

# SR-Boligkreditt

Subsidiary of SpareBank 1 SR-Bank

## SR-BOLIGKREDITT AS

(incorporated with limited liability in Norway with registration number 915 174 388)

**€10,000,000,000**

## **Euro Medium Term Covered Note Programme**

This Supplement dated 19 September 2019 (the **"Supplement"**) to the Base Prospectus dated 13 June 2019 (the **"Prospectus"**) constitutes a prospectus supplement for the purposes of Article 13.1 of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the **"Luxembourg Law"**) and is prepared in connection with the €10,000,000,000 Euro Medium Term Covered Note Programme (the **"Programme"**) established by SR-Boligkreditt AS (the **"Issuer"**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best knowledge of the Issuer (which has taken reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is filed for approval by the *Commission de Surveillance du Secteur Financier* (the **"CSSF"**). The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of Article 7.7 of the Luxembourg Law.

### **Purpose of this Supplement**

The purpose of this Supplement is to:

- (a) update the use of proceeds disclosure in the Prospectus to reflect the application of the proceeds of Green Notes;
- (b) update the risk factors in respect of any such application of the proceeds of such Green Notes;
- (c) update Part B of the form of applicable final terms to include a "Reasons for the Offer" section;
- (d) incorporate by reference into the Prospectus, the pages indicated in the cross-reference table below of the Issuer's unaudited interim financial statements for the period from 1 January 2019 to 30 June 2019 (the **"Interim Report"**);
- (e) update the statement of no significant change in respect of the Issuer.

### **Update to Use of Proceeds**

By virtue of this Supplement, the section of the Base Prospectus entitled "Use of Proceeds" on page 35 shall be deemed deleted and replaced by the following:

"The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. In addition, where the "Reasons for the Offer" in Part B of the applicable Final Terms are stated to be for

"green" purposes as described in this "Use of Proceeds" section (the "**Green Notes**"), the net proceeds from each such issue of Green Notes will be used as so described.

The Issuer intends to allocate the net proceeds of the Green Notes to a loan portfolio of new and existing mortgages for energy efficient residential buildings in Norway (the "**Eligible Green Loans**").

The Issuer has relied on the support of an external green real estate consultant Multiconsult ASA to define the associated eligibility criteria which are further described in the SR-Boligkreditt Green Note Framework (September 2019) published on its website <https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/gjeldsinvestorer/SR-BankGreenBondFramework092019.pdf> (including, as amended, supplemented, restated or otherwise updated on such website from time to time, the "**Green Note Framework**"). The information on the website does not form part of the supplement and has not been scrutinised or approved by the competent authority.

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

The Issuer intends to allocate the proceeds from the Green Notes to a portfolio of loans that meet the use of proceeds eligibility criteria and in accordance with the evaluation and selection process presented above and in the Green Note Framework (the "**Eligible Green Loan Portfolio**").

The Issuer will strive to achieve a level of allocation for the Eligible Green Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Notes. Eligible Green Loans will be added to or removed from the Issuer's Eligible Green Loan Portfolio to the extent required.

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

The Issuer intends to make and keep readily available green note allocation and impact reporting after a year from the issuance, to be renewed annually until full allocation (the "**Allocation Report**") and it has appointed a specialised green consultant Multiconsult ASA to develop the methodology for the estimation and calculation of impacts (the "**Impact Report**"). Both the Allocation Report and the Impact Report will be available on the Issuer's website.

The Issuer intends to align the reporting with the portfolio approach described in "*Green Notes- working towards a Harmonised Framework for Impact Reporting (June 2019)*" (available at <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>). The information on the website does not form part of the supplement and has not been scrutinised or approved by the competent authority.

The Issuer will obtain an independent verification assessment to confirm the validity of the Issuer's Green Note Framework. The independent verification report will be published on the Issuer's website.

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

The Issuer has the intention to obtain an accreditation certificate from Climate Bonds Initiative for Green Note issues.

Neither the Green Note Framework, nor any of the above reports, verification assessments or contents of any of the above websites are incorporated in or form part of this Base Prospectus."

