SR-BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€10,000,000,000

Euro Medium Term Covered Note Programme

Under this €10 billion Euro Medium Term Covered Note Programme (the "Programme") SR-Boligkreditt AS (the "Issuer") may from time to time issue notes in the form of covered bonds issued in accordance with Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II and appurtenant regulations (the"Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

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

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

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

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

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

This Base Prospectus has been approved by the CSSF as competent authority under the Luxembourg Prospectus Law and Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation in relation to the Ordinary Notes. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

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

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Ordinary Notes*" (the "Ordinary Note Conditions") and "*Terms and Conditions of the VPS Notes*" (the "VPS Conditions" which, when taken together with the Ordinary Note Conditions, are referred to as the "Conditions")) of Notes will be set out in a final terms document (the "Final Terms") which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF and with respect to Notes to be listed on any other stock exchange or market will be delivered to such other stock exchange or market, on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the Luxembourg Stock Exchange's website. (www.bourse.lu).

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

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

Application may be made at a future date under this Base Prospectus for the Notes to 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 Issuer, the Ordinary Note Arranger or the VPS Note Arranger (as applicable) and the relevant Dealers.

The Notes issued under the Programme are expected on issue to be assigned an "Aaa" rating by Moody's Investors Service Limited ("Moody's"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 (as amended) on credit rating agencies (the "CRA Regulation") as having been issued by Moody's. As of the date of this Base Prospectus, Moody's is a credit rating agency established in the United Kingdom and is registered under the CRA Regulation.

The date of this Base Prospectus is 10 June 2020.

Ordinary Note Arranger

J.P. Morgan

VPS Note Arranger

Sparebank 1 SR-Bank ASA

Dealers (in respect of the Ordinary Notes only)

J.P. Morgan
Commerzbank
HSBC
Natixis
Landesbank Baden-Württemberg
Société Générale Corporate & Investment Banking
UniCredit Bank

IMPORTANT NOTICE

This document comprises a base prospectus (the "Base Prospectus") for the purposes of Article 8 of the Prospectus Regulation. This Base Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision or order under the Securities Act.

The VPS Note Arranger is the only party appointed as dealer for the VPS Notes. The Ordinary Note Arranger and the Dealers have not been involved in the structuring of the VPS Notes and will not participate in any issuances of the VPS Notes. Therefore they do not accept responsibility or liability in connection with the VPS Notes (in particular, for any subscriptions to the VPS Notes under the Programme and/or any issuance or underwriting thereof).

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

An investment in the Notes involves a reliance on the creditworthiness of the Issuer only and not that of any other entities. The Notes will not be obligations of, and will not be guaranteed by Sparebank 1 SR-Bank ASA ("SR-Bank") or any member of the Sparebank 1 SR-Bank ASA Group (the "SR-Bank Group"), the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, the Swap Providers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, the Swap Providers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

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

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

The Ordinary Note Arranger, the VPS Note Arranger and the Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Ordinary Note Arranger or the VPS Note Arranger as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Dealers, the Ordinary Note Arranger nor the VPS Note Arranger accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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

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

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

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

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

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

All references in this document to "U.S. dollars" and "U.S.$" refer to United States dollars and to "NOK" refer to Norwegian Kroner. In addition, all references to "Sterling" and "£" refer to pounds sterling and to "euro" and "€" refer to euro.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Ordinary Note Arranger, the VPS Note Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Ordinary Note Arranger, the VPS Note Arranger or the Dealers which would permit a public offering of any Notes outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform

themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Norway), the United Kingdom Japan and Singapore, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Amounts payable under the Notes may be calculated by reference to €STR, LIBOR, EURIBOR, NIBOR, EONIA or STIBOR, each as defined in the Conditions provided by European Central Bank (as administrator of €STR), ICE Benchmark Administration Limited (as administrator of LIBOR), European Money Markets Institute (as administrator of EURIBOR and EONIA), Norske Finansielle Referanser AS (as administrator of NIBOR) and Swedish Financial Benchmark Facility (as administrator of STIBOR). As at the date of this Prospectus ICE Benchmark Administration Limited and European Money Markets Institute, as administrator of EURIBOR and EONIA appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR").

As far as the Issuer is aware, the European Central Bank as administrator of €STR is not required to be registered by virtue of Article 2 of the BMR and the transitional provisions in Article 51 of the BMR apply such that Norske Finansielle Referanser AS (as administrator of NIBOR) and Swedish Financial Benchmark Facility (as administrator of STIBOR) are not currently required to obtain authorisation or registration (or, if located outside the United Kingdom or European Union, recognition, endorsement or equivalence).

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

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

MiFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MIFID II product governance / Professional investors and ECPs only target market" 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 the appropriate distribution channels.

A determination will be made in relation to each issue on whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes. 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. The Notes may not be a suitable investment for all investors

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

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

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

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

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

(v) understand that an investment in the Notes involves a reliance on the creditworthiness of the Issuer only and not that of any other SR-Bank Group entities or any other entities; and

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

In addition, an investment in Notes linked to other assets or bases of reference may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out below in "*Risks related to the structure of a particular issue of Notes*".

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

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

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GENERAL DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Ordinary Notes" and "Terms and Conditions of the VPS Notes" shall have the same meanings in this section.

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

Issuer:	SR-Boligkreditt AS The Issuer is a private limited liability company. The Issuer was incorporated in Norway on 17 March 2015 with registration number 915 174 388. The Issuer holds a licence from the Financial Supervisory Authority of Norway (*Finanstilsynet*) ("FSAN") as a credit institution ("Kredittforetak"). For a more detailed description of the Issuer, see "*Description of the Issuer's Business" and "Management of the Issuer*" below.
Website:	The website of the Issuer is https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/sr-boligkreditt.html Neither the website of the Issuer nor any other website referred to in this Base Prospectus forms part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus
Issuer Legal Entity Identifier ("LEI")	5493005EFLOPQ4K0ZF42
Originator:	Sparebank 1 SR-Bank ASA
Description:	Euro Medium Term Covered Note Programme
Ordinary Note Arranger:	J.P. Morgan Securities plc
VPS Note Arranger	SpareBank 1 SR-Bank ASA
Dealers:	J.P. Morgan Securities plc Commerzbank Aktiengesellschaft HSBC Bank plc Landesbank Baden-Württemberg Natixis Société Générale UniCredit Bank AG (in respect of the Ordinary Notes only) and any other Dealers appointed in accordance with the Programme Agreement. Notes may also be issued to third parties.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or

	reporting requirements apply will only be issued from time to time in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus.
Notes having a maturity of less than one year:	Notes having a maturity of less than one year will, if the issue proceeds are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale and Transfer and Selling Restrictions*". Money market instruments having a maturity at issue of less than 12 months will not be issued under this Base Prospectus.
Registrar:	Citigroup Global Markets Europe AG
Principal Paying Agent and Paying Agent:	Citibank, N.A., London Branch is the Principal Paying Agent. Banque Internationale à Luxembourg, *société anonyme* is a Paying Agent located in Luxembourg.
Transfer Agent:	Citibank, N.A., London Branch
Calculation Agent:	Citibank, N.A., London Branch
VPS Agent (in the case of VPS Notes):	SpareBank 1 SR-Bank ASA
VPS Trustee (in the case of VPS Notes):	Nordic Trustee AS
Programme Size:	Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in Euro, Norwegian Kroner, U.S. dollars, sterling, Swedish Kroner and, subject to any applicable legal or regulatory restrictions and any applicable requirements, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations or directives applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:	The Notes may be issued in bearer form (in the case of Bearer Notes); registered form (in the case of Registered Notes); or in uncertificated book entry form (in the case of VPS Notes); as described in "*Form of the Notes*". Each Registered Note will be deposited on or around the relevant Issue Date with a common depositary or, where specified in the relevant Final Terms to be held under the new safekeeping structure ("NSS"), with a common safekeeper, as the case may be for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Bearer Note will on issue be represented by a Temporary Global Note which will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. Each Bearer Note (i) will either be issued in new global note form, as specified in the relevant Final Terms, and will be deposited on or around the relevant Issue Date with a common safekeeper for the International Central Securities Depositaries or (ii) will not be issued in new global note form, as specified in the relevant Final Terms, and will be deposited on or around the relevant Issue Date with a common depositary for the International Central Securities Depositaries. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by crediting of VPS Notes to accounts with the VPS. Registered Global Notes will be exchangeable for Registered Definitive Notes in the limited circumstances set out in the Form of Notes below. Bearer Global Notes will be exchangeable for Bearer Definitive Notes in the limited circumstances set out in the Form of Notes below.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates, and will be calculated on the basis of such Day Count Fraction, as specified in the applicable Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined in the manner specified in the applicable Final Terms. The margin (if any) relating to such Floating Rate Notes will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes (as indicated in the applicable Final Terms).
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate or a minimum interest rate or both (as indicated in the applicable Final Terms).

	Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Benchmark Discontinuation:	In the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 3(d).
Redemption:	The relevant Maturity Dates and Extended Final Maturity Dates are indicated in the applicable Final Terms. 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.
Optional Redemption:	Early redemption of the Notes will only be permitted to the extent specified in the applicable Final Terms and subject to applicable laws and regulations.
Extendable Obligation:	The applicable Final Terms may also provide that the Issuer's obligations to pay the Final Redemption Amount of the applicable Series of Notes on their Maturity Date shall be deferred until the Extended Final Maturity Date (as defined under "*Terms and Conditions of the Ordinary Notes*" and "*Terms and Conditions of the VPS Notes*"), provided that any amount representing the amount due on the Maturity Date as set out in the applicable Final Terms (the "Final Redemption Amount") due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Such deferral will occur automatically if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Notes on their Maturity Date. Interest will continue to accrue on any unpaid amount and will be payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Extended Final Maturity Date.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central

	bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions — Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or the United Kingdom or offered to the public in a Member State of the European Economic Area or the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation 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, unless required by law, in which case, subject to certain exceptions, such additional amounts will also be paid as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no withholding or deduction been required.
Status of the Notes:	The Notes are issued on an unconditional and unsubordinated basis and in accordance with the Norwegian Act on Financial Undertakings and Financial Groups of 10 April 2015 No 17 (*lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven*)) (the "Act") and the Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups (*forskrift 9. desember 2016 nr. 1502 om finansforetak og finanskonsern (finansforetaksforskriften))* (the "Regulations"). The Notes and any other securities issued by the Issuer under this Programme (the "Notes"), together with the Issuer's obligations under the Swaps (as defined in the Ordinary Note Conditions or in the VPS Conditions, as applicable) and any other derivative instruments entered into by the Issuer and included in the Cover Pool (the "Covered Bond Swaps"), have, according to the Act, an exclusive, equal and pro rata prioritised claim against a cover pool of certain registered eligible assets (the "Cover Pool") upon public administration of the Issuer. From time to time the Issuer may establish separate cover pools of assets to secure other securities issued by the Issuer. The holders of the Notes issued under this Programme shall not have a preferential claim in respect of any such other cover pools. See also "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)*" below.
Activities:	The Issuer will restrict its activities in accordance with Norwegian legislation and its licence.
Overcollateralisation:	Pursuant to the terms of the Act, the Issuer is required to ensure that the prudent market value of the assets in a Cover Pool shall

	at all times exceed the value of the covered bonds with a preferential claim against the relevant Cover Pool (derivative contracts taken into account) ("Overcollateralisation"). A higher level of Overcollateralisation may be set through regulations passed by the Ministry of Finance under the Act. Pursuant to the Regulations the Issuer is required to ensure a minimum Overcollateralisation in the Cover Pool of 2 per cent. at all times. The Issuer has contractually agreed to provide a minimum level of overcollateralisation in the Cover Pool as set out in Condition 2(b) of the Ordinary Notes and Condition 2(b) of the VPS Notes. In addition, the Issuer may (but is not obliged to) decide to provide a higher level of overcollateralisation in the Cover Pool provided that it complies with Condition 2(b) of the Ordinary Notes and Condition 2(b) of the VPS Notes (breach of which will have limited consequences for the Issuer). Such level of contractually agreed overcollateralisation will be subject to change in accordance with any higher level imposed by applicable Norwegian legislation from time to time. See further "*Risk Factors – Risks relating to the Notes — Overcollateralisation*" below.
Liquidity requirements:	The Issuer has established a prudent liquidity reserve for the purpose of meeting its payment obligations in respect of interest and principal due and payable on the Notes issued by it from time to time in accordance with the requirements of the Act and Regulations. See also "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)*" below.
Listing approval and admission to trading:	Application has been made to the CSSF to approve this Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme within the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealers in relation to a Series of Notes. In particular, Notes may be listed on the Oslo Stock Exchange, as described in the cover page of this Base Prospectus. Notes may also be issued which are neither listed nor admitted to trading on any market. The applicable Final Terms will state whether or not the relevant Notes are to be Bearer Notes, Registered Notes or VPS Notes and whether such Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Ratings:	The rating of the Notes to be issued under the Programme will be specified in the applicable Final Terms, and the Notes are expected to be assigned a rating of Aaa by Moody's. As per Moody's Global Long-Term Rating Scale Obligations in its Rating Symbols and Definitions, obligations rated 'Aaa' are judged to be of the highest quality, subject to the lowest level of credit risk. As of the date of this Base Prospectus, Moody's is a credit rating agency established in the United Kingdom and is registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody's.
Governing Law:	The Ordinary Notes and any non-contractual obligations arising out of or in connection with the Ordinary Notes will be governed by and shall be construed in accordance with English law, save as to Condition 2(a) of such Notes which will be governed by and construed in accordance with Norwegian law. VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes will be governed by and shall be construed in accordance with English law, save as to Conditions 2(a), 8, 9, 10 and 11 of the VPS Conditions which will be governed by and construed in accordance with Norwegian law. VPS Notes must comply with the Norwegian Act on Central Securities Depositories of 15 March 2019 No. 6, which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64 (as amended from time to time) and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under these acts and any related regulations and liabilities.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or Verdipapirsentralen ASA ("VPS") and/or any other clearing system as may be specified in the relevant Final Terms, other than in relation to VPS Notes, which are cleared through the VPS.
Delivery:	The Notes may be settled on a delivery against payment basis or a delivery free of payment basis, as specified in the applicable Final Terms.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (and including the United Kingdom, Germany and Norway), Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of

	Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*".
United States Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. Bearer Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form applicable for the purpose of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) ("TEFRA D") or the U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form applicable for purposes of Section 4701 of the Code) ("TEFRA C"), unless the Bearer Notes are issued in circumstances in which they will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include risks relating to the Norwegian mortgage market.

RISK FACTORS

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

The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its 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. Any investment in the Notes issued under the Programme will involve risks including those described in this section. The risks and uncertainties described below are not the only ones that the Issuer may face. Additional risks and uncertainties that the Issuer is unaware of, or that the Issuer currently deems to be immaterial, may also become important risk factors that affect the Issuer or the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside of the Issuer's control.

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

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

1. Risks relating to the Issuer

1.1 The Issuer may not be able to refinance its borrowings on commercially reasonable terms

The Issuer's lending is to a large extent made on longer terms than the Issuer's borrowings. Therefore, the Issuer is dependent on its ability to refinance borrowings upon maturity. Depending on overall market conditions, there is a risk that the Issuer will either be unable to refinance its borrowings or that it will be required to do so at a cost significantly higher than originally anticipated.

The recent market turmoil and potential recession caused by the global outbreak of the Covid-19 pandemic ("Covid-19") means that it may be more difficult for the Issuer to refinance its borrowings on commercially satisfactory terms, and should the current situation continue for a prolonged period of time, it could adversely impact the Issuer's ability to pay amounts due under the Notes.

If the Issuer fails to refinance any outstanding Notes on their scheduled Maturity Date, the Issuer may defer repayment of such Notes until a later date (as specified in the applicable Final Terms) provided that an Extended Final Maturity Date is specified as applicable in the Final Terms for such Notes.

The Issuer is however dependent on maintaining its credit ratings in order to be able to refinance its borrowings on commercially reasonable terms, as credit ratings affect the costs and other terms upon which the Issuer is able to obtain funding. Any factors having a negative impact on the Issuer, the pool of assets which provide security for the Notes (the "Cover Pool") or the SR-Bank Group, such as the deterioration of the residential property market in Norway or a downturn in the international or domestic financial markets, may affect the credit rating of the Issuer, the Programme and/or any outstanding Notes. A credit rating downgrade will not in itself have any impact on the Issuer's ability to perform its obligations under the Notes, but could, in each case, increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit the Issuer's access to the capital markets, undermine confidence in (and the competitive position of) the Issuer, trigger

obligations under certain bilateral terms in some of the Issuer's trading and collateralised financing contracts and/or limit the range of counterparties willing to enter into transactions with the Issuer. Any of these events may lead to difficulties for the Issuer in refinancing its borrowings on commercially reasonable terms or at all.

1.2 Default on mortgage loans in the Cover Pool may lead to the Issuer being unable to satisfy its obligations under the Notes

In recent years, low interest rates, low inflation, higher house prices, a favourable tax regime and increased disposable income for households in Norway have led to a continued strong growth in demand for real estate, and consequently loans, especially in the residential mortgage market.

The growth in demand for loans, especially in the residential mortgage market, has led to significant growth in the levels of indebtedness, which in turn has increased the potential financial vulnerability of some residential mortgage borrowers. A high percentage of Norwegian residential mortgage borrowers have floating interest rate mortgages, and are consequently exposed to the risk of interest rate increases. The majority of the residential mortgages included in the Issuer's Cover Pool are subject to floating interest rates. Even a moderate rise in interest rates may lead to a significantly higher interest burden, and a material reduction of disposable income, for residential mortgage borrowers who have taken on high levels of debt. If the relevant interest rates rises, borrowers may be unable to meet their payment obligations on their mortgages.

The market turmoil following Covid-19, coupled with the measures implemented by the Norwegian authorities to contain it, and the simultaneous oil price drop is expected to have a material and adverse impact on the level of economic activity in Norway, by, *inter alia*, a substantial increase in the unemployment rate. These adverse economic effects may lead to a sudden loss of income for many of the Issuer's borrowers, and borrowers experiencing a decline in income may not be able to repay their mortgages when they become due.

If borrowers default on their mortgage loans, enforcement actions can be taken by the Issuer in order to realise the value of the collateral securing these mortgage loans. When collateral is enforced, a court order may be needed to establish the borrower's obligation to pay and to enable a sale by executive measures. If, in the context of an enforcement action, the Issuer is not able to obtain the relevant court decision or the real estate market in Norway substantially declines, there is a risk that the Issuer may not be able to recover the entire amount of the mortgage loan. Further, should the prices of real property and the housing market in Norway substantially decline, the value of the Issuer's collateral for its mortgage loans will be adversely affected. Any failure to recover the full amount of the Issuer's mortgage loans could jeopardise the Issuer's ability to perform its obligations under the Notes, which are backed by payments from the mortgage loans included in the Cover Pool.

1.3 The issuer is dependent on the SR-Bank's competitive market position and the demand for its products

The mortgage loans (the "Mortgage Loans**"**) originated by SR-Bank and contributed to the Cover Pool represent a dynamic pool, particularly because of the high refinancing ratio in the Norwegian mortgage market. SR-Bank's ability to originate Mortgage Loans to transfer to the Issuer depends on the competitive market position of SR-Bank and the demand for its products.

A general downturn in the Norwegian economy (for example due to Covid-19), regulatory changes affecting the residential mortgage market and/or interest rate rises may result in a decrease in the demand for residential property and, therefore, residential mortgages. A decrease in the demand for SR-Bank's mortgage loans will lead to fewer mortgages than expected being transferred to the Issuer. A significant reduction in the size of the mortgage portfolio will adversely affect the Issuer's ability to perform its obligations under the Notes and the value of the Cover Pool.

1.4 Public administration of the Issuer and halt to payments from the Cover Pool may lead to Noteholders not receiving the full amount due on the Notes

In the event of public administration of the Issuer, timely payments shall be made on the Notes so long as the Cover Pool is in material compliance with the statutory requirements under the Act and the Regulations. Public administration of the Issuer will not in itself be sufficient cause for termination or similar remedy by the Noteholders or the providers of the Swaps (the "Swap Providers"). The public administration board may take any action considered necessary to ensure that the holders of the Notes and the Swap Providers receive agreed and timely payment on the Notes and the Swaps, including selling assets in the Cover Pool and issuing new Notes and entering into new derivative instruments with recourse to the assets in the Cover Pool *pari passu* with the Noteholders.

