

## BASE PROSPECTUS

# STOREBRAND BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€2,500,000,000

## Euro Medium Term Covered Note Programme

Under this €2,500,000,000 Euro Medium Term Covered Note Programme (the **Programme**), Storebrand Boligkredit AS (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The Notes may be issued in bearer form or uncertificated book entry form (the **VPS Notes**) cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen ASA* (the **VPS**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "General Description of the Programme" and any additional Dealer appointed under the Programme from time to time by 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 subscribe 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 law of 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be 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 Directive 2014/65/EU (as amended, **MiFID II**).

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. VPS Notes will be listed on the Oslo Stock Exchange's regulated market and, in this case, **listed** (and all related references) shall be construed accordingly. Each of the Luxembourg Stock Exchange's regulated market and the Oslo Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

The requirement to publish a prospectus under the Prospectus Directive (as defined below) only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes other than VPS Notes" and "Terms and Conditions of the VPS Notes") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

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

The Programme has been rated AAA by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes other than VPS Notes and Terms and Conditions of the VPS Notes herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

### ARRANGER

Commerzbank

### DEALERS

Commerzbank

Nordea

Citigroup

DNB Bank

Danske Bank A/S

Société Générale  
Corporate & Investment  
Banking

The date of this Base Prospectus is 26 June 2019.

## **IMPORTANT INFORMATION**

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

**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 (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

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

**Save for the Issuer, no party has 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 as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference 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 or any of the Dealers.**

**Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer 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 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 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.**

**IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail**

investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

Amounts payable on Floating Rate Notes will be calculated by reference to one of the London inter-bank offered rate (LIBOR), Euro-zone inter-bank offered rate (EURIBOR), Oslo inter-bank market (NIBOR) or the Stockholm inter-bank market (STIBOR), as specified in the relevant Final Terms. As at the date of this Prospectus, ICE Benchmark Administration Limited (as administrator of LIBOR) is included in the European Securities and Market Authority's (ESMA) register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the Benchmarks Regulation). As at the date of this Prospectus, the administrators of EURIBOR, NIBOR and STIBOR are not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that none of European Money Markets Institute (as administrator of EURIBOR), *Norske Finansielle Referanser AS* (NoRe) (as administrator of NIBOR) or the Swedish Bankers' Association (as administrator of STIBOR) is currently required to obtain authorisation or registration.

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

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 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 or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus 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 the United Kingdom, Belgium and the Kingdom of Norway) and Japan, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

Notes denominated in NOK may not be offered, sold or delivered in Norway or to or for the benefit of persons domiciled in Norway, unless the regulations relating to the offer of VPS Notes and the registration in the VPS (as defined herein) of VPS Notes are complied with.

## **PRESENTATION OF INFORMATION**

In this Base Prospectus, all references to:

- *U.S. dollars, U.S.\$ and \$* refer to United States dollars;
- *NKR, NKr or NOK* refer to Norwegian Kroner;

- *Sterling* and £ refer to pounds sterling; and
- *euro* and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## CONTENTS

Section	Page
Risk Factors .....	8
General Description of the Programme .....	25
Documents Incorporated by Reference .....	32
Form of the Notes .....	34
Form of Final Terms .....	37
Form of Pricing Supplement .....	52
Terms and Conditions of the Notes other than VPS Notes .....	68
Terms and Conditions of the VPS Notes .....	96
Use of Proceeds .....	122
Overview of the Norwegian Legislation regarding Covered Bonds .....	123
Description of the Issuer and the Storebrand Group .....	127
Overview of the Master Agreement and the Transfer and Servicing Agreement .....	132
Overview of the Swap Agreements .....	135
Book entry clearing in respect of VPS Notes .....	137
Taxation .....	138
Subscription and Sale .....	143
General Information .....	147

---

## **STABILISATION**

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

## **RISK FACTORS**

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. 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.*

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

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

The Issuer's business mainly involves the risks outlined below. In the context of Covered Bonds it should be noted that Chapter 11, subchapter II of the Act of 10 April 2015 no 17 on financial undertakings and financial groups (Nw: lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven)) (the **Act**) and the Regulation of 9 December 2016 no 1502 on financial undertakings and financial groups (Nw: Forskrift 9. desember 2016 nr.1502 om finansforetak og finanskonsern) (the **Regulations**) impose several obligations on the Issuer (such as matching requirements) that are designed to mitigate some of those risks; see "Summary of the Norwegian Legislation Regarding Covered Bonds".

#### ***Credit risk***

This business risk principally pertains to credit risks on the Issuer's customers in the domestic market for residential mortgages and involves the risk of loan losses due to reduced debt service capabilities as well as foreclosures and reduced recovery rates from lower asset values. The Issuer's residential mortgage lending activities are dependent on the level of finance required by residential borrowers in Norway. In particular, levels of borrowing are heavily dependent on residential property prices, employment trends, the state of the economy, market interest rates, taxation, mortgage borrowers' levels of income and other factors that affect the Norwegian economy. As the Issuer conducts all of its business in Norway, its performance is influenced by the level and cyclical nature of business activity in Norway, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a weakening in the economy of Norway will not have an adverse effect on the Issuer's future results.

#### ***Financial markets and economic environment risks***

As at the date of this Base Prospectus, there is significant macroeconomic uncertainty impacting credit institutions. Since 2007, international capital markets have been affected by ongoing turbulence accompanied by high market volatility and reduced liquidity.

Over the past 12 months, some downside risks to global growth have materialised as trade and policy uncertainty have weakened business and household confidence. Growth is expected to remain subpar as trade tensions persist. (Source for statements in this paragraph: [https://www.oecd-ilibrary.org/sites/b2e897b0-en/index.html?itemId=/content/publication/b2e897b0-en#\\_ga=2.109228933.1853019269.1559817188-578280248.1558347260](https://www.oecd-ilibrary.org/sites/b2e897b0-en/index.html?itemId=/content/publication/b2e897b0-en#_ga=2.109228933.1853019269.1559817188-578280248.1558347260))



Although Norway is not a member of the European Union (the EU), developments in the EU significantly affect Norway and the Issuer, since the EU is one of Norway's principal trading partners, and Norway is a member of the broader EEA. In particular, global markets and economic conditions have been negatively impacted since 2010 by market perceptions regarding the ability of certain EU Member States to service their sovereign debt obligations, including Greece, Ireland, Italy, Portugal and Spain. There has been a general improvement compared in such conditions with previous years, although economic growth remains weak as compared to pre-financial crisis growth rates. The continued uncertainty over the outcome of the EU-10 governments' financial support programmes and the possibility that other EU Member States may experience similar financial troubles could further disrupt global markets. In particular, the continued uncertainty has disrupted and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU Member States.