## **Update to Risk Factors**

By virtue of this Supplement, a new risk factor shall be inserted at the end of the section of the Base Prospectus entitled “Risk Factors – Risks related to the structure of a particular issue of Notes” on page 6 as follows:

**The application of the net proceeds of Green Notes as described in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria**

It is the Issuer’s intention to apply an amount equal to the proceeds from the offer of the Green Notes specifically for Eligible Green Loans (as defined under “Use of Proceeds” below).

Eligible Green Loans will be included in the Issuer’s cover pool along with other mortgage loans that are not Eligible Green Loans. Consequently, prospective investors in the Green Notes will have a claim against the entire cover pool without a preferential claim on the Eligible Green Loans over and above other investors, and all Green Notes will from time to time rank *pari passu* with each other and with any other Notes which may have been issued by the Issuer.

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

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”, “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green”, “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Loans will meet any or all investor expectations regarding such “green” or other equivalently-labelled performance objectives.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green Notes and in particular with any Eligible Green Loans to fulfil any environmental, sustainability and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

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

In the event that any Green 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 Issuer, the Ordinary Note Arranger, the VPS

Note Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any projects or uses, the subject of or related to, any Eligible Green Loans. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Notes.

While it is the intention of the Issuer to apply the proceeds of the Green Notes for Eligible Green Loans in, or substantially in, the manner described in "Use of Proceeds", there can be no assurance that the Issuer will be able to do this.

Any such event or failure to apply the proceeds of the issue of Green Notes for any Eligible Green Loans as aforesaid and/or withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Green 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 Green Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose."

#### **Update to Form of Applicable Final Terms**

By virtue of this Supplement, a new section 7 shall be inserted at the end of the section of the Base Prospectus entitled "Part B – Other Information" on page 64 as follows:

#### **7 REASONS FOR THE OFFER**

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|-----|-----------------------|--|
| (i) | Reason for the offer: | [General corporate purposes] / [As fully described in the Green Note Framework, an amount equal to the net proceeds of the Green Notes will be allocated to fund a loan portfolio of new and existing mortgages for energy efficient residential buildings in Norway. All relevant information can be found on the Issuer's dedicated website at: [●]] |
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#### **Incorporation of Information by Reference into the Prospectus**

##### *Interim Report for Q2 2019*

On 7 August 2019, the Issuer published the Interim Report. A copy of the Interim Report has been filed with the CSSF for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law and, by virtue of this Supplement, certain pages of the Interim Report are incorporated by reference in, and form part of, the Prospectus. Please note that only certain parts of the Interim Report are incorporated by reference in the Prospectus. The parts of the Interim Report which are not incorporated by reference in the Prospectus or are either not relevant for investors or covered elsewhere in the Prospectus.

The Interim Report is to be read in conjunction with the cross-reference table in the section below entitled "Cross-reference table relating to the Interim Report".

##### *Cross-reference table relating to the Interim Report*

Document incorporated by reference	Information incorporated by reference	Page reference
SR-Boligkreditt AS's interim financial report for the period from 1 January 2019 to 30 June 2019	1 Statement of the Board of Directors	3
	2 Statement pursuant to the Securities Trading Act	3
	3 Income Statement	4
	4 Balance Sheet	5
	5 Statement of changes in equity	6
	6 Cash flow Statement	7
	7 Notes to the Financial Statements	8- 14 (inclusive)
	8 Contact information of the Issuer and the CEO	15

### Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 June 2019. This statement amends the no significant change statement on page 138 of the Prospectus, which reads as follows “...there has been no significant change in the financial or trading position of the Issuer since 31 March 2019”.

### General

Copies of all documents incorporated by reference in the Prospectus will, when published, be available from the registered office of the Issuer and from the specified offices of the Paying Agents on pages 140 and 141 of the Prospectus for the time being in London and in Luxembourg.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

If the document which is incorporated by reference to this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or where this Supplement is specifically defined as including such information.

This Supplement and the document incorporated by reference to it will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).