If it is no longer possible to make timely payments to Noteholders or Swap Providers, the public administration board shall set a date to halt payments. The amount of claims with a right of priority to the assets included in the Cover Pool will be calculated as at the date on which the halt to payments takes effect.

To the extent that Noteholders are not fully paid from the proceeds of the liquidation of the assets in the Cover Pool following a halt to payments, they will be able to prove for the balance of their claims as unsecured creditors of the Issuer and will be entitled to receive payment from the proceeds of the liquidation of any other assets of the Issuer not included in the Cover Pool (or any other cover pool maintained by the Issuer). The Noteholders would in such case rank *pari passu* with any other holder of Notes, Swap Providers and the other unsecured, unsubordinated creditors of the Issuer. If the Issuer's assets are insufficient to cover all unsecured, unsubordinated claims in full, Noteholders could be unable to collect the full balance of their claims against the Issuer.

1.5 The Issuer is reliant on Interest Rate Swaps and Currency Swaps

In order to hedge its interest rate risks and currency risks, the Issuer enters into Interest Rate Swaps and Currency Swaps with various Swap Providers. If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under a Swap and any applicable grace period has expired, then the Issuer will have defaulted under that Swap. The Issuer's default under a Swap due to non-payment or otherwise will suspend the relevant Swap Provider's obligation to make further payments under that Swap, and the relevant Swap Provider may on certain conditions terminate the relevant Swap.

If a Swap Provider is no longer obligated to make payments under a Swap, exercises its right to terminate a Swap or defaults on its obligations to make payments under a Swap, the Issuer will be exposed to changes in interest and/or currency exchange rates (as applicable). In addition, if the Swap Provider or its guarantor, as applicable, is downgraded and fails to comply with the requirements of the ratings downgrade provisions contained in the relevant Swap Agreement, such Swap Agreement may be terminated. In any such scenario, the Issuer may encounter difficulties entering into a replacement Interest Rate and/or Currency Swap (as applicable) on commercially acceptable terms or at all.

Unless a replacement Swap is entered into, the Issuer may have insufficient funds to make payments due on its Notes in case of material fluctuations between either (i) for Interest Rate Swaps, the interest rates payable on the Cover Pool Assets and the applicable interest rate for the Notes, or (ii) for Currency Swaps, the currency of the Cover Pool assets and the currency of the Notes.

1.6 Termination payments for Swaps may reduce the value of the Cover Pool

If any of the Interest Rate Swaps or the Currency Swaps are terminated, the Issuer may as a result be obliged to make a termination payment to the relevant Swap Provider. The amount of the termination payment will be based on the cost of entering into a replacement Interest Rate Swap or Currency Swap, as the case may be. Any termination payment to be made by the Issuer to a Swap Provider will rank *pari passu* with claims for payments

due to the Noteholders. Consequently, if the Issuer is unable to make the termination payment to the relevant Swap Provider from its own funds, the Cover Pool may be used to make such termination payments which will reduce the value of the Cover Pool for other preferential claims, such as the Notes.

1.7 The Issuer is dependent on services provided by SR-Bank

The Issuer is a wholly owned subsidiary of SR-Bank. The Issuer has few employees on its own, and is thus dependent upon receiving labour force and services from SR-Bank in order to carry on its daily business. Should there be any disruptions and/or negative impact to any SR-Bank Group companies, this may have an adverse effect on the Issuer's business, financial condition and/or results of operations. The insolvency of SR-Bank or any default by SR-Bank in the performance of its servicing obligations will require a new servicer to be appointed. The transfer of the servicing function to a new servicer may result in delays and/or losses in collections under the Mortgage Loans.

Additionally, the Issuer is reliant on SR-Bank as the provider of a revolving credit facility (the "RCF Provider") under a revolving credit facility agreement (the "Revolving Credit Facility" or the "RCF"). See "*Diagrammatic Overview and Description of the Programme*" for a description of the RCF. If SR-Bank is unable to perform the function of RCF Provider for any reason, it may be difficult for the Issuer to find a replacement revolving credit facility provider, in particular a revolving credit facility provider that would meet applicable credit rating requirements; which again may result in greater risk exposure or losses for the Issuer, and which could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Notes.

2. Risks relating to the structure of a particular issue of Notes

2.1 Failure by the Issuer to pay the Final Redemption Amount upon maturity may lead to deferral of the Maturity Date

If the relevant Final Terms provide that following any failure by the Issuer to pay the Final Redemption Amount of a Series of Notes on their Maturity Date, payment of such amounts shall be automatically deferred. This will occur if the Final Terms for a relevant Series of Notes (the "relevant Series of Notes") provides that such Notes are subject to an extended final maturity date to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date (the "Extended Final Maturity Date").

To the extent that the Issuer has sufficient monies available to pay in part the relevant Final Redemption Amount in respect of the relevant Series of Notes, the Issuer shall make partial payment of the relevant Final Redemption Amount as described in Condition 4(h) of the Ordinary Note Conditions and Condition 4(e) of the VPS Conditions. Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date.

The Issuer is not required to notify the Noteholders of such automatic deferral. The Extended Final Maturity Date will fall one year after the Maturity Date. Interest will continue to accrue on any unpaid amount and be payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Extended Final Maturity Date. In these circumstances, failure by the Issuer to make payment in respect of the Final Redemption Amount on the Maturity Date shall not constitute a default in payment by the Issuer. However, failure by the Issuer to pay the Final Redemption Amount or the balance thereof on the Extended Final Maturity Date and/or interest on such amount on any Interest Payment Date falling after the Maturity Date up to (and including) the Extended Final Maturity Date shall constitute a default in payment by the Issuer.

Furthermore, in relation to all amounts constituting accrued interest due and payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Extended Final Maturity Date, as provided in the applicable Final Terms, the Issuer may pay such interest pursuant to the Floating Rate set out in the applicable Final Terms notwithstanding that the relevant Note was a Fixed Rate Note as at its relevant Issue Date.

In addition, following deferral of the Maturity Date, the Interest Payment Dates and Interest Periods may change as set out in the applicable Final Terms.

2.2 Notes may be subject to optional redemption by the Issuer

If specified in the applicable Final Terms, the Notes may contain an optional redemption feature which would be likely to limit their market value. During any period when the Issuer may elect to redeem the 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 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.

2.3 The value of the Notes will be affected by market interest rates

Investments in Fixed Rate Notes involve a risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes. While the nominal interest rate of a Fixed Rate Notes is fixed during the life of such Notes, the current interest rate on the capital markets typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Notes also changes, but in the opposite direction. Consequently, if the market interest rate rises, the value of the Fixed Rate Notes declines accordingly.

Investment in Floating Rate Notes is exposed to the risk of fluctuating reference rates such as the EURIBOR, LIBOR, STIBOR and NIBOR as applicable and uncertain interest income. Fluctuating reference rate levels make it impossible to determine the yield of Floating Rate Notes in advance. Furthermore, where the Floating Rate Notes do not provide for a minimum rate of interest above zero per cent., investors may not receive any interest payments during one or more interest periods if the applicable reference rate decreases or increases to a certain level.

3. Risks relating to the Notes

3.1 The Cover Pool consists of limited assets

The Cover Pool will consist of loans which are secured on residential properties or on title documents relating to residential properties, holiday homes, claims which the Issuer holds, or may acquire, against providers of Covered Bond Swaps and certain substitute assets. All assets in the Cover Pool must comply with the terms of the Act and the Regulations. In particular, the Regulations determine maximum loan to value ratios of Mortgage Loans included in the Cover Pool (at the date of this Base Prospectus, the value is 75 per cent. of the prudent market value). The Cover Pool consists of mortgages secured on residential property located in Norway. The value of the properties comprising the Cover Pool may therefore decline in the event of a general downturn in the value of property in Norway.

3.2 Overcollateralisation

The Issuer has undertaken in Condition 2(b) of the Ordinary Note Conditions and Condition 2(b) of the VPS Conditions to ensure that, for as long as any of the Notes is outstanding, the value of the Cover Pool shall at all times be at least 102 per cent. of the outstanding principal amount of the Notes and related Covered Bond Swaps

(as defined in the Ordinary Note Conditions or the Terms and Conditions of the VPS Notes, as applicable) having recourse to such Cover Pool. Such level of contractually agreed overcollateralisation will be subject to change in accordance with any higher level imposed by applicable Norwegian legislation from time to time. The Ordinary Note Conditions and the Terms and Conditions of the VPS Notes do not require the Issuer to increase the overcollateralisation of the Notes in the event that a rating agency requires an increase to maintain the applicable rating, and the Issuer therefore cannot guarantee that a certain rating of the Notes will be maintained throughout the term of the Notes. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of the Notes will be held until maturity.

3.3 Failure by the Issuer to meet applicable matching and overcollateralisation rules may affect the value and liquidity of the Notes

The Act and the Regulations provide that holders of Notes have an exclusive and prioritised right of claim over a pool of certain security assets, on a *pari passu* basis between themselves and other holders of Notes issued by the Issuer and/or counterparties to derivative contracts relating to the Issuer's covered bonds. The Act and Regulations require the value of the assets in the Cover Pool to at all times exceed the value of the claims on the Cover Pool. Furthermore, the Ministry of Finance is entitled under the Act to pass regulations stipulating how much higher the value of the Cover Pool must be compared to the value of the claims on the Cover Pool at any time (overcollateralisation). Section 11-7 of the Regulations currently requires the value of the assets in the Issuer's Cover Pool to constitute a minimum of 102 per cent. of the total payable amount of the Issuer's outstanding Notes having preferential claims against the Cover Pool (overcollateralisation). See "*Overview of the Norwegian Legislation Regarding Covered Bonds*".

A breach of the matching and overcollateralisation requirements prior to public administration of the Issuer in circumstances where no additional assets are available to the Issuer or the Issuer lacks the ability to acquire additional assets could result in the Issuer being unable to issue further Notes, which may prevent the refinancing of existing Notes and possibly reducing the liquidity of existing Notes.

3.4 No events of default

The Conditions do not include any events of default relating to the Issuer. Accordingly, default by the Issuer (for example, failure to pay interest or principal on the Notes when due) would not entitle Noteholders to accelerate the Notes, and Noteholders will only be paid the scheduled payments of interest and principal under the Notes as and when they fall due under the Conditions.

3.5 The Conditions may be changed without the consent of Noteholders

The Ordinary Note Conditions and the VPS Conditions contain provisions for calling meetings of their respective Noteholders to consider matters affecting the interests of such Noteholders 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. As a result, Noteholders can be bound by the result of a vote that they did not participate in or voted against.

The Ordinary Note Conditions provide that the Principal Paying Agent and the Issuer may agree, without the prior consent or sanction of any of the Ordinary Noteholders or Couponholders, to:

- certain modifications in relation to the Ordinary Notes, the Coupons, the Agency Agreement and the Deed of Covenant, which, in the opinion of the Issuer, is not prejudicial to the interests of the Ordinary Noteholders, as detailed within the Ordinary Note Conditions; and
- any modification to the Ordinary Notes, 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 or proven error or to comply with mandatory provisions of the law.

Any such modification will be binding on the Ordinary Noteholders and the Couponholders.

The VPS Trustee Agreement provides that the Issuer and the VPS Trustee may agree to amend the VPS Trustee Agreement or the VPS Conditions without prior approval of the affected VPS Noteholders provided that:

- such amendment is not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- such amendment or waiver is required by applicable law, court ruling or a decision by a relevant authority.

The VPS Trustee shall as soon as possible notify the VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

3.6 No gross-up

Under the Ordinary Notes Conditions and the VPS Conditions, 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 or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

On 27 February 2020, the Norwegian Ministry of Finance published a proposal for the introduction of withholding tax on certain interest payments from Norway. The proposal as published will not affect interest payments on Notes issued by the Issuer. However, the proposal will be subject to a hearing followed by a final legislative proposal, which may deviate from the current proposal.

In the event of such withholding tax being implemented and if the payments of interest in respect of an issue of Notes are subject to withholding tax, the Issuer will, subject to certain exceptions, be required to gross up the payments in accordance with Condition 6 and may exercise its right to redeem the Notes in accordance with Condition 5.

3.7 The Notes will be obligations of the Issuer only

The Notes will be solely obligations of the Issuer which have the benefit of a statutory preference under Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II (the "Act") and Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups, Chapter 11 (the "Regulations") on the pool of assets maintained by the Issuer. An investment in the Notes involves a reliance on the creditworthiness of the Issuer. The Notes will not be obligations of, and will not be guaranteed by SR-Bank or any member of the SR-Bank Group, the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, the Swap Providers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the Ordinary Note Arranger, the VPS Note Arranger, the Dealers, the Swap Providers, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

3.8 Change of law may have an impact on the Notes

The Ordinary Note Conditions are based on English law save for Condition 2(a) of such Conditions, which is governed by Norwegian law in effect as at the date of this Base Prospectus.

The VPS Conditions are based on English law, save for Conditions 2(a), 8, 9, 10, and 11 of such Conditions, which are governed by Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law or administrative practice in England or Norway after the

date of this Base Prospectus and any such change could materially and adversely impact the value of any Notes affected by it.

3.9 Issuance of definitive notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

The Notes have a denomination consisting of a minimum authorised denomination of €100,000 plus additional higher integral multiples of €1,000 or their equivalent. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

3.10 Notes not in physical form

Unless the Bearer Global Notes or the Registered Global Notes are exchanged for Bearer Definitive Notes or Registered Definitive Notes, respectively, which exchange will only occur in the limited circumstances set out under "*Form of the Notes*" below, the beneficial ownership of the Notes will be recorded in book-entry form only with Euroclear and Clearstream, Luxembourg. The fact that Noteholders' interests in the Notes are not represented in physical form could, among other things:

- result in payment delays on the Notes because distributions on the Notes will be sent by or on behalf of the Issuer to Euroclear or Clearstream, Luxembourg instead of directly to Noteholders;
- make it difficult for Noteholders to pledge the Notes as security if Notes in physical form are required or necessary for such purposes; and
- hinder the ability of Noteholders to resell the Notes because some investors may be unwilling to buy Notes that are not in physical form.

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

It is the Issuer's intention to apply an amount equal to the proceeds from the offer of the Green Notes specifically for Eligible Green Loans (each 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 should have regard to the information in "Use of Proceeds" regarding the use of 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.

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

There can be no assurance by the Issuer that the use of proceeds of Green Notes will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own governing rules or investment portfolio mandates. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Green 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 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 issue of 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. None of a failure by the Issuer to allocate the proceeds of any Green Notes or to report on the use of proceeds or Eligible Green Loans as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Notes or the failure of Green Notes to meet investors' expectations requirements regarding any "green" or similar labels will constitute an event of default or breach of contract with respect to any of the Green Notes.

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.

4. Legal and regulatory risks relating to the Notes

4.1 Regulatory Considerations

The European Market Infrastructure Regulation 648/2012 ("EMIR") aims to increase stability in European over-the-counter ("OTC") derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties and to increase the transparency of OTC derivatives transactions. EMIR applies to OTC derivatives contracts falling within its scope entered into by financial counterparties, regardless of the identity of the other counterparty to the contract. EMIR has been included in the Agreement on the European Economic Area and was implemented in Norway as from 1 July 2017.

Issuers of covered bonds are exempted from the collateral and central clearing requirements otherwise applicable to counterparties to OTC derivative contracts, subject to satisfaction of certain conditions as set out in the relevant technical standards and delegated acts. Nevertheless, there may be further changes introduced by way of further implementing measures (such as a requirement to clear further classes of OTC derivative contracts) and EMIR itself is scheduled to be updated.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts for the Issuer and may adversely affect its ability to engage in derivative contracts.

In addition, Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (the "Dodd-Frank Act"), established a comprehensive new U.S. regulatory regime for a broad range of derivatives contracts (collectively referred to in this risk factor as "covered swaps"). Among other things, Title VII provides the U.S. Commodity Futures Trading Commission ("CFTC") and the U.S. Securities and Exchange Commission (SEC) with jurisdiction and regulatory authority over many different types of derivatives that are currently traded over-the-counter, requires the establishment of a comprehensive registration

and regulatory framework applicable to covered swap dealers and other major market participants, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities ("SEFs") and centrally cleared, and contemplates the imposition of capital requirements and margin requirements for uncleared transactions in covered swaps.

Many of the key regulations implementing Title VII have recently become effective or are in final form. However, in some instances, the interpretation and potential impact of these regulations are not yet entirely clear. In 2018, the U.S. passed legislation which scaled back the scope of the Dodd-Frank Act. In addition, the approach of the current administration in the U.S. adds to the uncertainty surrounding the complete scope of the Dodd-Frank Act and other U.S. regulations, any changes to which might impact SR-Boligkreditt's business activities and/or the value or liquidity of the Notes. Additionally, not all of the regulations implementing Title VII, particularly with respect to security-based swaps, have been finalized and made effective. Due to this uncertainty, a complete assessment of the exact effects of Title VII cannot be made at this time. Accordingly, there is no assurance that any derivative contracts entered into by the Issuer would not be treated as covered swaps under the Dodd-Frank Act, nor is there assurance that the Issuer or the swap counterparty would not be required to comply with additional regulations promulgated by the CFTC and/or SEC in respect of such derivative contract.

In particular, the Swaps contemplated under the Programme may include agreements that are regulated as covered swaps under Title VII, each of which may be subject to new clearing, execution, capital, margin posting, reporting and recordkeeping requirements under the Dodd-Frank Act that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of the Issuer). Such requirements may disrupt the Issuer and its affiliates' ability to hedge their exposure to various transactions, including any obligations it may owe to investors under the Notes, and may materially and adversely impact a transaction's value or the value of the Notes. While the Dodd-Frank Act provides for the grandfathering of certain swaps, such grandfathering may not apply to the transactions entered into by the Issuer or may only apply to certain transactions. Additionally, the Issuer cannot be certain as to how these regulatory developments will impact the treatment of the Notes.

Prior to the effective date of the Dodd-Frank Act, the Swaps were over-the-counter contracts that were not required by U.S. regulators to be cleared or executed through an exchange or SEF. The Notes allow the Issuer to call and/or terminate them in certain circumstances (such a circumstance, a "Reg Out"), including but not limited to a change in law or regulation that (1) creates a materially increased cost to enter into, maintain or hedge any issuance of Notes, such as increased margin requirements, or (2) makes such maintenance or hedging impossible or impracticable. Any such Reg Out could result in an investor's Notes decreasing significantly in value at a time that is disadvantageous to the Noteholder. If the Issuer chooses not to exercise the Reg Out and complies with relevant Title VII provisions, there will also be increased costs, which could result in an investor's Notes decreasing significantly in value at a time that is disadvantageous to the Noteholder.

Given that the full scope and consequences of the enactment of EMIR and the Dodd-Frank Act and the rules still to be adopted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Notes.

Additionally, to the extent any particular series contains a Reg Out, investors must carefully consider what the consequences of its exercise might be and make their own determinations in consultation with their advisors regarding an investment in any Notes.

4.2 Reform and Regulation of "benchmarks".

Benchmarks such as the London Interbank Offered Rate ("LIBOR"), Euro Interbank Offered Rate ("EURIBOR"), ISDAFIX (now restructured and renamed the ICE Swap Rate), referenced swap rates and other indices which are deemed "benchmarks" (each a "Benchmark" and together, the "Benchmarks"), to which the

interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of the amount payable under the Notes.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation"). In addition to the aforementioned regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks. In addition, in July 2017 the Chief Executive of the Financial Conduct Authority ("FCA") in the United Kingdom questioned the sustainability of LIBOR in its current form and advocated a transition away from LIBOR to alternative reference rates. He noted that there is wide support among the LIBOR panel banks for voluntarily sustaining LIBOR until the end of 2021, facilitating this transition. At the end of this period, the FCA considers that it will not be necessary to sustain LIBOR through its influence or legal powers by persuading or obliging banks to submit to LIBOR. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. Subsequent speeches made by the Chief Executive of the FCA and other FCA officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021.

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

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

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

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

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

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the rate of interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower rate of interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

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

The Adjustment Spread is the spread, formula or methodology (i) which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities); (ii) if no such recommendation has been made, or in the case of an Alternative Rate, which the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; (iii) which, in the case of an Alternative Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate; (iv) if the Issuer determines that no such spread is customarily applied, which the Issuer, following consultation with the Independent Adviser, determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be; or (v) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Advisor and acting in good faith and in a commercially reasonable manner, determines is appropriate. If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

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

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

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate prior to the date which is 10 business days before the next Interest Determination Date, the rate of interest for the next succeeding Interest Period will be the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the rate of interest will be determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the Interest Determination Date.

