Lawyer, Partner Lawfirm CLP	Kamma AS (C) Advokatfirmaet Clp DA (C) Lekerøya Invest AS (C)

Board of Directors	Number of Equity Capital Certificates	Current occupation	Other business activities
<b>Guro Nina Vestvik</b>	346	Project Manager at ElverumsRegionens Næringsutvikling	Sparebanken Hedmark Sparebankstiftelsen (BM)
<b>Tore-Anstein Dobloug</b>		CEO Sparebankstiftelsen Hedmark	Karlstad Invest AS (CEO)
<b>Hans-Christian Gabrielsen</b>	0	LO (President)	Forskiningsstiftelsen FAFO (C) LO Partner AS (C) FAFO Institutt for Arbeidslivs- og Velferdsforskning AS (C) Tankesmien Agenda (BM)
<b>Espen Bjørklund Larsen</b>	1,602	Principal union representative at SpareBank 1 Østlandet AS	Sparebank 1 Banksamarbeidet DA (BM)
<b>Vibeke Hanvold Larsen</b>	1,602	Union representative at the Customer service center at SpareBank 1 Østlandet AS	

The business address for each of the persons listed under the Supervisory Board and Board of Directors is the registered office of SpareBank 1 Østlandet.

As far as is known to SpareBank 1 Østlandet, no potential conflicts of interest exist between any duties to SpareBank 1 Østlandet of the Board of Directors and Supervisory Board and their private interests or other duties in respect of their management roles.

### Group management

SpareBank 1 Østlandet's senior management is as follows:

Name	Number of Equity Capital Certificates	Position	Served since	Activities performed outside SpareBank 1 Østlandet
Richard Heiberg	87,538	Chief Executive Officer	2010	Richard Heiberg Invest AS (C) SpareBank 1 Gruppen AS (BM) SpareBank 1 Banksamarbeidet AS (BM)



Name	Number of Equity Capital Certificates	Position	Served since	Activities performed outside SpareBank 1 Østlandet
				Fremtind Forsikring AS (DC)
Geir-Egil Bolstad	18,769	Chief Financial Officer	2016	SpareBank 1 Boligkreditt AS (DC) SpareBank 1 Næringskreditt AS (BM) SpareBank 1 Markets AS (BM) SpareBank 1 Finans Østlandet AS (D) Modhi Finance (BM)
Dag-Arne Hoberg	5,884	Head of Innovation and Business Development	2017	SpareBank 1 Betaling AS (BM) Askelab AS (BM) Eiendomsmegler 1 Hedmark Eiendom AS (BM)
Elin B. Ørbæk	1,602	Acting Chief Operating Officer	2018	Askelab AS (BM)
Vidar Nordheim	3,885	Chief Risk and Compliance Officer	2006	Vidar Nordheim (owner) Betr AS (BM)
Siv Stenseth	3,055	Head of Communication	2003	
Eldar Kjendlie	5,564	Head of HR and Legal	2002	SpareBank 1 Østlandet Vit AS (C) TheVIT (C) SpareBank 1 Finans Østlandet (BM) Sparebanken Hedmark Pensjonskasse (BM)
Hans Olav Wedvik	3,055	Head of Corporate Banking	2016	SpareBank 1 Finans Østlandet AS (C) SpareBank 1 Østlandet VIT AS (BM) TheVIT (BM) SpareBank 1 Factoring AS (BM) Conecto AS (BM)
Kari Elise Gisnås	3,055	Head of Personal Banking	2009	Eiendomsmegler 1 Hedmark Eiendom AS (C) Eiendomsmegler 1 Oslo AS (C) Eiendomsmegler 1 Oslo Akershus AS (C) VN Norge AS (DC) SpareBank 1 Kredittkort AS (BM)
Espen Mejlænder-Larsen	4,978	Head of Organizations and Capital Markets	2017	LO Favør AS (C) Oslo Kongressenter Folkets Hus AS (BM)

The business address for each of the persons listed under the senior management is the registered office of SpareBank 1 Østlandet.

As far as is known to SpareBank 1 Østlandet, no potential or actual conflicts of interest exist between any duties to SpareBank 1 Østlandet of the senior management and their private interests or other duties in respect of their management roles.

## **TAXATION**

The following is a general description of certain 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 in which they are resident for tax purposes and the tax laws of Norway and Luxembourg in respect of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

### **Norwegian Taxation**

#### *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. Such tax liability may be modified through an applicable tax treaty.

In October 2015 the Norwegian government issued a white paper describing a tax reform for the period 2016-2018, which includes a proposal to introduce withholding tax on interest payments from Norway. It is expected that the proposal will be further detailed and subject to a hearing in the near future.

#### *Taxation of Capital Gains*

A non-resident holder of Notes is not taxed 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. 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. Such tax liability may be modified through an applicable tax treaty.

#### *Transfer Tax*

There is currently no Norwegian transfer tax on the transfer of Notes.

### **Luxembourg Taxation**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

(i) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the “Relibi Law”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident in Luxembourg will be subject to a withholding tax of currently 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20 per cent.

### **The proposed financial transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common 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 Commission’s Proposal has very broad scope and could, if introduced, 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 the Commission’s Proposal 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 the participating Member States. 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.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) 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 may be 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as 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 Notes, 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 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are 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—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 Notes, 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 Notes.

## SUBSCRIPTION AND SALE

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 17 June 2019, agreed with each Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, each 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.

### *United States*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, if Category 2 is specified in the Final Terms, to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form 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 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

If Category 2 is specified in the Final Terms 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 deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, 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 except in accordance with Regulation S of the Securities Act. 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 under the Securities Act.