Growth in Norway (mainland) GDP is projected at 2.7 per cent. in 2019. In the years ahead, growth is expected to decelerate on the back of higher interest rates, a gradual appreciation of the krone and lower petroleum investment. The deceleration also reflects expectations that growth abroad will be lower than in recent years. With prospects for a further upturn in the mainland economy, solid growth in employment is expected in 2019, followed by a gradual decline in employment growth owing to slowing mainland GDP growth. In the years ahead, higher labour demand is expected to contribute to higher labour force growth, with a markedly smaller decline in unemployment than implied by employment growth in isolation. (Source for statements in this paragraph: <https://www.norges-bank.no/en/news-events/news-publications/Reports/Monetary-Policy-Report-with-financial-stability-assessment/2019/119/> )

There are a number of negative risks to the economic outlook for Norway. Weaker global economic prospects may lower oil prices, feeding through to incomes and output, although the petroleum sector's substantial cost reductions have increased resilience to this type of shock. A more extensive downturn in Europe could further dent non-oil exports. Substantial adjustment of the housing market and the potential for a negative fall-out from the large amount of household credit remain sizeable risks, particularly for household consumption. Meanwhile, wage growth may be stronger than expected, boosting overall demand and cushioning any negative feedback from the housing market. (Source for statements in this paragraph: <http://www.oecd.org/economy/norway-economic-snapshot/>)

The performance of the Issuer and Storebrand Bank and the level of mortgage borrowing in Norway depend on business conditions and economic activity in Norway, in particular interest rates, the state of the Norwegian economy and unemployment trends. Business conditions and economic activity in Norway are cyclical in nature and may be affected by both domestic and international economic and political events, and taxation.

In the event of continued or increasing market disruptions or volatility, the Issuer may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values and/or increased impairments, higher volatility in swap valuations and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Weakened economic conditions and/or higher unemployment in Norway could increase the financial vulnerability of some Norwegian borrowers, especially young and/or low-income borrowers, particularly if household indebtedness levels in Norway continue to increase and/or there is continued decline in Norwegian housing prices. A significant decline in housing prices, compounded by high household indebtedness and/or increased interest rates, may indirectly lead to higher defaults in the Cover Pool, particularly if accompanied by weakened economic conditions and/or higher unemployment. Any of these trends could in turn adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Covered Bonds. (See "*Risks relating to the Norwegian mortgage market*").

### ***Regulatory environment***

Under the Act, the Issuer is regulated as a credit mortgage institution. Credit mortgage institutions are one of several categories of "financial companies" under Norwegian law. Under EU law, credit mortgage institutions are deemed to be credit institutions as defined in Directive 2013/36 and Regulation 575/2013 (together referred to as **CRD IV**).

Although not yet formally a part of the Agreement on the European Economic Area, Norway has implemented the main provisions of CRD IV into the Act and its implementing regulations. These amendments imply a gradual increase in capital adequacy requirements applicable to the Issuer over the coming years.

The Act requires that the capital adequacy requirement of 8 per cent. shall consist of at least 4.5 per cent. core tier 1 (**CET1**) and at least 6 per cent. tier 1 capital. In addition to the requirement of 4.5 per cent. CET1, the Act imposes various capital buffer requirements applicable to all Norwegian financial companies.

The capital buffer requirements consist of (i) a conservation buffer of 2.5 per cent. and (ii) a systemic risk buffer of 3 per cent. and (iii) a counter-cyclical buffer of maximum 2.5 per cent. The level of the counter-cyclical buffer is to be determined by the Norwegian Ministry of Finance each quarter after receiving advice from the Norwegian Central Bank (**Norges Bank**). Currently, the Norwegian Ministry of Finance has set the countercyclical capital buffer for banks and finance companies at 2.0 per cent. However, the Norwegian Ministry of Finance has decided that the countercyclical capital buffer for banks and finance companies shall be raised to 2.5 per cent. from 31 December 2019.

In addition, systemically important banks must hold a buffer for systemically important institutions of 2 per cent of CET1 capital from 1 July 2016. However, the Issuer is not deemed to be a systemically important institution, and consequently this capital buffer requirement does not apply to the Issuer.

New regulations concerning liquidity coverage ratio (**LCR**) entered into force from 31 December 2017. The regulations set the current LCR requirement at 100 per cent. for banks and credit mortgage institutions (such as the Issuer).

Pursuant to the current regulations on the leverage ratio (**LR**), banks will have to hold capital to fulfill an LR requirement of 5 per cent, and for credit mortgage institutions (such as the Issuer) the corresponding requirement is 3 per cent.

As at the date of this Base Prospectus, the Issuer fulfills all existing and proposed regulatory capital requirements.

Failure to comply with any of the above mentioned requirements, may have adverse consequences for the business and operations of the Issuer.

***The Issuer is exposed to changes in banking and financial services regulations and changes in the interpretation and operation of such regulations.***

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Norway. Changes in supervision and regulation in Norway and in the European Union (**EU**) or the European Economic Area (the **EEA**) could materially affect the Issuer's business, the services it offers or the value of its assets. Future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

Areas where changes or developments in regulation and/or oversight could have a material adverse impact include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or increase the costs of doing business in Norway, (iii) changes in competition and pricing environments, (iv) increased financial reporting requirements and (v) changes in regulations affecting the Issuer's current

structure of operations. Financial regulators responding to future crisis or other concerns, may adopt new or additional regulations, imposing restrictions or limitations on credit institution's operations, including, but not limited to, increased capital requirements, disclosure and/or reporting standards or restrictions on certain types of transaction structures.

### ***Liquidity risks***

Liquidity risk is the risk that the Issuer will be unable to meet its obligations as they fall due. The Issuer's lending is to a large extent made on longer terms than the Issuer's borrowing. Therefore, the Issuer is dependent on the ability to refinance borrowings upon maturity. The Issuer's ability to access sources of liquidity during periods of liquidity stress may be constrained and this may continue and/or increase as a result of current and future market conditions.

If the domestic and the international financial markets deteriorate increased competition for market funding may result in increased refinancing costs, decreased margins and reduced profitability.

### ***Operational risks***

The Issuer's business involves operational risks. Operational risks are defined by the Issuer as the risk of financial losses resulting from ineffective, inadequate or failing internal processes or systems, human error, external events or non-compliance with internal guidelines. Violations of the law and regulations could prevent the Issuer achieving its goals and this part of the compliance risk is covered by operational risk.

The Issuer's business is subject to regulation and regulatory supervision. Any significant regulatory developments could have an effect on how the Issuer conducts its business and on the Issuer's results of operations. The Issuer is subject to financial services laws, regulations, administrative actions and policies in Norway. This supervision and regulation, if changed, could materially affect the Issuer's business, the products and services it offers or the value of its assets.

### ***Competition***

The Issuer's business is subject to risks related to the competitive position of the Issuer. The Norwegian market for retail mortgages has experienced increased pressure on lending margins over the last few years. The Issuer believes it is well positioned to compete with its competitors, particularly since the issuance of covered bonds enables competitive funding levels, however there can be no assurance that increased competition will not adversely affect the Issuer. In addition, if competitors undercut prices offered to retail customers significantly in the long term the Issuer might lose market share and a significant reduction in the mortgage portfolio might have an adverse effect on the ability to effectively service the Notes issued.

### **Risks relating to the Cover Pool**

#### ***Non-compliance with matching rules and liquidation under public administration of the Issuer.***

The Act requires the value of the assets in the cover pool, which relates to the Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to such cover pool, (the **Cover Pool**) to at all times exceed the value on the claims on the Cover Pool. See "*Summary of the Norwegian Legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)*" below for further details.

A breach of the matching requirements prior to the Issuer's public administration in the 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 Covered Bonds.

As it is a "credit institution" pursuant to the Act, the Issuer cannot be subject to ordinary bankruptcy proceedings. Instead, the Norwegian resolution authority is provided with extensive powers to resolve financial difficulties of the Issuer. In the event of severe financial difficulties, the Norwegian resolution authority may decide that the Issuer shall be made subject to either bail-in tools or be liquidated under public administration.