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

determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial rate of interest, or the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower rate of interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial rate of interest, or the rate of interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the rate of interest in respect of floating rate Notes is to be determined, the Conditions provide that the rate of interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a Benchmark Floating Rate Option, the rate of interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant Benchmark is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the rate of interest that would be applicable, and may, adversely affect the value of, and return on, the floating rate Notes. Finally, if LIBOR, EURIBOR or any relevant Benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under the Swap Agreements would operate to allow the transactions under the Swap Agreements to effectively mitigate interest rate risk in respect of the Floating Rate Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Mortgage Loans, the Notes and/or the Swap Agreements due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

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

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

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

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

Furthermore, interest on Notes which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date (or

other date on which accrued interest may become due on the Notes). It may be difficult for investors in Notes which reference Compounded Daily €STR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to, for example, EURIBOR-based Notes, if Notes referencing Compounded Daily €STR are redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date on which the Notes become due and payable.

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

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

4.4 Harmonisation of the EU covered bond framework

On 27 November 2019, the European Parliament adopted a harmonised EU covered bond framework. The framework includes a new directive for covered bonds (Directive (EU) 2019/2162) and Regulation (EU) 2019/2150 implementing certain amendments to article 129 of Regulation (EU) No 575/2013 (together, the "**EU Covered Bond Reforms**"). The FSAN published a consultative paper on 13 January 2020 relating to implementation of the EU Covered Bond Reforms, which will require certain amendments to the current Norwegian legislation on covered bonds. The consultative paper was submitted to a hearing by the Ministry of Finance on 23 March 2020, with a hearing deadline of 17 August 2020. The new EU legislation shall be implemented no later than 8 July 2021 and take effect no later than 8 July 2022, and the Ministry of Finance has stated its intention to implement the rules in Norway simultaneously with the EU. Implementation of the new EU legislation on covered bonds will impose new requirements on the Issuer such as, *inter alia*, new a liquidity buffer requirement of 180 days and more strict requirements for exercise of extendable maturity (aka 'soft bullet') rights by the Issuer.

Failure by the Norwegian legislature to enact national legislation transposing the European Covered Bond Reforms into Norwegian law in a timely manner may create a disadvantageous competitive position for the Issuer compared to covered bond issuers established in the EU. Furthermore, the exact content of such national legislation is yet unkown, the effects of which may have a material adverse effect on the financial condition, or results of operations of the Issuer's business.

4.5 Implementation of and/or changes to the Basel III and Basel IV framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors

In 2011, the Basel Committee on Banking Supervision (the "Basel Committee") approved significant changes to the Basel II regulatory capital and liquidity framework (such changes being commonly referred to as "Basel III"). In particular, Basel III provided for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). In December 2017, the Basel Committee published proposed amendments to the Basel III framework (such changes being commonly referred to as "Basel IV"). The proposed amendments entail substantial changes and are expected to enter into force from 1 January 2022 with a phasing-in period of five years for certain elements.

Implementation of the Basel framework requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Currently, Norwegian covered bonds comply with the EU Capital Requirements Directive and Regulation and qualify for a 10 per cent. risk weighting in eligible European jurisdictions. However, the Issuer cannot be certain as to how any of the regulatory developments described above will impact the treatment of the Notes. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE AND SUPPLEMENTS TO THE BASE PROSPECTUS

- The sections entitled:

  (a) "Terms and Conditions of the Ordinary Notes" set out on pages 65 to 94 (inclusive) and "Terms and Conditions of the VPS Notes" set out on pages 95 to 120 (inclusive) of the prospectus 13 June 2019 (a copy of which is available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/EMTN-final/SR-BoligkredittCoveredBondProgrammedated13June2019.pdf),

  (b) the sections entitled "Terms and Conditions of the Ordinary Notes" set out on pages 62 to 88 (inclusive) and "Terms and Conditions of the VPS Notes" set out on pages 89 to 110 (inclusive) of the prospectus dated 4 May 2018 (a copy of which is available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/SRBoligkredittCoveredBondProgrammedated4May2018.pdf); and

  (c) the sections entitled "Terms and Conditions of the Ordinary Notes" set out on pages 62 to 88 (inclusive) and "Terms and Conditions of the VPS Notes" set out on pages 89 to 111 (inclusive) of the prospectus dated 23 May 2017 (a copy of which is available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/SR-BoligkredittCoveredBondProgrammedated23May2017.pdf),

  (for the avoidance of doubt, the applicable Final Terms for a Series or Tranche of Notes will indicate the Terms and Conditions applicable to such Series or Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in full in this Prospectus).

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

- The unaudited interim financial statements for the Issuer for the period from 1 January 2020 to 31 March 2020, which are available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/SR-BoligkredittQ12020.pdf), provided that only the information set out at the following pages is incorporated by reference:

Statement of the Board of Directors	Page 3
Statement pursuant to the Securities Trading Act	Page 3
Income Statement	Page 4
Balance Sheet	Page 5
Statement of Changes in Equity	Page 6
Cash Flow Statement	Page 7
Notes to the Interim Report	Pages 8 to 14

Contact Information of the Issuer and the CEO	Page 15

- The audited annual financial statements for the Issuer for the year ended 31 December 2019 and approved by the Board of Directors on 9 March 2020, set out in the Issuer's 2019 Annual Report which are available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/AnnualReportSR-BoligkredittAS2019.pdf), provided that only the information set out at the following pages is incorporated by reference:

Income Statement	Page 6 of the relevant document in pdf format
Balance Sheet	Page 7 of the relevant document in pdf format
Statement of Changes in Equity	Page 8 of the relevant document in pdf format
Cash Flow Statement	Page 9 of the relevant document in pdf format
Notes to the Accounts	Pages 10 to 33 of the relevant document in pdf format
Auditor's Report	Pages 35 of the relevant document in pdf format

- The audited annual financial statements for the Issuer for the year ended 31 December 2018 and approved by the Board of Directors on 7 February 2019, set out in the Issuer's 2018 Annual Report which are available on the website of the Issuer at https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Investor/virksomhetsstyring/boligkreditt/SR-BoligkredittASAnnualreport2018.pdf), provided that only the information set out at the following pages is incorporated by reference:

Income Statement	Page 6 of the relevant document in pdf format
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Cash Flow Statement	Page 9 of the relevant document in pdf format
Notes to the Accounts	Pages 10 to 35 of the relevant document in pdf format
Auditor's Report	Pages 37 to 40 of the relevant document in pdf format

Where only certain parts of a document are incorporated by reference into this Base Prospectus, the non-incorporated parts are either not relevant for investors or are covered elsewhere in this Base Prospectus.

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

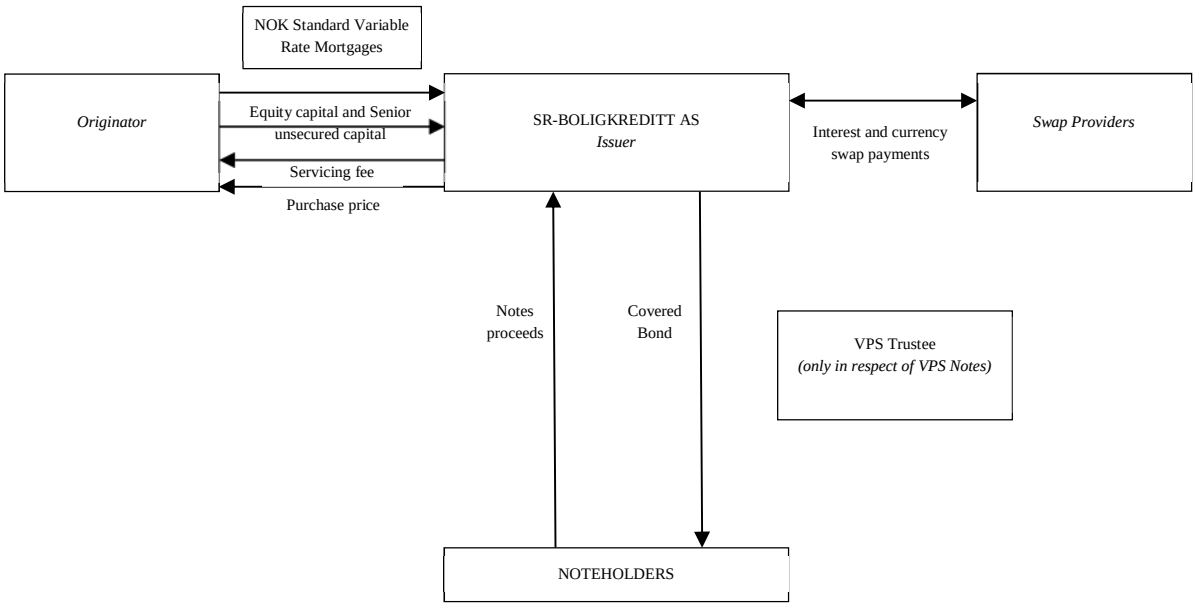
Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the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

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

DIAGRAMMATIC OVERVIEW AND DESCRIPTION OF THE PROGRAMME

The information in this section is an overview of the structure relating to the Programme and does not purport to be complete. This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole.

The information is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus. Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this summary. A glossary of certain defined terms used in this document is contained at the end of this Base Prospectus.



Structure Overview

- *Programme*: Under the terms of the Programme, the Issuer will issue Notes to the Noteholders on each Issue Date. The Notes will be unconditional and unsubordinated obligations of the Issuer and rank *pari passu* with all other outstanding unsubordinated obligations of the Issuer that have been provided equivalent priority of claim to the Cover Pool as covered bonds (*obligasjoner med fortrinnsrett*) issued in accordance with the terms of the Act and the Regulations (both as defined below). The Notes may be issued as Ordinary Notes or VPS Notes and the Ordinary Note Conditions and the VPS Conditions shall apply respectively to such Notes.

- *Cover Pool*: The Cover Pool consists of mortgages secured on residential property located in Norway and substitute assets. The substitute assets are held for liquidity management.

- *Origination and Transfer of Mortgage Loans*: On 11 May 2015 the Originator entered into a Transfer and Servicing Agreement (the "Transfer and Servicing Agreement") with the Issuer under the terms of which the Originator, from time to time, sells and transfers certain selected mortgages to the Issuer. The Issuer selects the mortgages it wishes to buy based on its own credit policy and pursuant to the requirements of the Norwegian covered bond legislation. The Originator continues to service the mortgages transferred by it on behalf of the Issuer. In consideration for the sale and servicing of the mortgages, the Originator receives the initial purchase price (equal to the principal amount outstanding on the mortgages) and a monthly fixed servicing fee per loan. The Transfer and Servicing Agreement

also provides for servicing by the Originator of mortgages originated directly by the Issuer in its own name, in which case a monthly fixed servicing fee will be paid by the Issuer per loan. Furthermore, the Transfer and Servicing Agreement contemplates the provision by the Originator of a revolving overdraft facility to the Issuer which can be utilised by the Issuer for the purpose of (i) making payment of purchased loans to the Originator, (ii) funding drawings under flexi-loans, (iii) paying operational expenses and (iv) funding other working capital needs.

- *Maintenance or Increase of Transferred Loan Volumes*: Under the terms of the Transfer and Servicing Agreement, the Originator is required to maintain the original level of the mortgages transferred by the Originator by transferring further mortgages to the Issuer from time to time. Similarly, if it is deemed necessary by the Issuer that the levels of mortgages in the Cover Pool should be increased, the Originator may be requested to transfer such additional mortgages to the Issuer as notified by the Issuer.

- *Funding from Originator to the Issuer:* The Originator may, at the time of transfer of further loans to the Cover Pool pursuant to the Transfer and Servicing Agreement, be required to provide senior unsecured lending deemed necessary to fund any overcollateralisation to obtain the desired rating for the Issuer.

- *Revolving Credit Facility*: On 27 May 2015, the Issuer entered into a revolving credit facility agreement (the "RCF") with SR-Bank (as the RCF Provider). Subject to the terms of the RCF, SR-Bank makes available to the Issuer a revolving credit facility at all times equal to the Issuer's payment obligations in NOK for the next 12 months in respect of all covered bonds issued by the Issuer (in respect of all of the Issuer's covered bond programmes) and related derivative hedge agreements. The Issuer shall apply all amounts borrowed by it under the RCF towards payments under such covered bonds and related derivative contracts entered into for hedging purposes for those covered bonds. The Issuer may not make use of the RCF for the fulfilment of payment obligations related to the ordinary (re-)purchase of covered bonds (if any), or to derivative contracts related to such covered bonds. If permissible, the Issuer shall at the request of SR-Bank issue covered bonds to SR-Bank in an aggregate amount not exceeding outstanding loans under the RCF. The purchase price to be paid by SR-Bank for covered bonds issued in relation to the RCF shall be equal to the aggregate principal amount of such covered bonds. The purchase price shall be paid through set-off against amounts owed by the Issuer under the RCF. Any default by the Issuer of the obligation to issue covered bonds to SR-Bank will not give SR-Bank any right to reject making a loan. SR-Bank may not terminate the RCF by reason of the Issuer's non-payment, the Issuer's insolvency, or insolvency or public administration proceedings being opened against the Issuer. The RCF contains provisions that allow SR-Bank to terminate the RCF should it become unlawful for SR-Bank to perform its obligations or to fund or maintain any loan. SR-Bank is only obliged to make loans to the Issuer as long as the Issuer is fully (100 per cent.) owned by SR-Bank. The Issuer may cancel the whole or any part of the RCF. For the avoidance of doubt, the obligations of SR-Bank towards the Issuer under the RCF do not constitute a guarantee in respect of amounts due and payable under the covered bonds. The Notes will be solely obligations of the Issuer and, in particular, will not be obligations of, and will not be guaranteed by SR-Bank. The RCF is governed by Norwegian Law.]

- *Priority of claims*: By virtue of the priority established by the Act, in the event of the Issuer being placed under public administration or liquidated, payments due to the holders of the Notes will be stopped if the income from the Cover Pool can no longer provide timely payments on the Notes, or there is a significant risk that the income from the Cover Pool will not be able to provide timely payments on the Notes in the future. When such payments are stopped, the holders of the Notes and the relevant Swap Providers will have an exclusive, *pari passu* and pro rata prioritised claim against the Cover Pool. The prioritised claims will rank ahead of all other claims against the Issuer, save for claims relating to the fees and expenses of the public administration board.

- *Overcollateralisation*: The Issuer is required by the Regulations to maintain at least 2 per cent. overcollateralisation in the Cover Pool at all times. Irrespective of the Regulations, the Issuer has also contractually agreed to provide a similar minimum level of overcollateralisation in the Cover Pool as set out in Condition 2(b) of the Ordinary Notes and Condition 2(b) of the VPS Notes. In addition, the Issuer may (but is not obliged to) decide to provide a higher level of overcollateralisation provided that it complies with Condition 2(b) of the Ordinary Notes and Condition 2(b) of the VPS Notes (breach of which will have limited consequences for the Issuer). The Issuer is not obliged to comply with any such higher level of overcollateralisation in the Cover Pool at all times. Any contractually agreed level of overcollateralisation will be subject to change in accordance with any higher level imposed by applicable Norwegian legislation from time to time. See further "*Risk Factors – Risks relating to the Notes – Overcollateralisation*" above.

- *Covered Bond Swaps:* The Issuer may, from time to time, enter into derivative transactions with various swap providers to hedge the following risks:

  (d) Currency risk: The Issuer will enter into Currency Swaps from time to time with Currency Swap Providers by executing ISDA Master Agreement(s) (including schedules, confirmations and, in each case, a credit support annex) in order to hedge currency risks arising between (a) Notes issued in currencies other than NOK and (b) assets forming part of the Cover Pool but denominated in NOK; and/or

  (e) Interest rate risk: The Issuer may also, from time to time, enter into additional interest rate swaps with Interest Rate Swap Providers by executing an ISDA Master Agreement (including schedules, confirmations and, in each case, a credit support annex), in order to hedge the Issuer's interest rate risks.

USE OF PROCEEDS

General

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

Green Notes

Use of proceeds, project evaluation and selection

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**"), an amount equal to the net proceeds from each such issue of Green Notes will be used as described below.

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

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

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

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

Management of Green Note proceeds

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

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

While any an amount equal to the 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 an amount equal to the net proceeds not yet allocated to the Eligible Green Loan Portfolio.

Reporting

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

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

External review – second party opinion

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

External review – verification

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

The Issuer has obtained an accreditation certificate from Climate Bonds Initiative for Green Bonds issued on 3 September 2019.

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

DESCRIPTION OF THE ISSUER

The Issuer of Notes under the Programme is SR-Boligkreditt AS. The Issuer is a wholly owned direct subsidiary of SR-Bank (the "Originator").

The Issuer is a limited liability company incorporated under the laws of Norway and was originally established as a finance company on 17 March 2015. The Issuer's organisation number in the Brønnøysund Register Centre is 915 174 388, its registered office is in Stavanger and the place of registration is Norway. The Issuer's registered address is Christen Tranes gate 35, 4007 Stavanger, Norway. The Issuer's contact number is +47 5150 9437. The FSAN granted the Issuer licence to become a Mortgage Credit Institution on 19 January 2015.

The Issuer's objective is to acquire and own mortgages, which are primarily financed by issuing covered bonds. The Issuer arranges the purchase and transfer of mortgages from the Originator and markets its covered bonds to prospective investors.

The Issuer can also originate new Mortgage Loans directly in its own name using SR-Bank's branch and retail network.

In this regard, SR-Bank must abide by all routines and regulations the Issuer has prescribed for collection of information and the communication of this to the Issuer.

To obtain a mortgage, prospective borrowers must complete an application form which includes providing certain information about themselves, such as household income, current employment details, bank account information, current mortgage information (if any) and certain other personal information.

The guidelines adopted by the Issuer's board of directors with respect to the eligibility of loans for transfer and the transfer procedure are set out in the Issuer's credit policy. Eligible loans are assets which are eligible for inclusion in the Cover Pool, as determined by the Act and Regulations (as amended, varied or supplemented from time to time) and the credit policy ("Eligible Loans"). The credit policy may put limits on Eligible Loans depending on: type of loan products; type of property; customer creditworthiness; and any other criteria the Issuer's board of directors may, from time to time, think necessary.

The Issuer purchases certain corporate services from the Originator as further regulated in service level agreements entered into between the parties. Both the Originator and the Issuer is supervised by the FSAN and their financial statements, respectively, are audited by PricewaterhouseCoopers AS. In addition, an independent inspector is appointed by the FSAN to supervise the Cover Pool in accordance with the Act and Regulations.

MANAGEMENT OF THE ISSUER

Board of Directors

The Issuer's board of directors consists of four members elected by the annual shareholders' meeting (the **Board of Directors**). The Board of Directors has the overriding responsibility for the Issuer and sets out the strategy, risk limits and other guidelines for its operation. The Board of Directors supervises the operation of the company through regular reporting in management reports and discussions with internal auditors as well as external auditors and investigators appointed by the FSAN. The current directors are as follows:

Inge Reinertsen Chairman (CFO of SR-Bank)

Business address: Christen Tranes gate 35, P.O. Box 250, 4068 Stavanger, Norway

Børge Henriksen (VP Business Development Retail Market of SR-Bank)

Business address: Christen Tranes gate 35, P.O. Box 250, 4068 Stavanger, Norway

Stian Helgøy (Director, Head of Investor Relations of SR-Bank)

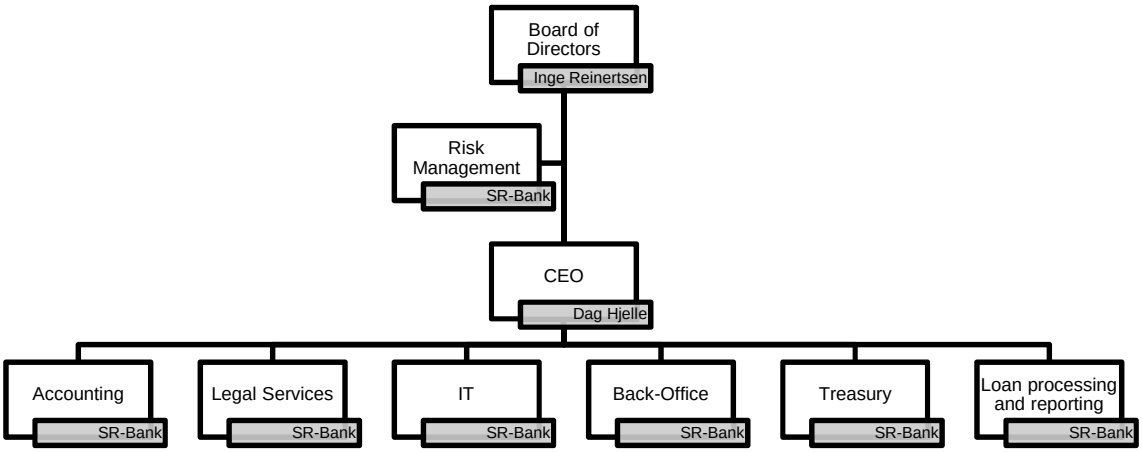
Business address: Christen Tranes gate 35, P.O. Box 250, 4068 Stavanger, Norway

Merete Eik (CEO of Stavanger Havn IKS, Port of Stavanger)

Business address: Strandkaien 46, 4005 Stavanger, Norway

Management

Dag Andreas Hjelle is the CEO of the Issuer. He also holds the position of Head of Treasury at SR-Bank. His business address is Christen Tranes gate 35, P.O. Box 250, 4068 Stavanger, Norway. The CEO is responsible for the day-to-day operation of the Issuer and that the Issuer is compliant with all relevant laws and regulations. Furthermore, the CEO operates in accordance with the strategy, risk limits and other resolutions set by the Board of Directors.