Accordingly, if Category 1 is specified in the Final Terms the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, 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 relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

## *Public Offer Selling Restriction under the Prospectus Directive*

### *Prohibition of sales to EEA Retail Investors*

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA 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 the Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) 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 2002/92/EC (as amended or superseded, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “Prospectus Directive”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive (and, in the case of investors in Norway capable of classification as qualified investors pursuant to the Prospectus Directive art. 2(e)(iii), who pursuant to the Securities Trading Regulation section 7-1(2) has opted to be classified as a qualified investor by registering as a “professional investor” (in Norwegian, a *profesjonell investor*) with the Financial Supervisory Authority of Norway);
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

#### *United Kingdom*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 relevant Issuer;
- (b) 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 relevant Issuer; and
- (c) 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 “FIEA”) and 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 or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### *Norway*

Each Dealer has represented and agreed 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 has been filed with the Financial Supervisory Authority of Norway, it will not, directly or indirectly, offer or sell any Notes in Norway or to residents of Norway except:

- (i) 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;



- (ii) to “professional investors” as defined in Section 10-6 in the Norwegian Trading Act of 29 June 2007;
- (iii) 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; or
- (iv) 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 of 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*) unless (i) the Notes are denominated in NOK and offered and 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.

### *Belgium*

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “Belgian Consumer”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### *General*

Each Dealer has agreed, 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 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 any of the Issuers nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers or 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 relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Sparebanken Midt-Norge dated 17 December 2003, Sparebanken Nord-Norge dated 19 March 2001 and Sparebanken Rogaland dated 18 December 2003.

The update of the Programme has been duly authorised by a resolution of the Board of Directors of SpareBank 1 SMN dated 6 February 2019, the Board of Directors of SpareBank 1 Nord-Norge dated 13 December 2018 and SpareBank 1 Østlandet dated 14 December 2018.

### Approval, 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 Notes issued under the Programme 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 the Markets in Financial Instruments Directive (Directive 2014/65/EU).

### Documents Available

As long as Notes issued under the programme are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, copies of the following documents will, when published, be available from the registered office of each Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (a) the constitutional documents (with an English translation thereof) of each Issuer;
- (b) the audited consolidated and non-consolidated financial statements of each Issuer in respect of the financial years ended 31 December 2017 and 2018 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;
- (c) the most recently published audited consolidated and non-consolidated annual financial statements of each Issuer, in each case together with the audit reports prepared in connection therewith and the most recently published unaudited consolidated financial statements for the quarterly period ended 31 March 2019 of each Issuer (with an English translation thereof);
- (d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Prospectus;
- (f) any future prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Each of the Issuers currently prepares audited consolidated and non-consolidated accounts on an annual basis.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

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.

### **Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Yield**

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of any of the Issuers since 31 March 2019 and there has been no material adverse change in the financial position or prospects of any of the Issuers since 31 December 2018.

### **Litigation**

None of the Issuers are or have been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any of the Issuers are 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 any of the Issuers.

### **Auditors**

As at the date of this Prospectus, the auditors of SpareBank 1 SMN are PricewaterhouseCoopers AS, whose audit partners are members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*). The previous auditors of SpareBank 1 SMN were Deloitte AS, which are members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*), who have audited both SpareBank 1 SMN's consolidated and non-consolidated accounts, without qualification, in accordance with generally accepted auditing standards in the Kingdom of Norway for each of the two financial years ended on 31 December 2017 and 31 December 2018 respectively. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the non-consolidated accounts. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the consolidated accounts.

The auditors of SpareBank 1 Nord-Norge are KPMG AS, whose partners are members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*), who have audited both SpareBank 1 Nord-Norge's consolidated and non-consolidated accounts, without qualification, in accordance with the

laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing for each of the two financial years ended on 31 December 2017 and 31 December 2018 respectively. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the consolidated and non-consolidated accounts.

The auditors of SpareBank 1 Østlandet are PricewaterhouseCoopers AS, whose audit partners are members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*), who have audited both SpareBank 1 Østlandet's consolidated and non-consolidated financial statements in accordance with generally accepted auditing standards in the Kingdom of Norway for each of the two financial years ended 31 December 2017 and 31 December 2018 respectively. The regulations of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the non-consolidated accounts. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the consolidated accounts.

### **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 other services for the Issuers and their 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 Issuers or Issuers' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers 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.

## THE ISSUERS

### **SpareBank 1 SMN**

Søndre gt 4  
N-7467 Trondheim  
Norway

### **SpareBank 1 Nord-Norge**

Storg 65  
N-9008 Tromsø  
Norway

### **SpareBank 1 Østlandet**

Strandgata 15  
2317 Hamar  
Norway

## DEALERS

### **BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

### **BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

### **Commerzbank Aktiengesellschaft**

Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

### **DekaBank Deutsche Girozentrale**

Mainzer Landstrasse 16  
60325 Frankfurt am Main  
Federal Republic of Germany

### **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  
Federal Republic of Germany

### **Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

### **UBS Europe SE**

Bockenheimer Landstraße 2-4,  
60306 Frankfurt am Main  
Federal Republic of Germany

## ISSUING AND PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch  
Citigroup Centre, Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

## PAYING AGENT AND LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg SA  
69, route d'Esch  
L - 2953 Luxembourg

## LEGAL ADVISERS

*To the Issuers as to Norwegian law*

**Advokatfirmaet BAHR AS**

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N-0117 Oslo

Norway

*To the Dealers as to English law*

**Allen & Overy LLP**

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## AUDITORS

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