In the event that the Norwegian resolution authority decides that the Issuer shall be liquidated under public administration, the assets of the Issuer will be liquidated in accordance with Norwegian bankruptcy law. Prior to ordering liquidation under public administration, the Norwegian resolution authority shall ensure that a fair and realistic valuation of the assets and liabilities of the Issuer is carried out by a person independent from any public authority, including the resolution authority, and the Issuer. Where, due to the urgency in the circumstances of the case, it is not possible to carry out a comprehensive valuation, a provisional valuation shall be carried out.

To the extent that Noteholders are not fully paid from the proceeds of the liquidation of the assets comprising the Cover Pool, 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 the other assets of the Issuer not comprising the Cover Pool. The Noteholders would in such case rank *pari passu* with any other Covered Bondholders, Swap Providers and the other unsecured, unsubordinated creditors of the Issuer.

#### *Payment of advance dividends post-Issuer's public administration.*

In the event the Issuer is liquidated under public administration, the administration board shall dispose of all the assets in the Cover Pool if this is deemed necessary for the payment of the claims of other creditors of the Issuer, provided that the consideration obtained enables no less than full payment to the Noteholders and the Swap Providers. In this context, the Regulations provide that "full payment" means settlement of interest rate and foreign exchange contracts at market value based on the pricing of comparable interest rate contracts and foreign exchange contracts; and settlement of amounts due on the Notes including payment of accrued interest and costs, as well as the agreed future cash flow (principal and interest) to the Maturity Date (excluding, for this purpose any applicable Extended Maturity Date except where the Extended Maturity Date has already been invoked in respect of that Series of Notes), discounted by the market rate for comparable bonds in the relevant currency.

#### *Risks relating to the Issuer's collateral.*

Given that a considerable part of the Issuer's loans are granted with mortgages as collateral, the credit risk is partly related to the performance of the real estate and housing market. There can be no guarantees regarding the future development of the value of the collateral. 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. The Issuer's ability to make use of the collateral without the consent of the borrower is thus dependent on the above mentioned decisions from a court and the executive measures and on other relevant circumstances in the mortgage market and in the demand for the relevant real property. Should the prices of real property and the Norwegian housing market substantially decline, this would affect the Issuer. There are many circumstances that affect the level of credit loss, early repayments, withdrawals and final payments of interest and principal amounts, such as changes in the economic climate, both nationally and internationally, changes regarding taxation, interest rate developments, inflation and political changes.

#### *The ability of Storebrand Bank ASA (as the **Originator**) to maintain a dynamic pool of Mortgages.*

The mortgages originated by Storebrand Bank ASA represent a dynamic pool, particularly because of the high refinancing ratio in the Norwegian mortgage market. The Originator's ability to originate the mortgages on behalf of the Issuer depends on the competitive market position of the Originator and the demand for its products. The Cover Pool of the Issuer may be influenced if the Originator terminates the agreement to

transfer Mortgages to the Issuer or if the Originator fails to comply with its servicing or other obligations under such agreement.

*The Cover Pool consists of limited assets.*

The Cover Pool will consist of loans which are secured on residential property or on title documents relating to residential property (*Bolighypoteklån*) (**Residential Mortgages**), claims which the Issuer holds, or may acquire, against Swap Providers 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 debt to asset level ratio values of mortgages included in the Cover Pool at the date of this Base Prospectus, (the value is 75 per cent. of the prudent market value in the case of residential mortgages). At the date of this Base Prospectus, the properties over which mortgages are created are in Norway. The value of the Cover Pool may therefore decline in the event of a general downturn in the value of property in Norway.

*Concentration of location of mortgaged properties.*

At the date of this Base Prospectus, the Cover Pool consists of loans which are secured by mortgages (*panterett*) in properties located in Norway with a concentration in the greater Oslo area. The value of the Cover Pool may therefore decline in the event of a general downturn in the value of property in Norway and specifically in the greater Oslo area.

*Limited description of the Cover Pool.*

Investors will not receive detailed statistics or information in relation to the mortgage loans and other assets included in the Cover Pool and it is expected that the constitution of the Cover Pool will change from time to time. However, the Norwegian FSA has approved an independent inspector ("*Uavhengig gransker*") to monitor the Issuer's compliance with the matching requirements, eligibility criteria and certain other material provisions of the Act and the Regulations.

*Overcollateralisation.*

The Issuer has undertaken in Condition 2 of the Terms and Conditions of the Notes other than VPS Notes and Condition 2 of the Terms and Conditions of the VPS Notes to ensure that, for as long as the Notes are outstanding, the value of the Cover Pool shall at all times be at least (a) 102 per cent. of the outstanding principal amount of the Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to the Cover Pool or (b) such other Alternative Overcollateralisation Percentage as may be selected by the Issuer from time to time in accordance with Condition 2.2 of the Terms and Conditions of the Notes other than the VPS Notes or Condition 2(b) of the Terms and Conditions of the VPS Notes, as the case may be. To the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer (**Overcollateralisation**). The ratings of the Covered Bonds are based, amongst other things, on an assumption of a certain level of Overcollateralisation. The level of Overcollateralisation that is required for maintaining the rating of the Covered Bonds may change from time to time. The Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes do not require the Issuer to maintain the level of Overcollateralisation at the original level or the level required by any rating agency (subject to compliance with Condition 2.2 of the Terms and Conditions of the Notes other than VPS Notes or Condition 2(b) of the Terms and Conditions of the VPS Notes, as the case may be).

For the avoidance of doubt, whilst the Issuer commits to maintain the Overcollateralisation, the Issuer does not commit to ensure that any specific rating of the Notes will be upheld until maturity.

*No due diligence.*

None of the Dealers or the Arranger has or will undertake any investigations, searches or other actions in respect of the loans and other assets comprising the Cover Pool, but will instead rely on the obligations of the Issuer under the Act and the Regulations.

### **Risks relating to the Norwegian mortgage market**

The overall credit risk of residential mortgage loans, such as the risk of default and possible foreclosures, with potential losses for banks is low. This primarily reflects the room available to most households to reduce consumption or to use financial buffers if they are exposed to economic shocks. The rise in consumer debt and increased investment in secondary homes may entail somewhat higher credit risk among banks. (Source for statements in this paragraph: Monetary Policy Report 1/2019)

House prices have risen slightly more than expected in the beginning of 2019, after having shown little change through autumn 2018. The 12-month rise was 3.0 per cent. in February 2019. In Oslo, the seasonally-adjusted rise in prices in the beginning of 2019 has been more stable than in the other large Norwegian cities. The 12-month rise is still highest in the capital, but regional differences have narrowed. Activity in the market for existing homes has recently been high. A large number of dwellings are listed for sale, but turnover remains elevated. The number of unsold homes is declining, but still high. (Source for statements in this paragraph including figures: Monetary Policy Report 1/2019)

There is uncertainty regarding future house prices. Residential construction is at a high level and the number of building permits issued for housing starts has increased over the past half-year. As many of the buyers of new homes are likely to sell their existing homes, the number of existing homes listed for sale is expected to remain elevated ahead. This may have a dampening effect on house price inflation. For a long period, residential construction has been outpaced by household formation in the main urban areas. This backlog in residential construction reduces the likelihood that the high completion rate will cause a substantial fall in house prices. Household debt ratios are high, which adds to the uncertainty concerning the effects of increased interest rates on house prices. In the coming years, house prices are expected to rise by between 2 per cent. and 4 per cent. Prospects for increased employment and higher wage growth ahead suggest a rise in house price inflation, while higher interest rates will dampen such rise. (Source for statements in this paragraph including figures: Monetary Policy Report 1/2019)

### **Reliance on Swap Providers**

The Swaps entered into for hedging purposes are included in the Cover Pool so long as they comply with the requirements of the Act and the Regulations and the Swap Providers' claims rank *pari passu* with the Noteholder's claims.