Board of Directors
Inge Reinertsen
Risk Management
SR-Bank
CEO
Dag Hjelle
Accounting
SR-Bank
Legal Services
SR-Bank
IT
SR-Bank
Back-Office
SR-Bank
Treasury
SR-Bank
Loan processing and reporting
SR-Bank

Conflict of interest within administration, management and supervisory bodies

SR-Bank employs three of the four members of the Issuer's board of directors. SR-Bank also employs the CEO of the Issuer as its Head of Treasury. However, since the Issuer is a wholly-owned subsidiary of SR-Bank, and the Issuer's primary business will be to issue Notes under the Programme for the indirect benefit of SR-Bank, there are no existing or potential conflicts of interest between any duties owed to the Issuer by its management and the private interests and/or other external duties owed by any director.

Material Contracts

The Issuer is not aware of any material contracts having been entered into outside the ordinary course of the Issuer's business and outside of this Programme, and which could result in any entitlement that is material to its ability to meet its obligation to Noteholders in respect of the Notes that may be issued.

Jurisdiction

The Issuer is organised under the laws of the Kingdom of Norway.

DESCRIPTION OF THE SPAREBANK 1 SR-BANK GROUP (THE "SR-BANK GROUP")

Overview

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

In 1996, the bank was a co-founder of SpareBank 1 Alliance, which is a banking and product alliance. SpareBank 1 SR-Bank ASA's participation in the SpareBank 1 Alliance links it to independent banks with local roots. This allows the bank to combine efficient operations and economies of scale with the benefits of being close to our customers and the market. In March 2007, the bank formally changed its name from Sparebanken Rogaland to SpareBank 1 SR-Bank ASA. On 21 June 2011, the Ministry of Finance granted SpareBank 1 SR-Bank ASA permission to convert from a savings bank to a limited liability company (limited liability savings bank) and to establish a savings bank foundation on specific terms and conditions. The purpose of the foundation is to manage the shares received upon its formation and to exercise and maintain a substantial, long-term and stable ownership interest in SpareBank 1 SR-Bank ASA. The foundation can distribute its surplus and, in line with savings bank traditions, donates to publicly beneficial projects in Rogaland, Aust-Agder, Vest-Agder, and Hordaland. The conversion and establishment of Sparebankstiftelsen SR-Bank was completed with effect from 1 January 2012. The company's legal name was simultaneously changed to SpareBank 1 SR-Bank ASA. SpareBank 1 SR-Bank ASA is registered with the Norwegian Company Registry with organisation number 937 895 321. The address of the registered office is P.O. Box 250, 4066 Stavanger (tel +47 915 02002).

SpareBank 1 SR-Bank ASA has the ambition to be the leading financial group in Southern Norway. SpareBank 1 SR-Bank ASA offers a full range of financial services within areas such as loans, savings, advice, insurance, and pensions for personal and corporate customers. SpareBank 1 SR-Bank ASA had 33 branches and total assets of NOK255.9 billion as at 31 December 2019.

Business Operations

The SpareBank 1 SR-Bank Group achieved a pre-tax profit of NOK 3,817 million in 2019. The net profit for the year amounted to NOK 3,124 million, compared with NOK 2,296 million in 2018.

The SpareBank 1 SR-Bank Group consists of the parent bank, SpareBank 1 SR-Bank ASA, and its subsidiaries. The most important subsidiaries are: EiendomsMegler 1 SR-Eiendom AS, SpareBank 1 Regnskapshuset SR AS, SR-Forvaltning AS, FinStart Nordic AS and SR-Boligkreditt AS.

The financial figures in this section have been extracted from SpareBank 1 SR-Bank Group's audited financial statements of 2019 (available at www.sr-bank.no).

Business Strategy

SR-Bank aims to be the most attractive supplier of financial services in the banks' market area. The strategy is based on good customer experience, professionalism, local roots and decision making, financial strength, profitability and market trust.

The Board of Directors

The Board of SR-Bank consists of eight members and two deputy members, of which two members are elected by the employees.

The Board of Directors is responsible for the administration of SR-Bank's business. This includes making decisions on individual credit cases. The Board must ensure a satisfactory organisation of SR-Bank's operations, including ensuring that accounting and asset management are subjected to proper scrutiny.

Board of SR-Bank:

Name:	**Board position**:	**Business address**:
Dag Mejdell	Board Chairman	Silurveien 18A, 0380 Oslo
Birthe C. Lepsøe	Board Member	Werners Holmvei 11, 5232 Paradis
Therese Log Bergjord	Board Member	Nygårdsveien 7, 4044 Hafrsfjord
Jan Skogseth	Board Member	Nikkelveien 22, 4313 Sandnes
Tor Dahle	Board Member	Sparebankstiftelsen SR-Bank, Domkirkeplassen 2, N-4000 Stavanger
Kate Henriksen	Board Member	Miles AS, O. J. Brochs gate 16a 5006 Bergen
Sally Lund-Andersen	Employee Representative	SpareBank 1 SR-Bank ASA, Christen Tranes gate 35, PO Box 250 4007 Stavanger
Kristian Kristensen	Employee Representative	SpareBank 1 SR-Bank ASA, Christen Tranes gate 35, PO Box 250 4007 Stavanger

MORTGAGE ORIGINATION, ELIGIBILITY AND SERVICING

Mortgage Products

Mortgage Loans originated by the Issuer or SR-Bank may form part of the Cover Pool provided such Mortgage Loans constitute Eligible Loans.

The descriptions of the products and processes in this section relate to the products and processes as at the date of this Base Prospectus, which are subject to change from time to time.

General Mortgage Loan Features

The Mortgage Loans originated by the Issuer or the Originator are mainly standard variable rate loans (such rates being set on the basis of the individual borrower's credit history and the funding costs for the Originator).

The Mortgage Loans originated by the Issuer or the Originator have the following key features (although not all such Mortgage Loans will be Eligible Loans):

- purpose of loans – a Mortgage Loan may be for the purposes of purchasing or refinancing a residential property – typically this will be a primary residence, but it could also be for a second home or a leisure property owned by the borrower;
- additional advances - certain Mortgage Loans (known as "flexible loans", i.e. revolving credit loans) allow the customer to leave all or a portion of the Mortgage Loan undrawn at the point of origination. The undrawn portion may be drawn from time to time within the agreed term of the Mortgage Loan and provided the customer has not previously defaulted under the Mortgage Loan;
- repayment profile – the Mortgage Loans may be annuity or serial repayment loans. In certain circumstances, an interest-only period may be established within the repayment profile, typically at the start of the Mortgage Loan's term;
- prepayment – all variable rate Mortgage Loans contain the option for the borrower to make prepayments of all or part of the Mortgage Loan without incurring any prepayment fee;
- other fees – small fees are charged to the borrower upon the origination of the Mortgage Loan and on each monthly payment date;
- interest accrual – interest on a Mortgage Loan accrues daily;
- maturity of a Mortgage Loan – the life of a Mortgage Loan may vary, but the typical maturity is 25 or 30 years and the historically observed, weighted average life of a Mortgage Loan (which depends on the borrower's repayment behaviour) has been 3.5 years; and
- nature of customers – the Originator has a large number of return customers, giving the bank an improved understanding of the credit risks associated with such customers (subject to legal restrictions on retention of data described below). In addition, the customers reside in the bank's operating regions allowing it to leverage the knowledge of the local housing market and minimise fraud. The share of online applications is currently low and a meeting with an advisor can be arranged to supplement information supplied online, again minimising the risk of fraud.

The required monthly payments due from borrowers in connection with the Mortgage Loans may vary from month to month for various reasons, including changes in the standard variable interest rate.

All borrowers in respect of the Mortgage Loans make monthly payments to a designated account in the Issuer's name at the Originator. This account is swept daily (overnight) into a central account in the Issuer's name (this account also forms part of the Cover Pool). Borrowers typically pay by direct debit.

Each Mortgage Loan is secured by way of a standard format mortgage document (*pantedokument*) stipulating the amount which is secured by the mortgage document and which is registered on the mortgaged property in the official Norwegian Real Property Registry. Each Mortgage Loan and each mortgage document is subject to Norwegian law.

Mortgage Origination

The Issuer can originate Mortgage Loans directly or purchase the Mortgage Loans from SR-Bank.

The following steps are carried out in the following order by the Originator as part of the mortgage origination process. The standards and procedures of the Originator are subject to change (for example to reflect changes in the business environment).

1 Customer and Product Information

The customer's personal details are recorded in a central database by the Originator together with the customer's requirements for the Mortgage Loan, such as the amount and preferred maturity. No intermediaries are used in the origination procedure, and the Originator does not outsource any aspect of the origination or administration of the Mortgage Loans, save as disclosed in this Base Prospectus.

2 Rating and Classification

The customer service representative gathers information from the customer and applies a scoring algorithm (the "Scorecard") that uses data from an internal database for performance history and account information and an external database containing filed income and tax assessment data and payment default information.

The Scorecard consists of numerous variables measuring customer income, net worth and borrowing behaviour. The weighting given to each of these variables will depend on whether or not the customer is a new Mortgage Loan customer.

The Scorecard data is processed through an algorithm (credit assessment model) and each customer is assigned a rating from A to K indicating his or her probability of default (with A being the rating carrying the least risk). Only Mortgage Loans rated A through F are acceptable to the Issuer for sale and transfer from the Originator to the Cover Pool.

The customer rating is carried out both at the point of origination and each month thereafter for the life of the relevant Mortgage Loan. Accordingly the process also constitutes a key management and monitoring tool both in respect of the Cover Pool and individual borrowers.

The Scorecard algorithm is validated on a regular basis by the SpareBank 1 Center of Excellence Credit Risk Modelling to identify areas for improvement.

3 Test of Debt Servicing Capacity

Customers are subject to a test of their debt servicing capacity. Debt servicing capacity is evaluated using a national model (known as the SIFO model, developed by the Norwegian government's National Institute for Consumer Research) based on the net income and expenses of the applicant's household. An applicant's debt servicing capacity is also calculated on the basis of the applicant's total assets and debts and the cost of

financing. The Originator takes into account a stressed scenario for affordability and considers the applicant's ability to handle interest rate increases of several percentage points, currently set at minimum 5 percentage points.

4 Collateral Valuation

The valuation of the residential property which is pledged as security for a Mortgage Loan is often the transaction value (in those cases where a house purchase is financed by the Mortgage Loan) as transactions in Norway take the form of an open market auction and so provide a sufficiently adequate indication of market value. When a new Mortgage Loan is originated without a sale of the property (a refinancing), the valuation is performed by an independent source, which could be a licensed valuer or a licensed real estate agent. A valuation for a refinancing transaction could also be provided by Eiendomsverdi AS (a leading Norwegian provider of property valuations) through the use of an automated valuation model.

Valuations in the Cover Pool are subsequently tested and evaluated quarterly by Eiendomsverdi AS and this forms the basis of the measurement of loan-to-value over time for the Cover Pool.

If there is a large discrepancy between the estimate of the independent valuer and that of Eiendomsverdi AS, the independent valuer may be contacted to establish the authenticity and quality of the estimate. If there is still doubt regarding the estimate following communication with the independent valuer, another independent valuer may be consulted.

The independent appraisal of the real estate assets securing Mortgage Loans acquired by the Issuer is a legal requirement pursuant to Norwegian covered bond legislation. The requirement extends to documenting by whom and under what assumptions the valuation was conducted. According to the Issuer's credit policy, the valuation cannot be older than 24 months at the date on which the Issuer acquires the Mortgage Loan.

The ongoing quarterly testing of the valuation of the underlying collateral performed by the Issuer via *Eiendomsverdi AS* is not a legal requirement. However, covered bond issuers in Norway are required by law to revalue the underlying collateral (i) when there is reason to believe that due to market conditions there has been deterioration in the collateral value or (ii) at a minimum every three years. Should property prices fall after inclusion of a Mortgage Loan in the Cover Pool, the part of a mortgage that exceeds the relevant LTV limit is still part of the Cover Pool and protects the holders of preferential claims. However, the part of a loan that exceeds the LTV limit is not taken into account when calculating the value of the Cover Pool to test for compliance with the statutory overcollateralisation requirement (which requires a minimum overcollateralisation in the Cover Pool of 2 per cent. at all times– (for further details see "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)*"). Similarly, loans that are defined as being in default are not taken into account when calculating the value of the Cover Pool to assess the compliance with the statutory overcollateralisation requirement..

5 Decision, Pricing and Loan Contract

Depending on, among other things, the characteristics of the customer, the mortgage loan application and the collateral, the application is approved according to the Originator's delegation of powers.

An internal pricing model is used in the pricing of the Mortgage Loans. The model will take into account a number of factors including the nature of the Mortgage Loan being originated (a standard variable rate loan or fixed rate loan), the credit history of the borrower and the cost of funding for the Originator. This price may be adjusted in order to make it more competitive with other banks in the market.

Eligibility Criteria

The Issuer's credit policy sets out criteria for identifying which Mortgage Loans it can originate or acquire from the Originator.

The Issuer's eligibility criteria complies with the eligibility requirements set out in the Act and the Regulations, in addition to the Issuer's credit policy. For details of the Act and the Regulations see "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)*".

Purchase of Mortgage Loans

The Originator chooses Eligible Loans from a database that it wishes to sell to the Issuer. When the Issuer approves the transaction, it triggers both the immediate transfer of the Eligible Loans to, and funds from, the Issuer. The Issuer is not obliged to purchase any Eligible Loan.

Each Eligible Loan sold by the Originator to the Issuer is sold by way of a true sale in that, following a sale, the credit risk is transferred to the Issuer and the Eligible Loan appears on the Issuer's balance sheet. Following the purchase of an Eligible Loan, a letter of notification is sent to the customer in order to perfect the legal transfer. The consent of the customer to the transfer is not required.

Monitoring of the Cover Pool

The Issuer monitors the Cover Pool on a daily basis and reports compliance to credit policies and risk limits to the CEO on a weekly basis and to the Board on a monthly basis. The Issuer discloses and updates the Cover Pool on the web page www.sr-bank.no/sr-boligkreditt every quarter.

Loan Servicing

Pursuant to the Transfer and Servicing Agreement, the Originator provides all mortgage loans servicing functions to the Issuer. The Originator needs the Issuer's consent if it wants to adjust the interest rates of the Issuer's portfolio of Mortgage Loans.

The Originator maintains deeds and titles to the residential property that comprise the security for the Mortgage Loans. The original deeds are scanned and stored by the Originator.

Payment in Arrears

Arrears in respect of transferred Mortgage Loans are managed on behalf of the Issuer by the Originator in accordance with a standardised procedure that meets the requirements set out under Norwegian law. The arrears procedure is in accordance with the Originator's own procedures. The arrears procedure is generally as follows:

- 16 days after the payment due date – initial notice sent to the customer.
- 32 days after the payment due date – a formal notice is sent, in which the customer is warned that if the missing instalments are not paid within 16 days of the formal notice, it will be passed on to a debt collector.
- 48 days after the payment due date - notice of debt collection of the instalments are sent to the customer.
- 64 days after the payment due date – the mortgage is sent to a debt collector, whose fees will be charged to the customer. The Issuer takes over the management from the Originator of the relevant Mortgage Loan in arrears once such Mortgage Loan progresses into the collection stage.

The Originator is encouraged, but is not obliged, to repurchase defaulted Mortgage Loans before they are sent to the debt collector.

Penalty interest is charged to borrowers by the Originator for Mortgage Loans in arrears in respect only of the amount due and payable. The rate is limited under Norwegian law. Penalty interest may be waived by the Originator.

Pursuant to their origination criteria, the Originator will not originate Mortgage Loans to a customer with an adverse credit history (including late payments). Existing customers who have received one or more late payment notices will in general not be eligible to receive a further Mortgage Loan without satisfactory explanation of the reasons for the late payment or payments. The Issuer is not permitted to allow exemptions to its eligibility criteria.

Foreclosure

Provided that (i) the borrower has been notified of his/her payment default as provided under the Norwegian Financial Contracts Act 1999, (ii) the default has been deemed substantial, usually when two consecutive monthly payments have not been made and the Lender has claimed the total mortgage as defaulted, and (iii) if the borrower has not remedied the default within 14 days after the notification of the default of the mortgage under item (ii) above, a Lender is able to foreclose on a Mortgage Loan by claiming its rights under the mortgage document executed by the borrower. Under the Issuer's foreclosure procedure, this takes place 90 days after the original payment due date.

The Norwegian Enforcement Act provides for an effective and expedient forced sale procedure. A lender may, if a Mortgage Loan is accelerated and the borrower fails to pay any due amount, file an application before the county court for a forced sale of the property securing the Mortgage Loan. The registered mortgage document will itself constitute the basis for such application. There is no need for an additional order by the court to permit such a forced sale. The court will, after giving the debtor time to contest the application, decide if the forced sale should be carried out. The court will normally appoint a real estate agent to administer the sale in order to obtain a reasonable price. However, the court may decide that the forced sale should be carried out through an auction if it believes that this will result in an improved sale price. The court may also decide to evict the debtor from the premises if the sales procedure is hindered or there is a possible loss of value of the property.

In the event that the court is asked by the lender to affirm a bid on the property, the court will do so provided that such a bid allows full recovery for those creditors with senior priority to the lender (see below) and there is no reason to believe that it is possible to obtain a higher bid. The court will then give an order to distribute the proceeds of the sale to the creditors that hold security over a property. In general six to nine months from the start of the foreclosure process are required to repossess the property and distribute proceeds to the creditors. Whilst the foreclosure process is taking place, no other enforcement proceedings may be taken against the debtor in respect of that debt.

Certain claims benefit from a statutory first priority lien on any real property in Norway, typically a claim for property tax owed to the local municipality and for certain municipal fees such as refuse collection and disposal, annual water and sewage fees and chimney sweep fees. A bankrupt estate of a borrower will have a first priority statutory lien over any asset, including real property, pledged by the borrower. This lien is limited to 5 per cent. of the value of the relevant asset, subject to a maximum threshold of 700 times the court fee (which at present equals NOK 805,000) in respect of each pledged asset. The bankruptcy estate may only apply the funds obtained from this statutory first priority lien to discharge the necessary costs relating to the management of the bankruptcy estate.

The Issuer may only purchase Mortgage Loans with an LTV of 75 per cent. or less according to the eligibility requirements set out in the Act and the Regulations, which generally allows for a 25 per cent. deterioration of the value of the property from the time the Mortgage Loan was purchased before the Mortgage Loan is impaired. In normal markets this is sufficient to cover the full value of the Mortgage Loan. The timing and success of such a property sale is dependent on market conditions.

Under Norwegian law, there is also full recourse to a debtor in Norway, who is personally responsible for any uncollected debts notwithstanding foreclosure and sale of the property to satisfy a creditor's claim. This may include a court order to make deductions from the debtor's salary to cover uncollected debts.

Reserves for potential Mortgage Loan losses are recorded by the Issuer in accordance with IFRS.

According to IFRS 9, impairment losses must be recognised based on expected credit losses (ECL). The measurement of the provisions for expected losses in the general model depends on whether or not the credit risk has increased significantly since initial capitalisation. When the credit risk has not increased significantly after initial capitalisation, provisions must be made for 12 months' expected losses. The 12-month expected loss is the loss that is expected to occur over the life of the instrument, but which can be linked to events occurring in the first 12 months. If the credit risk has increased substantially after initial capitalisation, provisions must be made for expected losses over the entire lifetime. Expected credit losses are calculated based on the present value of all cash flows over the remaining life expectancy, i.e. the difference between the contractual cash flows under the contract and the cash flow that the bank expects to receive, discounted at the effective interest rate of the instrument.

Other than the sale of security, there are no other general sources of proceeds from foreclosure. Costs associated with the foreclosure process (principally legal fees and estate agent fees) reduce the amounts ultimately received by creditors since they are not generally recoverable from the debtor.

OVERVIEW OF THE NORWEGIAN LEGISLATION REGARDING COVERED BONDS (*OBLIGASJONER MED FORTRINNSRETT*)

The following is a brief overview of certain features of Norwegian law governing the issuance of covered bonds in Norway, at the date of this Base Prospectus. The overview does not purport to be, and is not, a complete description of all aspects of the Norwegian legislative and regulatory framework pertaining to covered bonds.

As of the date of this Base Prospectus, the main legislation which governs the issue of covered bonds in Norway is set out in Chapter 11, Subsection II of the Norwegian Act on Financial Undertakings and Financial Groups of 10 April 2015 No 17 *(lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven))* (the "Act") which came into legal effect on 1 January 2016 and Chapter 11, Subsection 1 of the Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups (*forskrift 9. desember 2016 nr. 1502 om finansforetak og finanskonsern (finansforetaksforskriften))* which came into legal effect on 1 January 2017 (the "Regulations" and together with the Act, the "Legislation").

Legislation

Under the Legislation, certain Norwegian credit institutions which meet the general definitions of a "Financial Undertaking" (*finansforetak*) and "Credit Institution" (*kredittforetak*) contained in the Act, and whose articles of association comply with prescribed mandatory requirements may issue covered bonds (*obligasjoner med fortrinnsrett*). The Act defines Credit Institutions as non-banking Financial Undertakings who receive repayable assets other than deposits from the public and grant commercial credits and guarantees in its own name. Credit Institutions must hold a licence issued by the Ministry of Finance (or pursuant to delegation, the FSAN) in order to conduct business as a Credit Institution. However, they are not required to obtain any specific governmental licence or approval in order to issue covered bonds, save that they must notify the FSAN no less than 30 days in advance of their first issuance of covered bonds.

The Issuer is a "*kredittforetak*" (as defined by the Act), holds the required Credit Institution licence and has adapted its articles of association to meet the mandatory requirements, and consequently may issue covered bonds.

The Legislation provides that holders of covered bonds (and also counterparties under derivative agreements entered into for hedging purposes in relation to the covered bonds) have an exclusive and prioritised right of claim, on a *pari passu* basis between themselves and the counterparties under derivative agreements relating to the covered bonds, against a pool of certain security assets (the "Cover Pool").

Under Norwegian law, an issuer of bonds in Norway, such as an issuer of covered bonds, must register the bonds in paperless book entry form by registration in the Norwegian Central Securities Depository ("Verdipapirsentralen**"** or "VPS**"**) or another securities registry which is properly authorised or recognised by the FSAN as being entitled to register such bonds pursuant to Regulation (EU) No. 909/2014, unless such bonds are either (i) denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) denominated in a currency other than NOK and offered or sold outside of Norway.

The Register

The Credit Institution must maintain a register (the "Register") of the issued covered bonds, the related derivative agreements and the Cover Pool pertaining to such covered bonds and derivative agreements. In accordance with the Legislation, a Credit Institution may establish a separate Register for the issue of covered bonds relating to a different Cover Pool. If there is more than one Cover Pool, the Credit Institution must identify which Cover Pool a covered bondholder will hold a preferential claim against. Where a Credit

Institution has made two or more issues of covered bonds which have a preferential claim against different Cover Pools, substitute assets shall be held in separate accounts for each Cover Pool.

Each Register relating to a Cover Pool must at all times contain detailed information on, amongst other things, the assets included in the Cover Pool and the covered bonds and derivative agreements associated with the Cover Pool. Consequently, each Register must be updated on a regular basis to include any changes in relevant information.

Such registration is not in itself conclusive evidence of the contents of the Cover Pool pertaining to the covered bonds, but shall, according to statements in the preparatory works to the Norwegian covered bonds legislation, serve as strong evidence.

Benefit of a prioritised claim

Pursuant to the Act, if a Credit Institution which has issued covered bonds is placed under public administration or is liquidated, the holders of covered bonds issued by the Credit Institution and the counterparties to relevant derivative agreements entered into by the Credit Institution falling within the scope of the Act will have an exclusive, equal and *pro rata* prioritised claim against the Cover Pool. The prioritised claims will rank ahead of all other claims, save for claims relating to the fees and expenses of the administration board. According to the provisions of section 6-4 of the Norwegian Liens Act of 1980 and section 11-15 of the Act, a future administration board of the Credit Institution will have a first priority lien over all of the assets included in the Cover Pool, as security for fees and expenses incurred by the administration board in connection with the administration of the Credit Institution. Such statutory lien will rank ahead of the claims of holders of covered bonds and of the counterparties to the relevant derivative agreements, but will, however, be limited to 700 times the standard Norwegian court fee (which at present equals NOK 820,400) in respect of each Cover Pool. Payment of expenses for operation, management, recovery and realisation of the Cover Pool may also be demanded before the covered bondholders and counterparties to the relevant derivative agreements receive payment from the Cover Pool.

By virtue of the priority established by the Act, claims of the holders of covered bonds and of the counterparties to the relevant derivative agreements against a Credit Institution which has issued covered bonds will rank ahead of claims of all other creditors of the Credit Institution with respect to the Cover Pool (save for the priority described above granted to an administration board in respect of fees and expenses).

Pursuant to the Act, loans and receivables included in the Cover Pool may not be assigned, pledged, or made subject to any set-off, attachment, execution or other enforcement proceedings. However, an exemption regarding the prohibition against set-off has been made in relation to derivative agreements, as further described in the Regulations.

Cover Pool composition of assets

Pursuant to the Act, the Cover Pool may only consist of certain assets, including loans secured by various types of mortgages (the "Mortgages"), loans granted to or guaranteed by certain governmental bodies ("Government Loans"), receivables in the form of certain derivative agreements, and substitute assets.

The Mortgages may include residential mortgages or mortgages over other title documents relating to residences ("Residential Mortgages**"**) as well as mortgages over other real properties ("Commercial Mortgages"). The real property and the registered assets which serve as security for the loans included in the Cover Pool must be located in a member state of either the European Economic Area ("EEA") or the Organisation for Economic Co-operation and Development ("OECD").

Government Loans must be either guaranteed or issued by governmental bodies, which, in addition to belonging to a member state of either the EEA or the OECD, must meet certain additional requirements under the Regulations.

Substitute assets may only consist of particularly liquid and secure assets, and are as a main rule subject to a limit of 20 per cent. of the total value of the Cover Pool. However, under certain circumstances, and for a limited period of time only, the FSAN may approve an increase in the mentioned limit to 30 per cent. of the total value of the Cover Pool. The substitute assets must also meet certain risk category requirements under the Regulations in order to be included among the assets which form the basis for the value calculation of the Cover Pool.

Loan to value ratios (and other restrictions)

Pursuant to the Regulations, when calculating the value of the Cover Pool assets consisting of loans secured by Mortgages, the following loan to value requirements apply to Cover Pool assets consisting of loans secured by Mortgages:

1. Loans secured by Residential Mortgages shall not exceed 75 per cent. of the value of the property; and

2. Loans secured by Commercial Mortgages shall not exceed 60 per cent. of the value of the property.

There is no restriction with regard to the proportion of the Cover Pool which may be represented by Residential Mortgages or Commercial Mortgages. According to the Act, the value of substitute assets may not exceed 20 per cent. of the value of the Cover Pool (unless FSAN has approved to increase the percentage, see above). According to the Regulations, the proportion of the Cover Pool represented by Government Loans and receivables in the form of derivative agreements may vary, depending on the risk category pertaining to the relevant assets.

Additional provisions regarding quantitative and qualitative requirements placed on the assets forming part of the Cover Pool are set out in the Regulations. In order to qualify for inclusion in the Cover Pool all legislative requirements must be met. However, if the Cover Pool assets at a later stage cease to meet the requirements of the Act and/or the Regulations in relation to ratios, risk categories or proportion limits, such assets may nevertheless form part of the Cover Pool, but will be excluded from the calculation (which is required by the Act and described below) of the value of the Cover Pool, unless the asset only ceases to meet a qualitative requirement or the debt to asset ratio, in which case the value of the asset may be included in the calculations to the extent it meets the requirements.

Overcollateralisation and Valuations

Pursuant to the Act, the Issuer is required to ensure that the value of the assets in the Cover Pool shall at all times exceed the value of the covered bonds with preferential claims against the Cover Pool (derivative contracts taken into account) ("Overcollateralisation"). A higher level of Overcollateralisation may be set through regulations passed by the Ministry of Finance under the Act. Pursuant to the Regulations, the Issuer is currently required to ensure a minimum Overcollateralisation in the Cover Pool of 2 per cent. at all times.

The calculation of the value of the Cover Pool assets consisting of loans secured by Mortgages is required to be made on a prudent basis, and such prudent value may not exceed the market value of each individual asset. The estimation of the value is required to be made by a competent and independent person (i.e. a person without involvement in the credit granting process) and be documented, and such documentation is required to include information on who performed the calculation and the principles on which the calculation was based. The value of residential real property may, however, be based on generally applicable price levels, when this is considered justifiable based on the market situation. Defaulted loans shall be disregarded for purposes of the valuation, and

loans provided to one single customer or secured by the same real estate property shall never count in excess of 5 per cent. of the aggregate balance of a cover pool.

The value of derivative agreements and substitute assets included in the Cover Pool shall be set by calculating the prudent market value of such assets, and in some cases by calculating the discounted present value of the asset. The FSAN may impose rules about the discount interest to be applied.

Balance and liquidity requirements

In order to ensure compliance with the abovementioned overcollateralisation requirement, each Credit Institution issuing covered bonds is required to establish systems for continued control of the development of the value of the Cover Pool assets, and to monitor the development of the relevant market situations. If developments in the market situation or in the situation pertaining to an individual asset so warrants, the Credit Institution is required to ensure that a renewed calculation of the value is performed.

The Act requires that the Credit Institution ensures that the cash flow from the Cover Pool at all times is sufficient to enable the Credit Institution to discharge its payment obligations towards the holders of covered bonds and counterparties under relevant derivative agreements. The Credit Institution must establish a liquidity reserve, which shall be included in the Cover Pool, and must also determine a reasonable limit to its interest rate risk exposure based on its equity and subordinated capital and potential losses in connection with changes in applicable interest rates. The limit shall apply in relation to each Cover Pool and to the Credit Institution as a whole. The ratio for each Cover Pool shall not exceed the level of interest risk applicable to the Credit Institution as a whole.

Inspector

An independent inspector (the "Inspector") shall be appointed by the FSAN prior to a Credit Institution issuing any covered bonds. The Inspector is required to monitor the Register, and shall review the Issuer's compliance with the Act's provisions relating to the Register, including those which govern the composition and the balance of the Cover Pool.

The Credit Institution is required to give the Inspector all relevant information pertaining to its business. The Inspector must be granted access to the Register, and may also request additional information. The Inspector may perform inspections of the Credit Institution, and shall at least every three months determine if the requirements of sections 11-11 and 11-13 of the Act are complied with. Furthermore, the Inspector shall submit annual reports of observations and assessments to the FSAN.

Cover Pool administration in the event of public administration and winding-up of the Issuer

Credit Institutions experiencing financial difficulties may be placed under public administration if the conditions for resolution are otherwise met but the Ministry of Finance does not consider that resolution would be in the public interest. Public administration entails that the institution's former governing bodies are replaced by an administration board (the "Board") which assumes control over the institution. The Board's main task will be to liquidate the institution and distribute its assets to the creditors.

Public administration of a Credit Institution does not in itself give the right to accelerate claims.

If a Credit Institution which has issued covered bonds is placed under public administration pursuant to the Act, and the Cover Pool meets the requirements of the Act and the Regulations, the Board shall ensure that, to the extent possible, the holders of covered bonds and counterparties to relevant derivative agreements receive

timely payment of their respective claims, such payments being made from the Cover Pool for the duration of the administration of the Credit Institution.

If the Board is unable to make timely payments to the covered bondholders or the counterparties to relevant derivative agreements, the Board must set a date for a halt to payments, and inform interested parties of this as soon as possible. If a halt to payments is initiated, the further administration of the Credit Institution will be conducted in accordance with general Norwegian bankruptcy legislation. The covered bondholders and counterparties to relevant derivative agreements will in such event continue to have a prioritised claim against the Cover Pool.

FORM OF THE NOTES

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

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

Bearer Notes

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

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

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

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

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

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

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

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

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

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

The Permanent Global Note is exchangeable (free of charge), in whole, for Bearer Definitive Notes with, where applicable, interest coupons and talons attached only upon the occurrence of an Exchange Event.

Exchange Event*:* means that (i) in the case of Bearer Global Notes and Registered Global Notes registered in the name of a nominee for a common depositary or in the name of nominee for common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available or (ii) in the case of both Bearer Global Notes and Registered Global Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form. The Issuer will promptly give notice to Noteholders of each Series in accordance with Condition 12 of the Ordinary Note Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Issuer may give notice to the Principal Paying Agent or Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

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

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

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

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

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

Registered Notes

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

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

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

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

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

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

VPS Notes

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. On the issue of such VPS Notes, the Issuer will send a letter to the VPS Trustee, with copies sent to the Principal Paying Agent and the VPS Agent (the "VPS Letter"), which letter will set out the terms of the relevant issue of VPS Notes in the form of a Final Terms supplement attached thereto. On delivery of a copy of such VPS Letter including the relevant Final Terms to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent will credit each subscribing VPS account holder with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

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

General

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

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

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 case (if the Notes are intended to be listed) a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

APPLICABLE FINAL TERMS

[PROHIBITION OF SALES TO EEA OR UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended or superseded ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended or superseded (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPS Regulation.]

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

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

Dated [●]

SR-Boligkreditt AS
LEI: 5493005EFLOPQ4K0ZF42
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €10,000,000,000
Euro Medium Term Covered Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the [Ordinary Note Conditions] [VPS Conditions] set forth in the prospectus dated 10 June 2020 [and the supplement[s] to the prospectus dated

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

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

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such an offer.][1]

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

1	Series Number		[●]
2	(i)	[Tranche Number	[●]
	(ii)	[Series with which Notes will be consolidated and form a single Series:	[●]/Not Applicable]
	(iii)	[Date on which the Notes will be consolidated and form a single Series with the Series specified above:	The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date /issue date of earlier Tranches*] on [●] /[the Issue Date]/[exchange of the Temporary Bearer Global Note for interest in the Permanent Bearer Global Note, as referred to in paragraph 21 below [which, is expected to occur on or about [*date*]] [Not Applicable]]

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

3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●]per cent of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)]
6	(a) Specified Denominations:	[●] [[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000] (or equivalent in another currency). No notes in definitive form will be issued with a denomination above [€199,000] (or equivalent in another currency)] [*N.B. Notes must have a minimum denomination of €100,000 (or equivalent in another currency*)
	(b) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date	[●]/[Issue Date]/[Not Applicable]
8	Maturity Date:	[●]/Interest Payment Date falling in or nearest to [●]
9	Extended Final Maturity Date:	[●]/[Not Applicable]
10	Interest Basis:	[[●]per cent. Fixed Rate]/ [[Specify particular reference rate] +/- [●]% per annum Floating Rate]
11	Redemption/Payment Basis	[Redemption at par]/[Redemption at [●]% of the nominal amount]
12	Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [15] [16] applies and for the period from (and including) [date] to (but excluding) the Maturity Date, paragraph [16] [15] applies]/[Not Applicable]
13	Put/Call Options:	[Investor Put] [Issuer Call] [Not Applicable]
14	[Date [Board] approval for issuance of Notes obtained:]	[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this item 15*)
	(i) Rate(s) of Interest:	[●]% per annum [payable in arrear on each Interest Payment Date]
	(ii) Interest Payment Date(s):	[●] in each year from (and including) [●] up to and including the [Final Maturity Date]/[Extended Due for Payment Date, if

		applicable], subject to adjustment in accordance with the Business Day Convention set out below
	(iii) Fixed Coupon Amount(s):	[[●] per Calculation Amount/Not Applicable]
	(iv) Broken Amount(s):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
	(v) Day Count Fraction:	[30/360]/ [Actual/Actual (ICMA)]
	(vi) Determination Date(s):	[[●] in each year]/[Not Applicable]
16	Floating Rate Note Provisions	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraphs of this item 16*)
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (ii) below /, not subject to adjustment as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ Not Applicable
	(iii) Business Centre(s):	[●]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(v) Party responsible for calculating the Rate of Interest and Interest Amount:	[Principal Paying Agent]
	(vi) Screen Rate Determination:	
	– Reference Rate and relevant financial centre:	[Applicable/Not Applicable] Reference Rate: [●] month [currency] [LIBOR]/[EURIBOR]/[NIBOR]/[EONIA]/[STIBOR]/ [Compounded Daily €STR] Relevant financial centre: [London]/[Brussels]/[Oslo]/[Stockholm]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Observation Method:	[Lag/Shift][Not Applicable]
	– €STR Lag Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable]
	– €STR Shift Period (p):	[[●]/[Five] TARGET Settlement Days][Not Applicable] [*Specify €STR Lag Period or €STR Shift Period where €STR is the Reference Rate. Specify "p" TARGET Settlement Days for €STR, where "p" shall not be less than five without the prior agreement of the Calculation Agent*]

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

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

(viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(ix) Margin(s): [+/-] [●]% per annum

(x) Minimum Rate of Interest: [[●]% per annum][Not Applicable]

(xi) Maximum Rate of Interest: [[●]% per annum][Not Applicable]

(xii) Day Count Fraction: [Actual/Actual [(ISDA)]]/
[Actual/365 (Fixed)]/
[Actual/365 (Sterling)]/
[Actual/360]/
[30/360]/[360/360]/[Bond Basis]/
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17 Issuer Call: [Applicable]/[Not Applicable]
(*if not applicable, delete the remaining subparagraphs of this item 17*)

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount of each Note: [●] per Note of [●] Specified Denomination

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [●]

(b) Maximum Redemption Amount: [●]

(iv) Notice period (if other than as set out in the Conditions): [●]

18 Investor Put: [Applicable]/[Not Applicable]
(*if not applicable, delete the remaining subparagraphs of this item 18*)

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount of each Note: [●] per Note of [●] Specified Denomination

(iii) Notice period (if other than as set out in the Conditions): [●]

19	Final Redemption Amount of each Note:	[●] per Calculation Amount
20	Early Redemption Amount of each Note payable on redemption:	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21	Form of Notes:	[Bearer Notes:
	(i) Form:	[Temporary Bearer Global Note exchangeable on or after the Exchange Date for a Permanent Bearer Global Note which is exchangeable for Bearer Definitive Notes only upon an Exchange Event]]/ [Registered Notes: [Regulation S Global Note registered in the name of a nominee for [/a common depositary for Euroclear and Clearstream, Luxembourg/a common Safekeeper for Euroclear and Clearstream, Luxembourg]] [VPS Notes issued in uncertificated book entry form]
	(ii) New Global Note:	[Yes][No]
22	Additional Financial Centre(s)	[●]/[Not Applicable]
23	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if on exchange into definitive form, more than 27 coupon payments are still to be made]/[No.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

[Signed on behalf of the Issuer:

By: .....

Duly authorised][2]

[2]Two signatories are required for issues of N Notes.

PART B – OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

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

2 **RATINGS**

Ratings:	The Notes to be issued have been rated [●] by Moody's Moody's is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 (as amended, the "CRA Regulation"). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with 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 transactions with and may perform other services for the Issuer and/or its affiliates in the ordinary course of business.

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

Indication of yield:	[●][N/A]

5 **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	[FISN:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
(iv)	[CFI Code:	[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[●]/[Not Applicable]/[VPS, Norway. VPS identification number: [●]].
(vi)	Delivery:	Delivery [against/free of] payment

(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6 **DISTRIBUTION**

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

7 **REASONS FOR THE OFFER**

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

8 **ESTIMATED NET PROCEEDS**

Estimated net proceeds:	[●]

TERMS AND CONDITIONS OF THE ORDINARY NOTES

The following are the Terms and Conditions of the Ordinary Notes (the "Ordinary Note Conditions") which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Ordinary Note Conditions.