A brief description of certain risks relating to the Swaps is set out below:

#### *Reliance on Currency Swaps.*

The Issuer may rely on the Currency Swap Providers under the Currency Swaps to provide payment on Covered Bonds denominated in currencies other than NOK. If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under a Currency Swap and any applicable grace period has expired, then the Issuer will have defaulted under that Currency Swap. If the Issuer defaults under a Currency Swap due to non-payment or otherwise, the relevant Currency Swap Provider will not be obliged to make further payments under that Currency Swap and may terminate that Currency Swap. If a Currency Swap Provider is not obliged to make payments, or if it defaults in its obligations to make payments under a Currency Swap, the Issuer will be exposed to changes in currency exchange rates and in the associated interest rates on the currencies. Unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments due on the Covered Bonds.

### *Reliance on Interest Rate Swaps.*

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 a Currency Swap, the Issuer may enter into the Interest Rate Swaps. If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under an Interest Rate Swap and any applicable grace period has expired, then the Issuer will have defaulted under that Interest Rate Swap. If the Issuer defaults under an Interest Rate Swap due to non-payment or otherwise, the relevant Interest Rate Swap Provider will not be obliged to make further payments under that Interest Rate Swap and may terminate that Interest Rate Swap. If an Interest Rate Swap Provider is not obliged to make payments, or if it exercises any right of termination it may have under the relevant Interest Rate Swap Agreement, or if it defaults in its obligations to make payments under an Interest Rate Swap, the Issuer will be exposed to changes in interest rates. Unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments due on the Covered Bonds.

### *Termination payments for Swaps.*

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 payments due to the Covered Bondholders.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

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 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 this investment will have on the potential investor's overall investment portfolio.

### *Notes obligations of the Issuer only*

The Notes will be solely obligations of the Issuer and will not be obligations of or guaranteed by any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, the Arranger, the Dealers, the Swap Providers, the Bank (as defined in the section "*Storebrand Boligkreditt AS*") or 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 shall be accepted by any of the Arranger, the Dealers, the Swap Providers, the Bank or any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

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

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

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

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

#### ***Global Credit Market Conditions.***

Investors should note that, in view of prevailing and widely reported global credit market conditions (which continue at the date hereof) the secondary market for the Notes and for instruments of this kind may be limited. The Issuer cannot predict when these circumstances will change.

#### ***Notes subject to optional redemption by the Issuer.***

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

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

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

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

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

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

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks", (including LIBOR, EURIBOR, NIBOR and STIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any



Notes referencing such a "benchmark". Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

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

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such "benchmarks". On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority (**FCA**) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcements**). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

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

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR, NIBOR and/or STIBOR will continue to be supported going forwards. This may cause such "benchmarks" to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain "benchmarks" (including LIBOR, EURIBOR, NIBOR and STIBOR): (i) discouraging market participants from continuing to administer or contribute to the "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark" and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon a "benchmark".

The Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes provide for certain fallback arrangements in the event that a published benchmark, including an inter-

bank offered rate such as LIBOR, EURIBOR, NIBOR, STIBOR or other relevant reference rates, ceases to be published or a Benchmark Event otherwise occurs, including the possibility that the Rate of Interest or other amounts payable under the Notes could be set by reference to a Successor Rate or an Alternative Rate determined by the Issuer following consultation with an Independent Adviser, and that, if a Successor Rate or an Alternative Rate (as the case may be) is determined, the Adjustment Spread shall also be determined by the Issuer, following consultation with the relevant Independent Adviser (as described in the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, respectively) and may also include amendments to the Terms and Conditions of the Notes other than the VPS Notes or the Terms and Conditions of the VPS Notes, as applicable, to ensure the proper operation of the Successor Rate, Alternative Rate or the Adjustment Spread, as applicable.

An Adjustment Spread could be positive, negative or zero and may not be effective in reducing or eliminating any economic prejudice to investors arising out of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). The use of a Successor Rate or Alternative Rate (including with the application of the applicable Adjustment Spread) will still result in any Notes referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. No consent of the Noteholders, Receiptholders, Couponholders or VPS Noteholders, as applicable, shall be required in connection with effecting any relevant Successor Rate or Alternative Rate (as applicable) or any other related adjustments and/or amendments described above. Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, Receiptholder, Couponholder or VPS Noteholder, as applicable, any such adjustment will be favourable to each Noteholder, Receiptholder, Couponholder or VPS Noteholder, as applicable.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and return on, the amount payable under, the Floating Rate Notes.

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

#### *Extendable obligations under the Notes.*

Following the 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 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 (as defined under "*Terms and Conditions of the Notes other than VPS Notes*" and "*Terms and Conditions of the VPS Notes*") 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.

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.

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

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

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

- (i) the market price of such Exempt Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Exempt Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

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

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

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

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

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

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

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

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

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

#### ***Notes issued under the Programme.***

Notes issued under the Programme (save in respect of the first issue of Notes) will either be fungible with an existing Series of Notes or have different terms to an existing Series of Notes (in which case they will constitute a new Series). All Notes issued from time to time will rank *pari passu* with each other and with any other Covered Bonds which may be issued by the Issuer in accordance with the Act.

#### ***No events of default.***

The Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes do not include any events of default relating to the Issuer, the occurrence of which would entitle the Noteholders to accelerate the Notes and it is envisaged that Noteholders would only be paid the scheduled interest payments under the Notes as and when they fall due under the Terms and Conditions of the Notes other than VPS Notes or the Terms and Conditions of the VPS Notes, as the case may be.

#### ***No gross-up.***

Under the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes, 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.

In the event that any such withholding or deduction is required by law, the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes do not require the Issuer to pay additional amounts in respect of such withholding or deduction.

*The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.*

The Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes other than VPS Notes also provide that the Issuer and the Agent may, without the consent of Noteholders and without regard to the interests of particular Noteholders other than holders of VPS Notes, agree to any modification of the Notes other than VPS Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law. Any such modification shall be binding on the holders of Notes other than VPS Notes, the Receiptholders and the Couponholders as described in Condition 12 of the Terms and Conditions of the Notes other than VPS Notes.

The VPS Trustee Agreement provides that the VPS Trustee may, without the consent of the holders of VPS Notes, make certain modifications to the Terms and Conditions of the VPS Notes, the VPS Trustee Agreement or the VPS Agency Agreement without the prior consent or sanction of such holders of VPS Notes, as further detailed in the Terms and Conditions of the VPS Notes and the VPS Trustee Agreement. The VPS Trustee must notify the holders of VPS Notes of a proposal to effect such modification and the holders of VPS Notes then have at least five Business Days to protest. If a protest is made, then the relevant modification will not be made. If there is no protest, then the relevant modification will be and will be binding on the holders of VPS Notes.