The applicable 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 "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

The Notes are covered bonds (*obligasjoner med fortrinnsrett*) issued by SR-Boligkreditt AS (the "Issuer") in accordance with Chapter 11, Subsection II of the Norwegian Act on Financial Undertakings and Financial Groups of 10 April 2015 No 17 *(lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven))* (the "Act") and Chapter 11 of the Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups (*forskrift 9. desember 2016 nr. 1502 om finansforetak og finanskonsern (finansforetaksforskriften))* (the "Regulations"). This Ordinary Note is one of a Series (as defined below) of Notes issued by the Issuer pursuant to the Agency Agreement (as defined below).

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

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

(ii) any Global Note;

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

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

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

Interest bearing Bearer Definitive Notes have interest coupons ("Coupons") and, in the case of Notes which when issued in definitive form have more than 27 interest payments remaining, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Bearer Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Ordinary Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Ordinary Note which complete these Ordinary Note Conditions and may

specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Ordinary Note Conditions, replace or modify these Ordinary Note Conditions for the purposes of this Note. References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) which are attached to or endorsed on this Ordinary Note.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended and superseded).

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

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

The Ordinary Noteholders 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 2 June 2015 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar, the other Paying Agents and the Transfer Agent (together referred to as the "Agents"). Copies of the applicable Final Terms are available for viewing at the specified registered office of each of the Issuer and of the Principal Paying Agent save that, if this Ordinary Note is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom, nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by an Ordinary Noteholder holding one or more such Ordinary Notes and such Ordinary Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Ordinary Notes and identity. The Ordinary Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Ordinary Note Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

1 Form, Denomination and Title

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

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

This Ordinary Note may be a Fixed Rate Note or a Floating Rate Note, depending upon the Interest Basis shown in the applicable Final Terms.

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

The applicable Final Terms will specify that a Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Notes with, where applicable interest coupons and talons attached only upon the occurrence of an Exchange Event. A Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event.

Exchange Event: means that (i) in the case of Bearer Global Notes and Registered Global Notes registered in the name of a nominee for a common depositary or in the name of a common safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) in the case of both Bearer Global Notes and Registered Global Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form. The Issuer will promptly give notice to Noteholders of each Series of Bearer Global Notes in accordance with Condition 12 below if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Issuer may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

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

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

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

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

2 Status of the Ordinary Notes and Overcollateralisation

(a) Status of the Ordinary Notes

The Ordinary Notes of each Tranche constitute unconditional and unsubordinated obligations of the Issuer and rank *pari passu* with (i) all other outstanding unsubordinated obligations of the Issuer that have been provided equivalent priority of claim to the Cover Pool as covered bonds (*obligasjoner med fortrinnsrett*) issued in accordance with the terms of the Act and the Regulations and (ii) the rights of providers of Covered Bond Swaps.

(b) Overcollateralisation

For so long as the Notes are outstanding, the value (as calculated in accordance with the Act and the Regulations) of the Cover Pool (as defined below) entered into the Register with respect to the Notes shall at all times be a minimum of 102 per cent. of the outstanding principal amount of the Notes (including any Ordinary Notes then outstanding) and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts), provided that to the extent a higher level of minimum overcollateralisation is required by any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer pursuant to this Condition 2(b) ("Overcollateralisation"). In addition, the Issuer may (but is not obliged to) decide to provide a higher level of Overcollateralisation in the Cover Pool (an Alternative Overcollateralisation Percentage), provided that for so long as Moody's has assigned a credit rating to the Notes, the Issuer shall not at any time reduce the then applicable Alternative Overcollateralisation Percentage unless, after having given Moody's not less than five Business Days' written notice of such reduction, it reasonably believes that such reduction would not in and of itself result in any current credit rating then assigned to the Notes by Moody's being reduced, removed, suspended or placed on credit watch.

There is no obligation for the Issuer to maintain any particular rating in respect of the Ordinary Notes throughout the term of the Notes or select an Alternative Overcollateralisation Percentage to maintain a rating. In particular, if an Alternative Overcollateralisation Percentage has been selected and confirmed in accordance with this Condition 2(b), and at a later date any of the credit ratings assigned to the Notes are reduced, removed, suspended or placed on credit watch, the Issuer shall not be obliged to select a higher Alternative Overcollateralisation Percentage.

For the avoidance of doubt, recourse to the Cover Pool, and any additional overcollateralisation in the Cover Pool, is available for all holders of covered bonds issued by the Issuer and any relevant swap counterparties.

3 Interest

(a) Interest on Fixed Rate Notes

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

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub- unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Ordinary Note Conditions:

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

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

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

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

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

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

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

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

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

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

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

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

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

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

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

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

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

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

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

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

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and in each Business Centre specified in the applicable Final Terms; and

(B) 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 (if other than the place of presentation, any Business Centre specified in the applicable Final Terms) or (2) in relation to any sum payable in euro, a TARGET Settlement day (as defined in Condition 3(b)(ii)(C)).

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

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

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

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

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

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

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

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined (and the Reference Rate specified in the applicable Final Terms is not Compounded Daily €STR), the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(d), 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 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. (local time in the relevant financial centre specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

As used in these Conditions:

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

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

where:

"d" is the number of calendar days in:

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

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

"d_o" means, for any Interest Period:

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

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

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

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

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

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

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

"p" means:

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

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

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

"€STR Reference Rate" means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("€STR") for such TARGET Settlement Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank initially at

http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the "ECB's Website") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

"€STR$_{i\text{-}pTSD}$" means:

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

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

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

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

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

immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

As used in these Conditions:

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

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

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

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

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

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

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

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

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, 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 Principal Paying 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 Principal Paying Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate in Notes respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction: means, in respect of the calculation of an amount of interest for any Interest Period:

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(v) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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) Certificates to be final

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

(c) Accrual of interest

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

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

(ii) five days after the date on which the full amount of the monies payable in respect of such Ordinary Note has been received by the Principal Paying Agent and notice to that effect has been given to the Ordinary Noteholders in accordance with Condition 12 below.

(d) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) Independent Adviser

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

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

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

(ii) Successor Rate or Alternative Rate

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

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

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

(iii) Adjustment Spread

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

(iv) Benchmark Amendments

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

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

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

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(d) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Registrar, the Transfer Agent, the Principal Paying Agent and, in accordance with Condition 12, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, the Principal Paying Agent and the Noteholders.

Notwithstanding any other provision of this Condition 3(d), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify

the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

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

(vii) Definitions

As used in this Condition 3(d):

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

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

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

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

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

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

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

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

"Benchmark Event" means:

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

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

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

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

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

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

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

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

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

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

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

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

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as

applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

4 Payments

(a) Method of payment

Subject as provided below:

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

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

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

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

(b) Presentation of Bearer Definitive Notes and Coupons

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

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the

expiry of 10 years after the Relevant Date (as defined in Condition 17 below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 below) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

(c) Payments in respect of Bearer Global Notes

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

(d) Payments in respect of Registered Notes

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

Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

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

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

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

(e) General provisions applicable to payments

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

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

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

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

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

(f) Payment Day

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

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

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

(B) any Additional Financial Centre specified in the applicable Final Terms; 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 (if other than the place of presentation, London and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

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

(g) Interpretation of principal and interest

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

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

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

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

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

(h) Partial Payment

If on the Maturity Date of a Series of Notes where an Extended Final Maturity Date is specified in the applicable Final Terms the Issuer has insufficient monies to pay the Final Redemption Amount on that Series of Ordinary Notes and any other amounts due and payable by the Issuer in respect of Notes on such date, then the Issuer shall apply available monies, after having made payment of all other amounts due and payable by the Issuer in respect of Notes on such date, to redeem the relevant Series of Ordinary Notes in part at par together with accrued interest pro-rata and *pari passu* with any other Series of Ordinary Notes for which an Extended Final Maturity Date is specified in the Final Terms. If more than one Series of Ordinary Notes has the same Maturity Date and the relevant Series each has an Extended

Final Maturity Date specified in the applicable Final Terms then available monies will be applied by the Issuer to partially redeem each such Series of Ordinary Notes on a pro-rata basis.

5 Redemption and Purchase

(a) Redemption at maturity

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

If an Extended Final Maturity Date is specified as applicable in the Final Terms for a Series of Ordinary Notes and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the Final Terms, then (subject as provided below) payment of the unpaid amount by the Issuer shall be deferred until the Extended Final Maturity Date, provided that any amount representing all or part of the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

The Issuer shall confirm to the rating agencies, any relevant Swap Provider and the Principal Paying Agent as soon as reasonably practicable and in any event at least four business days in London prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Ordinary Notes on that Maturity Date. Any failure by the Issuer to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party under the Notes.

Where the applicable Final Terms for a relevant Series of Ordinary Notes provides that such Ordinary Notes are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Maturity Date shall not constitute a default in payment.

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

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 Ordinary Noteholders in accordance with Condition 12 below; and

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

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Ordinary Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Ordinary Notes, the Ordinary Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Ordinary Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the

"Selection Date"). In the case of Redeemed Notes represented by definitive Ordinary Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(b) and notice to that effect shall be given by the Issuer to the Ordinary Noteholders in accordance with Condition 12 at least five days prior to the Selection Date.

(c) Redemption for Taxation Reasons

The Ordinary Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Ordinary Note is not a Floating Rate Note) or on any Interest Payment Date, (if the Ordinary Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Ordinary Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Ordinary Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any authority therein having power to tax or any political subdivision thereof, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Ordinary Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Ordinary Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Agents to make available to the Ordinary Noteholders (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 5(c) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Investor Put is specified in the applicable Final Terms, upon any Ordinary Noteholder giving to the Issuer in accordance with Condition 12 below not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Ordinary Note the holder of this Ordinary Note must deliver, at the specified office of any Paying Agent, in the case of Bearer Notes, or any Transfer Agent or the Registrar in the case of Registered Notes at any time during normal business hours of such Paying Agent or the Transfer Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any

specified office of any Paying Agent or the Transfer Agent or the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. If this Ordinary Note is in definitive form, this Ordinary Note or evidence satisfactory to the Paying Agent, Transfer Agent or the Registrar concerned that this Ordinary Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Ordinary Note pursuant to this paragraph shall be irrevocable.

(e) Early Redemption Amounts

For the purpose of paragraphs (d) and (c) above, each Ordinary Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of an Ordinary Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof; or

(ii) in the case of an Ordinary Note with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount.

(f) Purchases

The Issuer, any Subsidiary of the Issuer or SR-Bank may at any time purchase Ordinary Notes (provided that, in the case of Bearer Definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Ordinary Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(g) Cancellation

All Ordinary Notes which are redeemed will forthwith be cancelled (together with, in the case of Bearer Definitive Notes, all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Ordinary Notes so cancelled and any Ordinary Notes purchased and cancelled pursuant to paragraph (e) above (together with, in the case of Bearer Definitive Notes, all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6 Taxation

All payments of principal and interest in respect of the Ordinary Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Ordinary Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Ordinary Note or Coupon:

(i) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Ordinary Note or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of the Ordinary Note or Coupon or

(ii) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Ordinary Note Conditions, "Relevant Date" in respect of any Ordinary Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Ordinary Noteholders that, upon further presentation of the Ordinary Note or Coupon being made in accordance with the Ordinary Note Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Notwithstanding any other provision of the terms and conditions of the Notes, any amounts to be paid by or on behalf of the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the "Code"), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of Sections 1471 through 1474 of the Code (or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding Tax"). None of the Issuer or any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

7 Prescription

The Ordinary Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 17 below) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4(b) above or any Talon which would be void pursuant to Condition 4(b) above.

8 Replacement of Notes, Coupons and Talons

Should any Ordinary Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent in London (in the case of Bearer Notes, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Ordinary Notes, Coupons or Talons must be surrendered before replacements will be issued.

9 Transfer and Exchange of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Definitive Notes or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of

Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) Transfers of Registered Notes in definitive form

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Definitive Note of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Definitive Note, a new Registered Definitive Note in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Ordinary Notes under Condition 5 above, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders of Registered Notes will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

10 Paying Agents, Transfer Agent, Calculation Agent and Registrar

The names of the initial Principal Paying Agent, the initial Registrar and the other initial Paying Agents, and initial Transfer Agent and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar or any Transfer Agent or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other

Registrars, Transfer Agent, or Calculation Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Transfer Agent, or Calculation Agent acts, provided that:

(a) so long as the Ordinary Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Principal Paying Agent), in the case of Bearer Notes, and a Transfer Agent (which may be the Registrar), in the case of Registered Notes, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(b) there will at all times be a Paying Agent (which may be the Principal Paying Agent) with a specified office in a city in continental Europe outside Norway;

(c) there will at all times be a Transfer Agent having a specified office in a place approved by the Issuer; and

(d) there will at all times be a Registrar with a specified office outside the United Kingdom and, so long as the Ordinary Notes are listed on any stock exchange, in such place as may be required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(e) above. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Ordinary Noteholders in accordance with Condition 12 below.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Ordinary Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

11 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7 above.

12 Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Ordinary Notes are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication will be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which any Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Ordinary Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) and such notice by mail in connection with the Registered Notes the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Ordinary Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of such Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

13 Meetings of Ordinary Noteholders, Modification and Waiver

(a) Provisions with respect to Holders of Bearer Notes and/or Registered Notes

The Agency Agreement contains provisions for convening meetings of the Ordinary Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Ordinary Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Ordinary Noteholders holding not less than five per cent. in nominal amount of the Ordinary Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Ordinary Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Ordinary Noteholders whatever the nominal amount of the Ordinary Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Ordinary Notes, or the Coupons (including modifying the date of maturity of the Ordinary Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Ordinary Notes or altering the currency of payment of the Ordinary Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Ordinary Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Ordinary Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Ordinary Noteholders shall be binding on all the Ordinary Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) Modification

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

(i) any modification (except as mentioned above) of the Ordinary Notes, the Coupons, the Agency Agreement or the Deed of Covenant which, in the opinion of the Issuer, is not prejudicial to the interests of the Ordinary Noteholders; or

(ii) any modification of the Ordinary Notes, the Coupons, the Agency Agreement or the Deed of Covenant which is:

(A) of a formal, minor or technical nature;

(B) is made to correct a manifest or proven error; or

(C) is made to comply with mandatory provisions of the law.

Any such modification shall be binding on the Ordinary Noteholders and the Couponholders and any such modification shall be notified to the Ordinary Noteholders in accordance with Condition 12 above as soon as practicable thereafter.

14 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Ordinary Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Ordinary Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Ordinary Notes.

15 Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Ordinary Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

16 Governing Law and Submission to Jurisdiction

(a) Governing law

The Agency Agreement, the Deed of Covenant, the Ordinary Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Ordinary Notes and the Coupons are governed by, and shall be construed in accordance with, English law, save as to Condition 2(a) above which is governed by and shall be construed in accordance with Norwegian law.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Paying Agents, Ordinary Noteholders and the Couponholders, that the courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Ordinary Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Ordinary Notes and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Ordinary Notes

and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Ordinary Notes and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 16 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Appointment of Process Agent in England

The Issuer appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London, EC2Y 8HQ, England as its agent for service of process in England, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17 Definitions

In these Ordinary Note Conditions, the following words shall have the following meanings:

"Calculation Amount" means, in relation to any Series of Notes, the amount specified in the applicable Final Terms to calculate Fixed Coupon Amount(s), Broken Amount(s), the relevant Final Redemption Amount and the relevant Early Redemption Amount (as applicable).

"Cover Pool" means all the Issuer's assets and liabilities that from time to time form part of a Cover Pool created in accordance with and subject to Section 11-8 of the Act and Section 11-4 of the Regulations;

"Currency Swap" means each currency swap which enables the Issuer to hedge currency risks arising from (a) Notes which are issued in currencies other than NOK and (b) assets (other than loans) which are registered to the Cover Pool and are denominated in currencies other than NOK;

"Currency Swap Agreement" means the ISDA Master Agreement, schedule and confirmation(s) (as amended and supplemented from time to time) relating to the Currency Swap(s) entered into from time to time between the Issuer and each Currency Swap Provider;

"Currency Swap Provider" means any third party counterparty in its capacity as currency swap provider under a Currency Swap Agreement;

"€STR" means the daily euro short-term rate;

"EONIA" means the Euro Overnight Index Average;

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"EURIBOR" means the Euro-zone inter-bank offered rate;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Extended Final Maturity Date" means, in relation to any Series of Notes, the date if any specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date;

"Interest Rate Swap" means each single currency interest rate swap which enables the Issuer to hedge the Issuer's interest rate risks in NOK and/or other currencies to the extent that they have not been hedged by a Currency Swap;

"Interest Rate Swap Agreement" means the ISDA Master Agreement, schedule and confirmation(s) (as amended and supplemented from time to time) relating to the Interest Rate Swap(s) entered into from time to time between the Issuer and each Interest Rate Swap Provider;

"Interest Rate Swap Provider" means any third party counterparty in its capacity as interest rate swap provider under an Interest Rate Swap Agreement;

"LIBOR" means the London inter-bank offered rate;

"Moody's" means Moody's Investors Service Limited (or its successor);

"NIBOR" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian inter-bank offered rate administered by Norske Finansielle Referanser AS and calculated in cooperation with Global Rate Set Systems (GRSS) acting as calculation agent (or any other person which takes over the administration and/or calculation of that rate) for the relevant period (before any correction, recalculation or republication by the administrator);

"Rating Agencies" means Moody's Investors Service Limited (or its successor);

"records" of Euroclear and Clearstream, Luxembourg means the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customer's interest in the Notes;

"Reference Rate" means €STR, LIBOR, EURIBOR, NIBOR, EONIA, or STIBOR as specified in the applicable Final Terms.

"Register" means the register of covered bonds of the Issuer required to be maintained pursuant to the Act and the Regulations;

"Regulation S" means Regulation S under the Securities Act;

"Relevant Date" means the date on which a payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12 above;

"Relevant Notes" means all Ordinary Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area or the United Kingdom;

"Securities Act" means the United States Securities Act of 1933, as amended;

"STIBOR" means the Stockholm Inter-bank offered rate;

"Subsidiary" means in relation to any person (the "first person") at any particular time, any other person (the "second person"):

(a) whose affairs and policies the first person controls or has power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

"Swap Agreement" means each Interest Rate Swap Agreement and each Currency Swap Agreement; "Swap Providers" means each Currency Swap Provider and each Interest Rate Swap Provider;

"Swaps" means any Currency Swap and/or any Interest Rate Swap; and

"Treaty" means the Treaty on the functioning of the European Union, as amended.

TERMS AND CONDITIONS OF THE VPS NOTES

The following are the Terms and Conditions of the VPS Notes ("VPS Conditions"). VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS.

Reference should be made to "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant VPS Notes.

The VPS Notes are covered bonds (*obligasjoner med fortrinnsrett*) issued by SR-Boligkreditt AS (the "Issuer") in accordance with Chapter 11, Subsection II of the Norwegian Act on Financial Undertakings and Financial Groups of 10 April 2015 No 17 (*lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven)* (the "Act") and Chapter 11 of the Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups (*forskrift 9. desember 2016 nr. 1502 om finansforetak og finanskonsern (finansforetaksforskriften))* (the "Regulations").

Each VPS Note will be one of a Series (as defined below) of notes issued by the Issuer under the Programme and each VPS Note will be issued in accordance with and subject to an agreement (such agreement as modified and/or supplemented and/or restated from time to time, the "VPS Agency Agreement") dated 27 April 2015 and made between the Issuer and SR-Bank (the "VPS Agent").

References herein to the VPS Notes shall be references to the VPS Notes of this Series and shall mean notes cleared through the Norwegian Central Securities Depositary (*Verdipapirsentralen*) ("VPS Notes" and the "VPS", respectively).

The VPS Notes will have the benefit of the trustee agreement (such trustee agreement as modified and/or supplemented and/or restated from time to time, the "VPS Trustee Agreement"), dated 23 May 2017 made between the Issuer and Nordic Trustee AS (formerly Nordic Trustee ASA) (the "VPS Trustee**"**, which expression shall include any successor as VPS Trustee).

Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as detailed in the VPS Agency Agreement.

The Final Terms for this VPS Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which supplement these VPS Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these VPS Conditions, replace or modify these VPS Conditions for the purposes of this VPS Note. References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) which supplement this VPS Note.

The VPS Trustee acts for the benefit of the holders of the VPS Notes from time to time (the "VPS Noteholders" and the "holders of VPS Notes"), in accordance with the provisions of the VPS Trustee Agreement and these VPS Conditions.

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

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the office of the VPS Agent at Christen Tranes gate 35, PO Box 250, 4007 Stavanger, Norway, and at the office of the VPS Trustee at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway.

The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Trustee Agreement and the Final Terms which are applicable to them. The statements in these VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

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

1 Form, Denomination and Title

The VPS Notes are issued in uncertificated book entry form in the currency and Specified Denomination(s) as shown in Part A of the relevant Final Terms, provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or the United Kingdom or offered to the public in a Member State of the European Economic Area or the United Kingdom in circumstances which require the publication of a Prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant VPS Notes) and will be registered with a separate securities identification code in the VPS.

VPS Notes of one Specified Denomination may not be exchanged for Notes, VPS or otherwise, of another Specified Denomination. VPS Notes will be registered with a separate securities identification code in the VPS.

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

This VPS Note may be a Fixed Rate Note or a Floating Rate Note, depending upon the Interest Basis shown in the applicable Final Terms.

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

The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder.

Title to the VPS Notes will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

For so long as this VPS Note is a VPS Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such VPS Notes shall be treated by the Issuer, the VPS Trustee and the VPS Agent as the holder of such nominal amount of such VPS Notes for all purposes. VPS Notes will be transferable only in accordance with the rules and procedures of the VPS from time to time.

2 Status of the VPS Notes and Overcollateralisation

(a) Status of the VPS Notes

The VPS Notes of each Tranche constitute unconditional and unsubordinated obligations of the Issuer and rank *pari passu* with (i) all other outstanding unsubordinated obligations of the Issuer that have been provided equivalent priority of claim to the Cover Pool (as defined below) as covered bonds (*obligasjoner med fortrinnsrett*) issued in accordance with the terms of the Act and the Regulations and (ii) providers of Covered Bond Swaps.

(b) Overcollateralisation

For so long as the Notes are outstanding, the value (as calculated in accordance with the Act and the Regulations) of the Cover Pool (as defined below) entered into the Register with respect to the Notes shall at all times be a minimum of 102 per cent. of the outstanding principal amount of the Notes (including any VPS Notes then outstanding) and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts), provided that to the extent a higher level of minimum overcollateralisation is required by any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer pursuant to this Condition 2(b) ("Overcollateralisation"). In addition, the Issuer may (but is not obliged to) decide to provide a higher level of Overcollateralisation in the Cover Pool (an "Alternative Overcollateralisation Percentage"), provided that for so long as Moody's has assigned a credit rating to the Notes, the Issuer shall not at any time reduce the then applicable Alternative Overcollateralisation Percentage unless, after having given Moody's not less than five Business Days' written notice of such reduction, it reasonably believes that such reduction would not in and of itself result in any current credit rating then assigned to the Notes by Moody's being reduced, removed, suspended or placed on credit watch.

There is no obligation for the Issuer to maintain any particular rating in respect of the VPS Notes throughout the term of the Notes or select an Alternative Overcollateralisation Percentage to maintain a rating. In particular, if an Alternative Overcollateralisation Percentage has been selected and confirmed in accordance with this Condition 2(b), and at a later date any of the credit ratings assigned to the Notes are reduced, removed, suspended or placed on credit watch, the Issuer shall not be obliged to select a higher Alternative Overcollateralisation Percentage.

For the avoidance of doubt, recourse to the Cover Pool, and any additional overcollateralisation in the Cover Pool, is available for all holders of covered bonds issued by the Issuer and any relevant swap counterparties.

3 Interest

(a) Interest on Fixed Rate Notes

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

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub- unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS Conditions:

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

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

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

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

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

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

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

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

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

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

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

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

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls 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 (which expression shall, in these VPS Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

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

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

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

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

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

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre specified in the applicable Final Terms; and

(B) 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 (if other than the place of presentation, any Business Centre specified in the applicable Final Terms) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 3(b)(ii)(C)).

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

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

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

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

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

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

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

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined (and the Reference Rate specified in the applicable Final Terms is not Compounded Daily €STR), the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(d), 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 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. (local time in the relevant financial centre specified in the applicable Final Terms) 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 Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation 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 Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the relevant financial centre specified in the applicable Final Terms plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the relevant financial centre specified in the applicable Final Terms plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

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

As used in these Conditions:

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

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

where:

"d" is the number of calendar days in:

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

(D) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

" d_o" means, for any Interest Period:

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

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

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

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

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

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

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

"p" means:

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

(B) where “Shift” is specified as the Observation Method in the Final Terms, the number of TARGET Settlement Days by which an Observation Period precedes

the corresponding Interest Period, being the number of TARGET Settlement Days specified as the "€STR Shift Period (p)" in the Final Terms (or, if no such number is so specified, five TARGET Settlement Days);

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

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

"$€STR_{i\text{-}pTSD}$" means:

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

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

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

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

Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "EDFR Spread").

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

As used in these Conditions:

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

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

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

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

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

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

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB

Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

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

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, 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 Calculation Agent, in the case of Floating Rate Notes which are VPS Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent in the case of Floating Rate Notes which are VPS Notes, will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(v) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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) determination or Calculation by the VPS Trustee

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 3(b), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the VPS Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(vii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence as aforesaid) no liability shall attach to the

Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Accrual of interest

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

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

(ii) five days after the date on which the full amount of the monies payable in respect of such VPS Note has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 9 below.

(d) Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (with effect from 30 days prior to the first date when such determination is necessary).

(i) Independent Adviser

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

The Independent Adviser appointed pursuant to this Condition 3(d)(i) and the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, or the Noteholders, as applicable, for any determination made by the Issuer and/or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(d)(i).

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

(ii) Successor Rate or Alternative Rate

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

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

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

(iii) Adjustment Spread

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

(iv) Benchmark Amendments

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

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

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

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(d) will be notified at least 10 business days prior to the relevant Interest Determination Date promptly by the Issuer to the

Calculation Agent, the Registrar, the Transfer Agent and, in accordance with Condition 9, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Registrar, the Transfer Agent, the Calculation Agent, and the Noteholders.

Notwithstanding any other provision of this Condition 3(d), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

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

(vii) Definitions

As used in this Condition 3(d):

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

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

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

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

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

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

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

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

"Benchmark Event" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Notes and for so long as any VPS Note (which is a Floating Rate Note) is outstanding (as defined in the VPS Agency Agreement). Where more than one Calculation Agent is appointed in respect of such VPS Notes, references in these VPS Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the VPS Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, in respect of such VPS Notes as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over- the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

4 Payments

(a) Method of payment

Subject as provided below:

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

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto (whether by operation of law or agreements of the Issuer or its Agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6 below. Reference to specified currency will include any successor currency under applicable law.

(b) Payments in respect of VPS Notes

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS. The VPS Agent and any Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or any Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS, (ii) one or more Calculation Agent(s) where the VPS Conditions so require and for so long as any VPS Note (which is a Floating Rate Note) is outstanding, and (iii) such other agents as may be required by any other stock exchange on which the VPS Notes may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 9 below.

(c) Payment Day

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

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

(A) London; and

(B) any Additional Financial Centre specified in the applicable Final Terms; 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 (if other than the place of presentation, London and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

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

(d) Interpretation of principal and interest

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

(i) the Final Redemption Amount of the VPS Notes;

(ii) the Early Redemption Amount of the VPS Notes;

(iii) the Optional Redemption Amount(s) (if any) of the VPS Notes; and

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

(e) Partial Payment

If on the Maturity Date of a Series of VPS Notes where an Extended Final Maturity Date is specified in the applicable Final Terms the Issuer has insufficient monies to pay the Final Redemption Amount on that Series of VPS Notes and any other amounts due and payable by the Issuer in respect of Notes on such date, then the Issuer shall apply available monies, after having made payment of all other amounts due and payable by the Issuer in respect of Notes on such date, to redeem the relevant Series of VPS Notes in part at par together with accrued interest *pro rata* and *pari passu* with any other Series of VPS Notes by which an Extended Final Maturity Date is specified in the Final Terms. If more than one Series of Notes has the same Maturity Date and the relevant Series each has an Extended Final Maturity Date specified in the applicable Final Terms then available monies will be applied by the Issuer to partially redeem each such series of Notes on a *pro rata* basis.

5 Redemption and Purchase

(a) Redemption at maturity

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

If an Extended Final Maturity Date is specified as applicable in the Final Terms for a Series of VPS Notes and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the Final Terms, then (subject as provided below) payment of the unpaid amount by the Issuer shall be deferred until the Extended Final Maturity Date, provided that any amount representing all or part of the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

The Issuer shall confirm to the rating agencies, the VPS Trustee and the VPS Agent and any relevant Swap Provider as soon as reasonably practicable and in any event at least four business days in London prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Notes on that Maturity Date. Any failure by the Issuer to notify such parties (other than the VPS Agent) shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party under the Notes.

Where the applicable Final Terms for a relevant Series of VPS Notes provides that such VPS Notes are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Maturity Date shall not constitute a default in payment.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days' notice to the VPS Noteholders in accordance with Condition 9 below (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed ("Redeemed VPS Notes") will be selected in accordance with the rules and procedures of the VPS in the relation to such VPS Notes, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").

(c) Redemption for Taxation Reasons

The VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the VPS Note is not a Floating Rate Note) or on any Interest Payment Date, (if the VPS Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the VPS Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any authority therein having power to tax or any political subdivision thereof, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the VPS Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the VPS Trustee to make available to the VPS Noteholders (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 5(c) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Investor Put is specified in the applicable Final Terms, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 9 below not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such VPS Note on the Optional Redemption Date and at the Optional

Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice (the "Put Notice") to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any VPS Note pursuant to this paragraph shall be irrevocable.

(e) Early Redemption Amounts

For the purpose of paragraph (c) above, each VPS Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a VPS Note with a Final Redemption Amount equal to the Issue Price of the First Tranche of the Series, at the Final Redemption Amount thereof; or

(ii) in the case of a VPS Note with a Final Redemption Amount which is or may be less or greater than the Issue Price of the First Tranche of the Series, at the amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount.

(f) Purchases

The Issuer, any Subsidiary of the Issuer or SR-Bank may at any time purchase VPS Notes at any price in the open market or otherwise.

(g) Cancellation

All VPS Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Notes to be deleted from the records of the VPS.

All VPS Notes which are redeemed will forthwith be cancelled in the same manner. Any VPS Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Notes shall be discharged.

6 Taxation

All payments of principal and interest in respect of the VPS Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

In that event, the Issuer shall pay such additional amounts as shall result in receipt by the VPS Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any VPS Note:

(i) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such VPS Note by reason of his having some connection with the Kingdom of Norway other than the mere holding of the VPS Note or

(ii) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these VPS Conditions, "Relevant Date" in respect of any VPS Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the VPS Noteholders that, upon further presentation of the VPS Note being made in accordance with the VPS Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "FATCA Withholding Tax"), and the Issuer will not be required to pay additional amounts on account of any FATCA Withholding Tax.

7 Prescription

The VPS Notes will become void unless presented for payment 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 15 below) thereof.

8 Transfer and Exchange of VPS Notes

(a) Transfers of interests in VPS Notes

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

(b) Registration of transfer upon partial redemption

In the event of a partial redemption of VPS Notes under Condition 5 above, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(c) Costs of registration and administration of the VPS Register

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

9 Notices

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date two days after delivery to the VPS.

10 Meetings of VPS Noteholders and Modification

(a) Provisions with respect to Holders of VPS Notes

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) of a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two-thirds of votes). Such a meeting may be convened by the VPS Trustee at the request of the Issuer, Oslo Børs or by VPS Noteholders holding not less than 10 per cent. of the nominal amount of outstanding VPS Notes. The quorum at a meeting for passing a resolution is one or more persons holding at least 50 per cent. of the nominal amount of outstanding VPS Notes or at any adjourned meeting one or more persons being or representing VPS Noteholders whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes or the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds of the nominal amount of outstanding VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one-third of the nominal amount of the outstanding VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

(b) Modification

The VPS Trustee Agreement provides that:

(i) in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of voting VPS Notes is required :

(I) modification of the Maturity Date of the VPS Notes specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;

(II) reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in relation to the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;

(III) reduction of any Minimum Interest Rate and/or Minimum Interest Rate specified in the applicable Final Terms;

(IV) modification of the currency in which payments under the VPS Notes are to be made;

(V) modification of the majority requirement to pass a resolution in respect of the matters listed in this paragraph (i);

(VI) any alteration of Clause 4.1(e) of the VPS Trustee Agreement (which sets out the matters for which a majority of two-thirds of votes is required);

(VII) the transfer of rights and obligations under the VPS Conditions and the VPS Trustee Agreement to another Issuer; and/or

(VIII) a change of VPS Trustee,

(ii) save as set out in Condition 10(b)(i) above, the VPS Trustee may agree to amendments to the VPS Trustee Agreement or the VPS Conditions without prior approval of the affected VPS

Noteholders provided that (i) such amendment is not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, or (ii) is made solely for the purpose of rectifying obvious errors and mistakes, or (iii) such amendment or waiver is required by applicable law, court ruling or a decision by a relevant authority. The VPS Trustee shall notify the VPS Noteholders as soon as possible of any proposal to make such amendments, setting out the date from which the amendments will be effective, unless such notice is clearly unnecessary.

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11 VPS Trustee

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction. VPS Noteholders are deemed to have accepted and will be bound by the Conditions and the terms of the VPS Trustee Agreement.

12 Further Issues

The Issuer shall be at liberty from time to time without the consent of the VPS Noteholders to create and issue further notes having terms and conditions the same as the VPS Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS Notes.

13 Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this VPS Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

14 Governing Law and Submission to Jurisdiction

(a) Governing law

The VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes are governed by, and shall be construed in accordance with, English law, save as to Conditions 2(a), 8, 9, 10 and 11 above which are governed by and shall be construed in accordance with Norwegian law. The VPS Trustee Agreement and VPS Agency Agreement are governed by and shall be construed in accordance with Norwegian law.

VPS Notes must comply with the Norwegian Act on Central Securities Depositories of 15 March 2019 no. 6 (*Lov om verdipapirsentraler og verdipapiroppgjør mv.*), which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64 (*Lov om registrering av finansielle instrumenter*), as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under these acts and any related regulations and legislation.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Paying Agents, and the VPS Noteholders, that the courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the VPS Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes) and that accordingly any suit, action or proceedings (together

referred to as "Proceedings") arising out of or in connection with the VPS Agency Agreement and the VPS Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the VPS Agency Agreement and the VPS Notes) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Noteholders that the courts of Norway are to have jurisdiction to settle any disputes which may arise out of, or in connection with, the VPS Trustee Agreement.

Nothing contained in this Condition 14 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Appointment of Process Agent

The Issuer appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London, EC2Y 8HQ, England as its agent for service of process in England, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

15 Definitions

In these VPS Conditions the following words shall have the following meanings:

"Calculation Agency Agreement" in relation to any Series of VPS Notes requiring a calculation agent (as specified in the applicable Final Terms) means an agreement entered into between the Issuer and the Calculation Agent for such purposes;

"Calculation Agent" means, in relation to the VPS Notes of any Series requiring a calculation agent (as specified in the applicable Final Terms), (i) the person appointed as calculation agent in relation to the VPS Notes by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the VPS Notes or (ii) the Principal Paying Agent if specified as such in the applicable Final Terms;

"Calculation Amount" means, in relation to any Series of VPS Notes, the amount specified in the applicable Final Terms to calculate Fixed Coupon Amount(s), Broken Amount(s), the relevant Final Redemption Amount and the relevant Early Redemption Amount (as applicable);

"Cover Pool" means all the Issuer's assets that from time to time form part of a Cover Pool created in accordance with and subject to Section 11-8 of the Act and Section 11-4 of the Regulations;

"Currency Swap" means each currency swap which enables the Issuer to hedge currency risks arising from (a) Notes which are issued in currencies other than NOK and (b) assets (other than loans) which are registered to the Cover Pool and are denominated in currencies other than NOK;

"Currency Swap Agreement" means the ISDA Master Agreement, schedule and confirmation(s) (as amended and supplemented from time to time) relating to the Currency Swap(s) entered into from time to time between the Issuer and each Currency Swap Provider;

"Currency Swap Provider" means any third party counterparty in its capacity as currency swap provider under a Currency Swap Agreement;

"€STR" means the daily euro short-term rate;

"EONIA" means the Euro Overnight Index Average;

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"EURIBOR" means the Euro-zone inter-bank offered rate;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Exchange" means, for the purpose of these VPS Conditions, the Oslo Stock Exchange (Oslo Børs);

"Extended Final Maturity Date" means, in relation to any Series of VPS Notes, the date if any specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date;

"Fixed Rate Note" means a VPS Note on which interest is calculated at a fixed rate payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"Floating Rate Note" means a VPS Note on which interest is calculated at a floating rate, payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"Interest Commencement Date" means, in the case of interest bearing VPS Notes, the date specified in the applicable Final Terms from and including which the VPS Notes bear interest, which may or may not be the Issue Date;

"Interest Rate Swap" means each single currency interest rate swap which enables the Issuer to hedge the Issuer's interest rate risks in NOK and/or other currencies to the extent that they have not been hedged by a Currency Swap;

"Interest Rate Swap Agreement" means the ISDA Master Agreement, schedule and confirmation(s) (as amended and supplemented from time to time) relating to the Interest Rate Swap(s) entered into from time to time between the Issuer and each Interest Rate Swap Provider;

"Interest Rate Swap Provider" means any third party counterparty in its capacity as interest rate swap provider under an Interest Rate Swap Agreement;

"Issue Date" means, in respect of any VPS Note, the date of issue and purchase of the VPS Note;

"LIBOR" means the London inter-bank offered rate;

"Moody's" means Moody's Investors Service Limited (or its successor);

"NIBOR" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian inter-bank offered rate administered by Norske Finansielle Referanser AS and calculated in cooperation with Global Rate Set Systems (GRSS) acting as calculation agent (or any other person

which takes over the administration and/or calculation of that rate) for the relevant period (before any correction, recalculation or republication by the administrator);

"Oslo Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo;

"outstanding" means, in relation to the VPS Notes of any Series, all the VPS Notes issued other than:

(a) those VPS Notes which have been redeemed and cancelled pursuant to the VPS Conditions;

(b) those VPS Notes in respect of which the date for redemption in accordance with the VPS Conditions has occurred and the redemption monies (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the VPS Conditions after that date) have been duly paid to or to the order of the VPS Agent in the manner provided in these VPS Conditions and the VPS Agency Agreement (and where appropriate notice to that effect has been given to the VPS Noteholders in accordance with the VPS Conditions) and remain available for payment of the relevant VPS Notes;

(c) those VPS Notes which have been purchased and cancelled in accordance with the VPS Conditions; and

(d) those VPS Notes in respect of which claims have become prescribed under the VPS Conditions; provided that for the purpose of:

  (i) attending and voting at any meeting of the VPS Noteholders of the Series; and

  (ii) determining how many and which VPS Notes of the Series are for the time being outstanding for the purposes of Condition 3 and the noteholder meetings provisions set out in the VPS Trustee Agreement,

those VPS Notes (if any) which are for the time being held by or for the benefit of the Issuer or any Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Rating Agencies" means Moody's Investors Service Limited (or its successor);

"records" of the VPS means the records that the VPS holds for its customers which reflect the amount of such customer's interest in the VPS Notes;

"Reference Banks" means, in the case of a determination of a Reference Rate, the principal office of four major banks in the relevant financial centre specified in the applicable Final Terms, in each case selected by the Calculation Agent or as specified in the applicable Final Terms;

"Reference Rate" means €STR, LIBOR, EURIBOR, NIBOR, EONIA or STIBOR as specified in the applicable Final Terms

"Register" means the register of covered bonds of the Issuer required to be maintained pursuant to the Act and the Regulations;

"Relevant Date" means the date on which a payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 9 above;

"Relevant Notes" means all VPS Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area or the United Kingdom;

"Specified Time" means 11.00 a.m. local time in the relevant financial centre specified in the applicable Final Terms;

"STIBOR" means the Stockholm Inter-bank offered rate;

"Subsidiary" means in relation to any person (the "first person") at any particular time, any other person (the "second person"):

(a) whose affairs and policies the first person controls or has power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

"Swap Agreement" means each Interest Rate Swap Agreement and each Currency Swap Agreement;

"Swap Providers" means each Currency Swap Provider and each Interest Rate Swap Provider;

"Swaps" means any Currency Swap and/or any Interest Rate Swap;

"Treaty" means the Treaty on the functioning of the European Union, as amended.