*The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.*

#### *Withholding tax - Norway*

In October 2015, the Norwegian government issued a white paper describing a tax reform for the period 2016-2018. This white paper stated that the government will consider introducing a withholding tax on interest payments from Norway. The white paper stated that such proposal will be subject to a hearing process before any new legislation is adopted. In October 2018, the Norwegian Ministry of Finance stated that a detailed proposal regarding withholding tax on interest payments would be submitted for public consultation in 2018 and that new legislation will be proposed during 2019. The consultation paper has not yet been concluded and submitted for consultation, and the contents and impact of such legislation is currently not clear.

In the event that any such withholding or deduction is required by law, the Terms and Conditions of the Notes other than VPS Notes and the Terms and Conditions of the VPS Notes do not require the Issuer to pay additional amounts in respect of such withholding or deduction.

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

The Terms and Conditions of the Notes other than VPS Notes (save for Condition 2 thereof) and any non-contractual obligations arising out of or in connection with such Notes are based on English law; Condition 2 of the Terms and Conditions of the Notes other than VPS Notes is governed by Norwegian law, in each case as in effect as at the date of this Base Prospectus.

The Terms and Conditions of the VPS Notes (save for Conditions 2, 9, 10 and 11 thereof) and any non-contractual obligations arising out of or in connection with such Notes are based on English law; Conditions 2, 9, 10 and 11 of the Terms and Conditions of the VPS Notes are governed by Norwegian law, in each case as in effect as at the date of this Base Prospectus.

No assurance can be given as to the impact of any possible judicial decision or change to English or Norwegian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

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

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

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

*The Notes may be subject to write-down or conversion into ordinary shares of the Issuer*

On 1 January 2019, the Norwegian transposition of the Bank Recovery and Resolution Directive (Directive 2014/59/EU, the **BRRD**) entered into force. The BRRD was implemented through chapters 20 and 21 of the Act. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions, investment firms, certain financial institutions and certain holding companies (each a "**relevant entity**") so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The Act contains different resolution tools and powers which may be used alone or in combination where the Norwegian resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables the resolution authority to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables the resolution authority to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables the resolution authority to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management

vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives the resolution authority the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims to equity or other instruments of ownership (the “general bail-in tool”), which equity or other instruments could also be subject to any future cancellation, transfer or dilution. Relevant claims for the purposes of the bail-in tool would include the claims of the Noteholders in respect of any Notes issued under the Programme, although this would only be the case if and to the extent that the amounts payable in respect of the Notes exceeded the value of the cover pool collateral against which payment of those amounts is secured.

The Act also provides for the Norwegian Ministry of Finance to, as a last resort, after having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools.

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

Under the terms of the Act, any application of the general bail-in tool is to be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Noteholders will depend on their ranking in accordance with such hierarchy at the relevant time, including any priority given to other creditors.

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

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

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

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

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

This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's

Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

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

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

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

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



## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes only and, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.*

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

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes other than VPS Notes" and "Terms and Conditions of the VPS Notes" shall have the same meanings in this General Description.

Issuer: Storebrand Boligkreditt AS

Issuer Legal Entity Identifier (LEI): 5967007LIEEXZX6GU836

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 credit risk, liquidity risks, operational risks and competition. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.

Description: Euro Medium Term Covered Note Programme

Arranger: Commerzbank Aktiengesellschaft

Dealers: Citigroup Global Markets Limited  
Commerzbank Aktiengesellschaft  
Danske Bank A/S  
DNB Bank ASA  
Nordea Bank Abp  
Société Générale

and any other Dealers appointed in accordance with the Programme Agreement.

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 in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of

this Base Prospectus.

#### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue 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 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Under Part II of the Prospectus Act, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such Act.

Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
VPS Agent:	Danske Bank A/S
VPS Trustee:	Nordic Trustee ASA
Programme Size:	Up to €2,500,000,000 (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, Sterling, Norwegian Kroner, U.S. dollars, Swiss francs, yen and, subject to any applicable legal or regulatory restrictions, 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 applicable to the Issuer or the relevant Specified Currency.
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 " <i>Terms and Conditions of the Notes other than VPS Notes</i> " and " <i>Terms and Conditions of the VPS Notes</i> "), provided that any amount representing the amount due on the Maturity Date as set out in the applicable Final Terms (the <b>Final Redemption Amount</b> ) 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.

**Issue Price:** Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes:** The Notes will be issued in bearer form or, in the case of VPS Notes, uncertificated book entry form, as specified in the Final Terms.

Each Note (other than VPS Notes) 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.

VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. VPS Notes will not be exchangeable for Notes in bearer form and *vice versa*. See "*Form of the Notes*" below.

VPS Notes will not be exchangeable for Notes not in VPS form and *vice versa*.

**Fixed Rate Notes:** Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

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

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

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.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes, Notes redeemable in one or more instalments or Notes which are denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange Ltd.

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

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

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

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

***Swiss francs denominated Notes:*** The Issuer may issue Notes which are denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange Ltd. in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

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

Benchmark Discontinuation

If Floating Rate Notes provide for a rate of interest (or any component thereof) to be determined by reference to a reference rate, upon such reference rate ceasing to exist or be published or the occurrence of another Benchmark Event in respect of such

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 (following consultation with the relevant Independent Adviser) determining a Successor Rate failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments as further described in Condition 3.4 of the Terms and Conditions of the Notes other than VPS Notes and Condition 3(d) of the Terms and Conditions of the VPS Notes.

Redemption:

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

The 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 amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 6 of the Terms and Conditions of the Notes other than VPS Notes and Condition 6 of the Terms and Conditions of the VPS Notes, unless such withholding or deduction is required by law. In the event of any such withholding or deduction, the Issuer will not pay additional amounts to cover the amounts so withheld or deducted.

Negative Pledge:

The terms of the Notes will not contain a negative pledge provision.

Events of Default:

The terms of the Notes will not contain events of default.

Status of the Notes:

The Notes are issued on an unconditional and unsubordinated basis and in accordance with the Act (as defined under "*Terms and Conditions of the Notes other than VPS Notes*" and "*Terms and Conditions of the VPS Notes*"). The Notes and any other securities

issued by the Issuer in accordance with the Act (together, the **Covered Bonds**), together with the Issuer's obligations under the swaps and any other derivative instruments entered into by the Issuer in connection with the Covered Bonds, have the benefit of priority of claim to a cover pool of certain registered eligible assets (the **Cover Pool**) upon public administration of the Issuer. See also "*Summary of the Norwegian Legislation regarding Covered Bonds (obligasjoner med fortrinnsrett)*" below.

**Rating:**

The Programme has been rated AAA by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing:**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes (other than Exempt Notes) issued under the Programme to be listed on 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 Dealer in relation to the Series. Exempt Notes which are neither listed nor admitted to trading on any market may also be issued.

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

**Governing Law:**

The Notes (other than the VPS Notes) (save for Condition 2 of the Terms and Conditions thereof) and any non-contractual obligations arising out of or in connection with such Notes will be governed by, and shall be construed in accordance with, English law. Condition 2 of the Terms and Conditions of the Notes other than VPS Notes will be governed by and construed in accordance with Norwegian Law.