OVERVIEW OF THE SWAP AGREEMENTS

Currency Swap Agreements

The Issuer will enter into Currency Swaps from time to time with Currency Swap Providers by executing ISDA Master Agreement(s) (including schedules, confirmations and, in each case, a credit support annex) (each such agreement, a "Currency Swap Agreement" and each of the transactions thereunder, a "Currency Swap"), in order to hedge currency risks arising between (a) Notes issued in currencies other than NOK and (b) assets forming part of the Cover Pool but denominated in NOK, subject always to the requirements as referred to in "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsret)*" above. Where the Issuer enters into Currency Swaps with the same counterparty these may be entered into under the same ISDA Master Agreement.

Ratings downgrade

Under each of the Currency Swap Agreements, in the event that the relevant rating(s) of a Currency Swap Provider are downgraded by a rating agency below the rating(s) specified in the relevant Currency Swap Agreement (in accordance with the requirements of the rating agencies) for such Currency Swap Provider, the relevant Currency Swap Provider will, in accordance with the relevant Currency Swap Agreement, be required to take certain remedial measures which may include providing additional collateral for its obligations under the relevant Currency Swap, arranging for its obligations under the relevant Currency Swap to be transferred to an entity with rating(s) required by the relevant rating agency as specified in the relevant Currency Swap Agreement (in accordance with the requirements of the relevant rating agency), procuring another entity with rating(s) required by the relevant rating agency as specified in the relevant Currency Swap Agreement (in accordance with the requirements of the relevant rating agency) to become a co-obligor or guarantor, as applicable, in respect of its obligations under the relevant Currency Swap Agreement or taking some other action as it may agree with the relevant rating agency.

Termination events

The Currency Swap Agreements will or may be terminated under certain circumstances, including the following:

- at the option of one party to the relevant Currency Swap Agreement, if there is a failure by the other party to pay any amounts due under that Currency Swap Agreement and any applicable grace period has expired;
- at the option of the Issuer, upon the occurrence of an insolvency of the relevant Currency Swap Provider or its guarantor, or the merger of the relevant Currency Swap Provider without an assumption of its obligations under the relevant Currency Swap Agreement, or if a material misrepresentation is made by the relevant Currency Swap Provider under the Currency Swap Agreement, or if the relevant Currency Swap Provider defaults under an over-the-counter derivatives transaction under another agreement between the Issuer and such Currency Swap Provider or if a breach of a provision of the relevant Currency Swap Agreement by the Currency Swap Provider is not remedied within the applicable grace period;
- if a change in law results in the obligations of one party becoming illegal or if a *force majeure* event occurs;
- if withholding taxes are imposed on payments by the Issuer or by the relevant Currency Swap Provider under the relevant Currency Swap Agreement due to a change in law; and

- if the relevant Currency Swap Provider or its guarantor, as applicable, is downgraded and fails to comply with the requirements of the ratings downgrade provisions contained in the relevant Currency Swap Agreement and described above under "*Ratings downgrade*".

In addition, the bankruptcy administrator may terminate the Currency Swaps in whole or in part in accordance with the Norwegian legislation.

Upon the occurrence of a swap early termination event, the Issuer or the relevant Currency Swap Provider may be liable to make a termination payment to the other. The amount of any termination payment will be based on a good faith determination of total losses and costs (or gains) as to the cost of entering into a swap with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties (which may be determined following consideration of quotations sought from leading dealers, relevant market data and information from internal sources), and will include any unpaid amounts that became due and payable prior to termination. Any such termination payment could be substantial and may affect the funds available to pay amounts due to the Noteholders.

Noteholders will not receive extra amounts (over and above interest and principal payable on the Notes) as a result of the Issuer receiving a termination payment from a Currency Swap Provider.

Transfer

Each Currency Swap Provider may, subject to certain conditions specified in the relevant Currency Swap Agreement, transfer its obligations under any Currency Swap Agreement to another entity.

Taxation

The Currency Swap Provider may be obliged to gross up payments made by it to the Issuer if withholding taxes are imposed on payments made under a Currency Swap. However, if, due to a change in law, the Currency Swap Provider is required to gross up a payment under a Currency Swap or to receive a payment under a Currency Swap from which an amount has been deducted or withheld, the Currency Swap Provider may terminate the relevant Currency Swap.

The Currency Swap Agreements will be governed by English law.

The Currency Swap Provider will rank *pari passu* with the Noteholders in respect of their claims against the Issuer in respect of assets registered to the Cover Pool.

Interest Rate Swap Agreements

The Issuer may also, from time to time, enter into additional interest rate swaps with Interest Rate Swap Providers by executing an ISDA Master Agreement (including schedules, confirmations and, in each case, a credit support annex) (each such agreement, an "Interest Rate Swap Agreement" and each of the transactions thereunder, an "Interest Rate Swap"), in order to hedge the Issuer's interest rate risks in NOK and/or other currencies to the extent that these have not already been hedged by the Currency Swap, subject always to the requirements as referred to in "*Overview of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett*)" above. Where the Issuer enters into Interest Rate Swaps with the same counterparty these may be entered into under the same ISDA Master Agreement.

Ratings downgrade

Under each of the Interest Rate Swap Agreements, in the event that the relevant rating(s) of an Interest Rate Swap Provider are downgraded by a rating agency below the rating(s) specified in the relevant Interest Rate Swap Agreement (in accordance with the requirements of the rating agencies) for such Interest Rate Swap Provider, the relevant Interest Rate Swap Provider will, in accordance with the relevant Interest Rate Swap

Agreement, be required to take certain remedial measures which may include providing additional collateral for its obligations under the relevant Interest Rate Swap, arranging for its obligations under the relevant Interest Rate Swap to be transferred to an entity with rating(s) required by the relevant rating agency as specified in the relevant Interest Rate Swap Agreement (in accordance with the requirements of the relevant rating agency), procuring another entity with rating(s) as specified in the relevant Interest Rate Swap Agreement (in accordance with the requirements of the relevant rating agency) to become a co-obligor or guarantor, as applicable, in respect of its obligations under the relevant Interest Rate Swap Agreement or taking some other actions as it may agree with the relevant rating agency.

Termination events

The Interest Rate Swap Agreements will or may be terminated under certain circumstances, including the following:

- at the option of one party to the relevant Interest Rate Swap Agreement, if there is a failure by the other party to pay any amounts due under that Interest Rate Swap Agreement and any applicable grace period has expired;
- at the option of the Issuer, upon the occurrence of an insolvency of the relevant Interest Rate Swap Provider or its guarantor, or the merger of the relevant Interest Rate Swap Provider without an assumption of its obligations under the relevant Interest Rate Swap Agreement, or if a material misrepresentation is made by the relevant Interest Rate Swap Provider under the Interest Rate Swap Agreement, or if the relevant Interest Rate Swap Provider defaults under an over-the-counter derivatives transaction under another agreement between the Issuer and such Interest Rate Swap Provider or if a breach of a provision of the relevant Interest Rate Swap Agreement by the Interest Rate Swap Provider is not remedied within the applicable grace period;
- if a change in law results in the obligations of one party becoming illegal or if a *force majeure* event occurs;
- if withholding taxes are imposed on payments by the Issuer or by the relevant Interest Rate Swap Provider under the relevant Interest Rate Swap Agreement due to a change in law; and
- if the relevant Interest Rate Swap Provider, or its guarantor, as applicable, is downgraded and fails to comply with the requirements of the ratings downgrade provisions contained in the relevant Interest Rate Swap Agreement and described above under "*Ratings downgrade*".

In addition, the bankruptcy administrator may terminate the Interest Rate Swaps in whole or in part in accordance with the Norwegian legislation.

Upon the occurrence of a swap early termination event, the Issuer or the relevant Interest Rate Swap Provider may be liable to make a termination payment to the other. The amount of any termination payment will be based on a good faith determination of total losses and costs (or gains) as to the cost of entering into a swap with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties (which may be determined following consideration of quotations sought from leading dealers, relevant market data and information from internal sources), and will include any unpaid amounts that became due and payable prior to termination. Any such termination payment could be substantial and may affect the funds available to pay amounts due to the Noteholders.

Noteholders will not receive extra amounts (over and above interest and principal payable on the Notes) as a result of the Issuer receiving a termination payment from an Interest Rate Swap Provider.

Transfer

Each Interest Rate Swap Provider may, subject to certain conditions specified in the relevant Interest Rate Swap Agreement, transfer its obligations under any Interest Rate Swap to another entity.

Taxation

The Interest Rate Swap Provider may be obliged to gross up payments made by it to the Issuer if withholding taxes are imposed on payments made under an Interest Rate Swap. However, if, due to a change in law, the Interest Rate Swap Provider is required to gross up a payment under an Interest Rate Swap or to receive a payment under an Interest Rate Swap from which an amount has been deducted or withheld, the Interest Rate Swap Provider may terminate the relevant Interest Rate Swaps.

The Interest Rate Swap Agreements will be governed by English law.

The Interest Rate Swap Providers will rank *pari passu* with the Noteholders in respect of their claims against the Issuer in respect of assets registered to the Cover Pool.

Eligibility Criteria for Swap Providers

The Issuer will only enter into Swaps with entities which are “qualified counterparties” for the purposes of the Act.

TAXATION

The following is a general description of certain Norwegian, Luxembourg, participating Member States (as defined below) and United States tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Norway, Luxembourg, those participating Member States (as defined below) and United States of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Norwegian Taxation

The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Base Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes under the Programme. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of such Notes.

Norwegian Taxation – Non-Residents

Introduction

The tax consequences described below apply to Noteholders who are not tax resident in Norway. In the following paragraphs, it is assumed that the Notes are held in the form of bearer bonds or debentures (*mengdegjeldsbrev*).

Taxation on Interest

Interest paid to a non-resident holder of Notes will not be subject to Norwegian income or withholding tax. Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

Such tax liability may be modified through applicable tax treaties.

On 27 February 2020, the Norwegian Ministry of Finance published a proposal for the introduction of withholding tax on certain interest payments from Norway. The proposal as published will not affect interest payments on Notes issued by the Issuer. However, the proposal will be subject to a hearing followed by a final legislative proposal, which may deviate from the current proposal.

Taxation of Capital Gains

A non-resident holder of Notes is not subject to taxation in Norway on gains derived from the sale, disposal or redemption of the Notes. Such holder of Notes may, however, be subject to taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

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

Wealth Tax

Norway does not levy any property tax or similar taxes on the Notes.

An individual non-resident holder of Notes is not subject to wealth tax, unless the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway or managed from Norway.

Such tax liability may be modified through applicable tax treaties.

Transfer Tax

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

Norwegian Taxation – Norwegian residents

Introduction

The tax consequences described below apply to Noteholders who are tax resident in Norway ("Norwegian Noteholders"). Again, it is assumed that the Notes are held in the form of bearer bonds or debentures (*mengdegjeldsbrev*).

Taxation of interest

For Norwegian Noteholders, interest on bonds (such as the Notes) is taxable as "ordinary income" subject to a flat rate of 22 per cent. This applies irrespective of whether the Norwegian Noteholders are individuals or corporations. For financial institutions, the tax rate for "ordinary income" is 25 per cent. Interest is taxed according to a realisation principle; as a main rule in the income year in which interest is accrued (i.e. regardless of when the interest is actually paid). For taxpayers without a statutory obligation to keep accounting records, special provisions apply in case of breach of contract resulting in interest not being paid at the end of the income year.

Taxation upon disposal or redemption of the Notes

Redemption at the relevant Maturity Date of the Notes as well as prior disposal of the Notes is treated as a realisation of such Notes and will trigger a capital gain or loss for Norwegian Noteholders under Norwegian tax law. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22 per cent (25 per cent for financial institutions). Losses will be deductible from a Norwegian Noteholder's "ordinary income", taxed at the same rate.

Any capital gain or loss is computed as the difference between the amount received by the Norwegian Noteholder on realisation and the cost price of the Notes. The cost price is equal to the price for which the Norwegian Noteholder acquired the Notes. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from a Norwegian Noteholder's taxable income in the year of the realisation.

Net wealth taxation

The value of the Notes held by a Norwegian Noteholder at the end of each income year will be included in the computation of his/her taxable net wealth for municipal and state net wealth tax purposes. Under Norwegian tax law, listed notes are valued at their quoted value on 1 January in the relevant assessment year. The marginal rate of net wealth tax is currently 0.85 per cent.

Limited liability companies and certain similar entities are exempt from net wealth taxation.

Inheritance and gift tax

Norway does not impose inheritance tax or similar tax on inheritance or gifts.

Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, disposal or redemption of securities such as the Notes. Furthermore, there will be no VAT payable in Norway on the transfer of the Notes.

Luxembourg Taxation

The following summary is of a general nature and is included herein solely for information purposes. It 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. 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.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal for a Directive for a common financial transactions tax **(**"FTT"**)** in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "Participating Member States"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. 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 FATCA and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Ordinary Notes—Further Issues*" and "*Terms and Conditions of the VPS Notes—Further Issues*")) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes that are not distinguishable, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

ERISA Considerations

The Notes should be eligible for purchase by employee benefit plans and other plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the provisions of section 4975 of the Code and by governmental, church and non-U.S. plans that are subject to state, local, other federal law of the United States or non-U.S. law that is substantially similar to ERISA or section 4975 of the Code ("Similar Law"), subject to consideration of the issues described in this section. ERISA imposes certain requirements on employee benefit plans (as defined in section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "Risk Factors."

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the "Plans")) and certain persons (referred to as "parties in interest or disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest of disqualified person, including a plan fiduciary, who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer or any other party to the transactions may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of section 406 of ERISA or section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan with respect to which the Issuer or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances

under which such decision is made. Included among these exemptions are section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in- house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in section 3(33) of ERISA) and non-U.S. plans (as described in section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

Each purchaser and subsequent transferee of any Note (or interest therein) will be deemed by such purchase or acquisition of any such Note (or interest therein) to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note (or interest therein) through and including the date on which the purchaser or transferee disposes of such Note (or interest therein), either that (a) it is not a Plan or an entity whose underlying assets include the assets of any Plan or a governmental, church or non–U.S. plan which is subject to any Similar Law or (b) its acquisition, holding and disposition of such Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non–U.S. plan, any Similar Law) for which an exemption is not available.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by section 3(42) of ERISA (the "Plan Asset Regulation") describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in form debt may be considered an equity interest if it has substantial equity features. If the Issuer were deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and section 4975 of the Code. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Notes (including any governmental, church or non-U.S. plan) should consult with its counsel to

confirm that such investment will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental plan, any Similar Law).

Each Plan fiduciary that purchases a Note (or interest therein) on behalf of a Plan shall be deemed to represent by their purchase of such Note (or interest therein) that neither the Issuer or any other party to the transaction provided any recommendations or advice to the Plan in connection with the purchase of the Note. The sale of any Notes to a Plan is in no respect a representation by the Issuer or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Any further ERISA considerations with respect to Notes may be found in the relevant Final Terms.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a programme agreement (such agreement, as amended and/or supplemented and/or restated from time to time, the "Programme Agreement") dated 10 June 2020 (as amended and restated from time to time) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase the Ordinary Notes only. Any such agreement will extend to those matters stated under "*Form of the Notes*" (only in relation to the Ordinary Notes) and "*Terms and Conditions of the Ordinary Notes"*. The Ordinary Note Arranger and the Dealers have not been involved in the structuring of the VPS Notes, will not participate in any issuances of the VPS Notes and therefore accept no responsibility or liability in connection with the VPS Notes (in particular, for any subscriptions to the VPS Notes under the Programme and/or any issuance or underwriting thereof). In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Transfer and Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or, delivered within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and U.S. Treasury regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or, in the case of Bearer Notes, deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the 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. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each Dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA or UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA or UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering

contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision,the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Dealer represents and agrees:

(i) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws, regulations of Japan.

Norway

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the Issuer has confirmed in writing to each Dealer that the Base Prospectus has been filed with the FSAN, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Norway or to residents of Norway except:

(a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor;

(b) to "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007;

(c) to fewer than 150 natural or legal persons (other than "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer;

(d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

The Notes shall be registered with the VPS in dematerialised form or in another central securities depository which is properly authorised and recognised by the FSAN as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (i) the Notes are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Base Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Financial Services Act") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "Banking Act") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(ii) (if applicable) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy

or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the

SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

VPS

Verdipapirsentralen ASA is a Norwegian public limited liability company which is licensed to conduct the business of registering financial instruments in Norway in accordance with the Act of 5 July 2002 no. 64 on the Registration of Financial Instruments (Lov om registrering av finansielle instrumenter) (the "VPS Act"). The VPS Act requires that, among other things, all notes and bonds issued in Norway shall be registered in the VPS (the "VPS Securities"), except (i) notes and bonds issued by Norwegian issuers outside Norway and denominated in Norwegian kroner with subscription limited to non-Norwegian tax residents only, or in a currency other than Norwegian kroner, and (ii) notes and bonds issued by foreign issuers in a currency other than Norwegian kroner.

From 1 January 2020, the VPS Act has been repealed and replaced by the Act of 15 March 2019 no. 6 on Central Securities Depositories (*Lov om verdipapirsentraler og verdipapiroppgjør mv.*) (the "CSD Act"), which implements Regulation (EU) No. 909/2014 ("CSDR") into Norwegian law. However, transitional rules have been passed to allow VPS to operate under the old rules in the VPS Act until such time when VPS has been authorised as a CSD under the CSD Act/CSDR.

VPS is a paperless securities registry and registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry. Any issuer of VPS Securities will be required to have an account (issuer's account) where all the VPS Securities are registered in the name of the holder and each holder is required to have her/his own account (investor's account) showing such person's holding of VPS Securities at any time. Both the issuer and the VPS Noteholder will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm.

It is possible to register a holding of VPS Securities through a nominee.

GENERAL INFORMATION

Authorisation

The establishment, the update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 23 April 2015, 12 May 2015, 21 April 2016, 19 April 2017, 1 February 2018, 31 January 2019 and 29 January 2020 respectively.

Approval of the Base Prospectus, Admission to Trading and Listing of Notes

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Ordinary Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

The listing of the Ordinary Notes on the Luxembourg Stock Exchange will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be listed on the Luxembourg Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note or a Permanent Global Note initially representing the Notes of such Tranche.

Application may be made at a future date under this Base Prospectus for the Notes to 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 Issuer, the Ordinary Note Arranger or the VPS Note Arranger (as applicable) and the relevant Dealers.

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer, on the website of the Issuer at https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/sr-boligkreditt.html (though the website of the Issuer does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus) and from the specified offices of the Paying Agents for the time being in London and in Luxembourg:

(i) the constitutional documents (with an English translation thereof) of the Issuer;

(ii) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Definitive Notes and the Coupons and the Talons and the VPS Trustee Agreement;

(iii) a copy of this Base Prospectus;

(iv) any future prospectuses, information memoranda and supplements including Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated therein by reference;

(v) the most recently published audited financial statements of the Issuer in respect of the financial years ended 31 December 2019 and 31 December 2018, together with the audit report prepared in connection therewith; and

(vi) the most recently published unaudited interim financial statements of the Issuer in respect the period from 1 January 2020 to 31 March 2020.

In addition, copies of this Base Prospectus and each Final Terms relating to Notes (other than VPS Notes) which are admitted to trading on the Luxembourg Stock Exchange's regulated market will be available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Investors should consult the Issuer should they require a copy of the ISDA Definitions.

Clearing Systems

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

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of the VPS is Fred. Olsens Gate 1, P.O.Box 1174 Sentrum, 0107 Oslo, Norway.

Conditions for Determining Price

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

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2019, and there has been no significant change in the financial performance of the Issuer since 31 March 2020.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and 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 Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Auditors

PricewaterhouseCoopers AS has been the independent auditor of the Issuer since 17 March 2015 (the "Auditors"). Responsible partners at PricewaterhouseCoopers AS are members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*). PricewaterhouseCoopers AS has also been appointed by the FSAN as the independent inspector pursuant to section 11-14, sub-section 1, of the Act.

The Auditors have audited the financial statements of the Issuer as of and for the years ended 31 December 2018 and 31 December 2019, as incorporated in this Base Prospectus by reference.

Listing Agent

Banque Internationale à Luxembourg SA is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Luxembourg Stock Exchange or to trading on the Luxembourg Stock Exchange's regulated market for the purposes of the Prospectus Regulation.

Issuer LEI and Website

The Legal Entity Identifier code of the Issuer is 5493005EFLOPQ4K0ZF42.

The website of the Issuer is https://www.sparebank1.no/en/sr-bank/about-us/investor/financial-info/sr-boligkreditt.html. The information on the Issuer's website does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus as described under "*Documents Incorporated by Reference and Supplements to the Base Prospectus*"

Except where such information has been incorporated by reference into this Base Prospectus as described above, the contents of the Issuer's website, any website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Base Prospectus and investors should not rely on such information.

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