The VPS Notes (save for Conditions 2, 10, 11 and 12 of the Terms and Conditions thereof) and any non-contractual obligations arising out of or in connection with such Notes will be governed by, and shall be construed in accordance with, English law. Conditions 2, 10, 11 and 12 of the Terms and Conditions of the VPS Notes will be governed by and construed in accordance with Norwegian law.

The VPS Notes must comply with the Norwegian Securities Register Act 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 this Act and any related regulations and legislation.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, Belgium and the Kingdom of Norway), Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

**Liquidity requirements**

The Issuer has established systems for prudent liquidity management for the purpose of meeting its payment obligations in respect of interest and principal due and payable on the Covered Bonds issued by it from time to time in accordance with the requirements of the Act and Regulations. See also "*Summary of the Norwegian Legislation regarding Covered Bonds (obligasjoner med fortrinnsrett)*" below.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the auditors' report and audited non-consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2017, including the information set out at the following pages in particular:

Profit and Loss Account.....	Page 10
Balance Sheet .....	Page 11
Accounting Principles and Notes.....	Pages 14 to 45
Audit Report.....	Pages 47 to 50

- (b) the auditors' report and audited non-consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2018, including the information set out at the following pages in particular:

Profit and Loss Account.....	Page 10
Balance Sheet .....	Page 11
Accounting Principles and Notes.....	Pages 14 to 51
Audit Report.....	Pages 53 to 56

- (c) the unaudited non-consolidated financial statements of the Issuer as of and for the three months ended 31 March 2019, including the information set out at the following pages in particular:

Profit and Loss Account.....	Page 5
Balance Sheet .....	Page 6
Accounting Principles and Notes.....	Pages 9 to 19

- (d) the Terms and Conditions of the Notes other than VPS Notes on pages 45 to 67 and the Terms and Conditions of the VPS Notes on pages 68 to 88 of the Base Prospectus dated 10 June 2009;
- (e) the Terms and Conditions of the Notes other than VPS Notes on pages 62 to 85 and the Terms and Conditions of the VPS Notes on pages 86 to 107 of the Base Prospectus dated 27 June 2014;
- (f) the Terms and Conditions of the Notes other than VPS Notes on pages 62 to 85 and the Terms and Conditions of the VPS Notes on pages 86 to 107 of the Base Prospectus dated 26 June 2015;
- (g) the Terms and Conditions of the Notes other than VPS Notes on pages 63 to 86 and the Terms and Conditions of the VPS Notes on pages 87 to 108 of the Base Prospectus dated 27 July 2016;



- (h) the Terms and Conditions of the Notes other than VPS Notes on pages 64 to 87 and the Terms and Conditions of the VPS Notes on pages 88 to 109 of the Base Prospectus dated 20 June 2017; and
- (i) the Terms and Conditions of the Notes other than VPS Notes on pages 68 to 91 and the Terms and Conditions of the VPS Notes on pages 92 to 113 of the Base Prospectus dated 27 June 2018.

The information incorporated by reference that is not included in the cross-reference lists above is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive and Article 13 of the Prospectus Act 2005. 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 or in a document which is incorporated by reference 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.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. In addition, copies of such documents will be available on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Certain information contained in, or incorporated by reference in, the documents listed above has not been incorporated by reference in this Base Prospectus. Such information has not been incorporated by reference as it is either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) is covered elsewhere in this Base Prospectus.

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 (i) a supplement to this Base Prospectus will be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive and Article 13 of the Prospectus Act 2005 or (ii) the Issuer will publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

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

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

### **Bearer Notes**

Each Tranche of Notes other than VPS Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

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

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the 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 either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

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

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) 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) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 11 of the Terms and Conditions of the Notes other than VPS Notes and Condition 9 of the Terms and Conditions of the VPS Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

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

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

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

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

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes other than VPS Notes*" and "*Terms and Conditions of the VPS Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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

Where any Note is represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 26 June 2015 and executed by the Issuer.

Notwithstanding the above, a single Global Note in respect of each Tranche of Notes issued in Swiss francs and listed on the SIX Swiss Exchange Ltd. will be delivered to SIX SIS Ltd., the Swiss Securities Services Corporation in Olten, Switzerland or any intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd. (SIX Swiss Exchange Ltd. or any such other intermediary, the **Intermediary**) and will be exchanged for definitive Notes only in the limited circumstances set out in such Global Note.

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

### **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 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 account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS 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 for the time being of the VPS.

VPS Notes may not be exchanged for bearer Notes and *vice versa*.

### **General**

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

## FORM OF FINAL TERMS

### NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

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

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes, are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]\*

**[MiFID II product governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]\*†

[Date]

**Storebrand Boligkreditt AS**

**Legal entity identifier (LEI): 5967007LIEEXZX6GU836**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €2,500,000,000  
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 [Terms and Conditions of the Notes other than VPS Notes] [the Terms and Conditions of the VPS Notes] set forth in the Base Prospectus dated 26 June 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of

\* Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

† Legend to be included on front of the Final Terms if following the ICMA 1 “all bonds to all professionals” target market approach.

[Directive 2003/71/EC (as amended or superseded, the **Base Prospectus**)/the Prospectus Directive] and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). ]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes other than VPS Notes] [the Terms and Conditions of the VPS Notes] (the **Conditions**) set forth in the Base Prospectus dated [10 June 2009 / 27 June 2014 / 26 June 2015/ 27 July 2016/ 20 June 2017/27 June 2018]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 26 June 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).]

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

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

1.
  - (a) Series Number: [ ]
  - (b) Tranche Number: [ ]
  - (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:
  - (a) Series: [ ]
  - (b) Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.
  - (a) Specified Denominations: [ ]
  - [ ]

*(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*

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

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

(b) Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions):

[ ]

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

6. (a) Issue Date:

[ ]

(b) Interest Commencement Date:

[specify/Issue Date/Not Applicable]

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

7. Maturity Date:

[Fixed rate - specify date/  
Floating rate - Interest Payment Date falling in or nearest to [specify month]]

8. Extended Final Maturity Date:

[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month]; in each case falling one year after the Maturity Date]

9. Interest Basis:

[In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date:

[[ ] per cent. Fixed Rate]

[[[ ] month [ ]  
LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]

[Zero Coupon]

(see paragraph [14]/[15]/[16] below)]

[In respect of the period from (and including) the

Maturity Date to (but excluding) the Extended Final Maturity Date:

[[ ] per cent. Fixed Rate]

[[[ ] month [ ] LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]

[Zero Coupon]

(see paragraph [14]/[15]/[16] below)]

10. Redemption/Payment Basis:

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

*(N.B. For Notes other than Zero Coupon Notes, redemption must be at 100 per cent. of their nominal amount)*

11. Change of Interest Basis:

[Applicable. See paragraphs 14 and 15 below][Not Applicable]

12. Put/Call Options:

[Investor Put]

[Issuer Call]

[(see [17]/[18] below)]

13. [Date [Board] approval for issuance of Notes obtained:

[ ] [and [ ]], respectively]]

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

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions:

[Applicable/Not Applicable]

(i) Period to (and including) the Maturity Date:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph 14(i))*

(a) Rate(s) of Interest:

[ ] per cent. per annum payable in arrear on each Interest Payment Date

*(If payable other than annually, consider amending Condition [3 of the Terms and Conditions of the Notes other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes])*

(b) Interest Payment Date(s):

[[ ] in each year up to and including the Maturity Date]/[specify other]

*(Amend appropriately in the case of irregular coupons)*



- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (ii) Period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 14(ii))*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date  
*(If payable other than annually, consider amending Condition [3 of the Terms and Conditions of the Notes other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes])*
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]

- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Period to (and including) the Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 15(i))*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]][Not Applicable]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]

- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [ ] month  
[LIBOR/EURIBOR/NIBOR/STIBOR]  
(Either LIBOR, EURIBOR, NIBOR, STIBOR)
  - Interest Determination Date(s): [ ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm business day prior to the start of each Interest Period if STIBOR)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
(In the case of a LIBOR, EURIBOR, NIBOR, STIBOR or CHF LIBOR based option, the first day of the Interest Period)  
(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum

- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30E/360 (ISDA)]  
[Other]  
*(See Condition [3 of the Terms and Conditions of the Notes other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes] for alternatives)*
- (ii) Period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 15(ii))*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]][Not Applicable]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [ ] month  
[LIBOR/EURIBOR/NIBOR/STIBOR]  
*(Either LIBOR, EURIBOR, NIBOR or STIBOR)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the*

*second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm*

*business day prior to the start of each Interest Period if STIBOR)*

- Relevant Screen Page: [      ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)

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

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

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

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

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

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

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

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

*(See Condition [3 of the Terms and Conditions of the Notes other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes] for alternatives)*

16. Zero Coupon Note Provisions: [Applicable/Not Applicable]

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

- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

## PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
  - (b) Optional Redemption Amount: [ ] per Calculation Amount  
  
*(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
  - (c) If redeemable in part:
    - (i) Minimum Redemption Amount: [ ]
    - (ii) Maximum Redemption Amount: [ ]
  - (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
18. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
  - (b) Optional Redemption Amount: [ ] per Calculation Amount  
  
*(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*

- (c) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

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

19. Final Redemption Amount: [ ] per Calculation Amount

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes:

- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[VPS Notes issued in uncertificated book entry form]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes)*

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

(b) New Global Note: [Yes][No]

*(If VPS Notes, must be “No”.)*

21. Additional Financial Centre(s): [Not Applicable/give details]

*(Note that this item relates to the place of payment and not Interest Period end dates to which item 16(c) relates)*

22. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable or TEFRA D (Swiss practice): [TEFRA D/TEFRA C/TEFRA not applicable/TEFRA D]

Signed on behalf of Storebrand Boligkreditt AS:

By: .....  
*Duly authorised*



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the [Luxembourg][Oslo] Stock Exchange [and listed on the Official List of the Luxembourg Stock Exchange ]with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[[ ] by S&P]

[Not Applicable]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

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

Indication of yield: [ ] [Not Applicable]

### 5. OPERATIONAL INFORMATION

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) CFI: [[include code], as updated, as set out on the website of the Association of National Numbering Agencies]

- (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[*include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]  
[Verdipapirsentralen, Norway  
VPS Identification number [ ]  
The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purposes of performing its obligations under the VPS Notes]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] (*include this text if "yes" selected in which case the Notes must be issued in NGN form*)  
  
[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. 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.] (*If VPS Notes, must be "No".*)

## 6. DISTRIBUTION

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

## FORM OF PRICING SUPPLEMENT

### EXEMPT NOTES OF ANY DENOMINATION

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

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

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>‡</sup>

**[MiFID II product governance / target market]** – *[appropriate target market legend to be included]*

*[Date]*

**Storebrand Boligkreditt AS**

**Legal entity identifier (LEI): 5967007LIEEXZX6GU836**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €2,500,000,000  
Euro Medium Term Covered Note Programme**

### PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 26 June 2019 [as supplemented by the supplement[s] dated *[date[s]]*] (the **Base Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from *[address]*.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus [dated *[original date]*] which are incorporated by reference in the Base Prospectus].<sup>§</sup> Any reference in the Conditions to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement”, where relevant.

<sup>‡</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>§</sup> Only include this language where it is a fungible issue and the original Tranche was issued under a Base Prospectus with a different date.

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

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

1. Issuer: [ ]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
  - (a) Series: [ ]
  - (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: [ ]
- (b) Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions): [ ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [*Fixed rate - specify date*/  
*Floating rate - Interest Payment Date falling in or nearest to [specify month]*]
9. Extended Final Maturity Date: [*Fixed rate – specify date*/*Floating rate – Interest Payment Date falling in or nearest to [specify month]; in*

each case falling one year after the Maturity Date]

10. Interest Basis: [In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date:  
[[ ] per cent. Fixed Rate]  
[[[ ] month [ ] LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [15]/[16]/[17] below)]
- [In respect of the period from (and including) the Maturity Date to (but excluding) the Extended Final Maturity Date:  
[[ ] per cent. Fixed Rate]  
[[[ ] month [ ] LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [15]/[16]/[17] below)]
11. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
12. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
13. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(see [20]/[21] below)]
14. [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ]], respectively]]  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions
- (i) Period to (and including) the Maturity Date: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining subparagraphs of this paragraph 15(i)*)
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date  
(*If payable other than annually, consider amending Condition [3 of the Terms and Conditions of the Notes*)

*other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes])*

- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
- (ii) Period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 15(ii))*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date  
*(If payable other than annually, consider amending Condition [3 of the Terms and Conditions of the Notes other than VPS Notes] [3 of the Terms and Conditions of the VPS Notes])*
- (b) Interest Payment Date(s): [[ ] in each month up to and including the Extended Final Maturity Date]/[specify other]  
*(N.B. This will need to be amended in the case of coupons which are not on a monthly basis)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form [ ] per Calculation Amount

see Conditions):

- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): ☐ per Calculation Amount, payable on the Interest Payment Date falling ☐ in/on ☐ ☐ [Not Applicable]
- (e) Day Count Fraction: ☐ 30/360/Actual/Actual (ICMA)/specify other
- (f) Determination Date(s): ☐ in each year][Not Applicable]  
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: ☐ None/Give details

16. Floating Rate Note Provisions

- (i) Period to (and including) the Maturity Date: ☐ Applicable/Not Applicable  
(If not applicable, delete the remaining subparagraphs of this paragraph 16(i))
- (a) Specified Period(s)/Specified Interest Payment Dates: ☐ ☐[, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: ☐ Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]][Not Applicable]
- (c) Additional Business Centre(s): ☐ ☐
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: ☐ Screen ☐ Rate ☐ Determination/ISDA Determination/specify other
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): ☐ ☐
- (f) Screen Rate Determination: ☐ Applicable/Not Applicable
- Reference Rate: Reference ☐ Rate: ☐ ☐ month ☐ LIBOR/EURIBOR/NIBOR/STIBOR/ specify other Reference Rate]  
(Either LIBOR, EURIBOR, NIBOR, STIBOR or other,



although additional information is required if other - including fallback provisions in the Agency Agreement)

- Interest Determination Date(s): [      ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm business day prior to the start of each Interest Period if STIBOR)
  - Relevant Screen Page: [      ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [      ]
  - Designated Maturity: [      ]
  - Reset Date: [      ]  
(In the case of a LIBOR, EURIBOR, NIBOR or STIBOR based option, the first day of the Interest Period)
- (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): [ +/- ] [      ] per cent. per annum
- (j) Minimum Rate of Interest: [      ] per cent. per annum
- (k) Maximum Rate of Interest: [      ] per cent. per annum

- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30E/360 (ISDA)]  
[Other]  
  
(See [Condition 3 of the Terms and Conditions of the Notes other than the VPS Notes][Condition 3 of the Terms and Conditions of the VPS Notes] for alternatives)
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
- (ii) Period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 16(ii))*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]][Not Applicable]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [ ] month  
[LIBOR/EURIBOR/NIBOR/STIBOR/specify other Reference Rate]  
  
(Either LIBOR, EURIBOR, NIBOR, STIBOR, CHF

*LIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*

- Interest Determination Date(s): [      ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm business day prior to the start of each Interest Period if STIBOR )*
  
- Relevant Screen Page: [      ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  
- (g) ISDA Determination: [Applicable/Not Applicable]
  
- Floating Rate Option: [      ]
- Designated Maturity: [      ]
- Reset Date: [      ]  
*(In the case of a LIBOR, EURIBOR, NIBOR or STIBOR R based option, the first day of the Interest Period)*  
*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
  
- (h) Margin(s): [ +/- ] [      ] per cent. per annum
- (i) Minimum Rate of Interest: [      ] per cent. per annum
- (j) Maximum Rate of Interest: [      ] per cent. per annum

- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30E/360 (ISDA)]  
[Other]  
*(See [Condition 3 of the Terms and Conditions of the Notes other than the VPS Notes][Condition 3 of the Terms and Conditions of the VPS Notes] for alternatives)*
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
18. Index Linked Interest Note [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]

- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (e) Specified Period(s)/Specified Interest Payment Dates: [      ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [      ]
- (h) Minimum Rate of Interest: [    ] per cent. per annum
- (i) Maximum Rate of Interest: [    ] per cent. per annum
- (j) Day Count Fraction: [      ]
19. Dual Currency Interest Note Provisions *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [      ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [      ]

## **PROVISIONS RELATING TO REDEMPTION**

20. Issuer Call: *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [      ]
- (b) Optional Redemption Amount: *[[      ] per Calculation Amount/specify other/see Appendix]*

(c) If redeemable in part:

(i) Minimum Redemption Amount: [ ]

(ii) Maximum Redemption Amount: [ ]

(d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

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

21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

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

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]

(c) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

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

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

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. Form of Notes:

(a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive

Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[VPS Notes issued in uncertificated book entry form]

[CHF Global Note exchangeable for Definitive Notes in the limited circumstances specified in the CHF Global Note]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves)*

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

(b) New Global Note:

[Yes][No]

24. Additional Financial Centre(s):

[Not Applicable/give details]

*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(g) relate)*

25. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment.

[Not Applicable/give details. N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]

26. Details relating to Instalment Notes:

[Applicable/Not Applicable]

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

(a) Instalment Amount(s):

[give details]

(b) Instalment Date(s):

[give details]

27. Other final terms:

[Not Applicable/give details]

## RESPONSIBILITY

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

Signed on behalf of Storebrand Boligkreditt AS:

By: .....

*Duly authorised*



## PART B – OTHER INFORMATION

### 1. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*

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

### 2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

### 3. [USE OF PROCEEDS

Use of Proceeds: [ ]

*(Only required if the use of proceeds is different to that stated in the Base Prospectus)*

### 4. OPERATIONAL INFORMATION

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) CFI: *[[include code]*, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: *[[include code]*, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. or Swiss Securities Services Corporation and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]  
[Verdipapirsentralen, Norway  
VPS Identification number [ ]  
The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purposes of performing its obligations under the VPS Notes]

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (including any Swiss Paying Agents or Principal Swiss Paying Agent) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*
- [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *(If VPS Notes, must be "No".)*

## 5. DISTRIBUTION

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

- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

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

- (viii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

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

## TERMS AND CONDITIONS OF THE NOTES OTHER THAN VPS NOTES

*Any reference in the Terms and Conditions to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

*The following are the Terms and Conditions of the Notes other than the VPS Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (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 Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

The Notes are covered bonds (Nw: *obligasjoner med fortrinnsrett*) issued by Storebrand Boligkreditt AS (the **Issuer**) in accordance with Chapter 11, subchapter II of Act of 10 April 2015 no 17 on financial undertakings and financial groups Nw: Lov 10, april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven) (the **Act**) and the Regulation of 9 December 2016 no 1502 on financial undertakings and financial groups (Nw: Forskrift 9. desember 2016 nr.1502 om finansforetak og finanskonsern) (the **Regulations**).

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

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

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 26 June 2019 and made between the Issuer, and Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

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

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 26 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 Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable from the registered office of the Issuer and of the Agent by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the 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 the 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.

For the purposes of these conditions, **euro** shall mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended; **Prospectus Directive** shall mean Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the relevant Member State.

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

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

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

If this Note is an Exempt Note, this Note may also be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note, a Note denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange Ltd. or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

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

For so long as any of the Notes is represented by a Global Note which is deposited with SIX SIS Ltd. or any intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd. (SIX SIS Ltd. or any such other intermediary, the **Intermediary**) and entered into the accounts of one or more participants of the Intermediary, such Global Note will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder of the Notes deposited with the Intermediary shall have a quotal co-ownership interest (*Miteigentumsanteil*) in such Global Note to the extent of his claim against the Issuer, provided that for so long as such Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and such Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Notes held through each participant in that Intermediary. In respect of the Notes held in the form of Intermediated Securities, the holders of

such Notes will be the persons holding the Notes in a securities account in their own name and for their own account.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and the Intermediary, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

## **2. STATUS OF THE NOTES AND OVERCOLLATERALISATION**

### **2.1 Status of the Notes**

The Notes of each Tranche constitute 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 covered bonds (*obligasjoner med fortrinnsrett*) issued in accordance with the terms of the Act.

### **2.2 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 (as defined below) with respect to the Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to such Cover Pool shall at all times be a minimum of (a) 102.0 per cent. of the outstanding principal amount of the Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to such Cover Pool or (b) such other percentage as may be selected by the Issuer from time to time and notified to the Agent and, if applicable, S&P (the **Alternative Overcollateralisation Percentage**), provided that, to the extent S&P has assigned a credit rating to the Notes, the Issuer shall not at any time select an Alternative Overcollateralisation Percentage unless:

- (i) the credit rating assigned to the Notes at such time by S&P is AAA; and
- (ii) S&P has confirmed in writing to the Issuer that, at the time of its confirmation, the selection of such Alternative Overcollateralisation Percentage would not in and of itself result in its credit rating then assigned to the Notes by S&P being reduced, removed, suspended or placed on creditwatch.

To the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer.

### **2.3 Definitions**

In this Condition, the following expressions shall have the following meanings:

**Cover Pool** means assets of the Issuer falling within the requirements of Section 11-8 of the Act, Section 11-4 of the Regulations and otherwise as set out in the Act and Regulations from time to time (other than any such asset in respect of which an amount has become due and payable to the Issuer, and such amount is not paid within 90 days of becoming due and payable); and

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

### 3. INTEREST

#### 3.1 Interest on Fixed Rate Notes

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

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

As used in the 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 or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction. The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

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



- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (A) 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 that would occur in one calendar year; and
  - (B) 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
- (b) 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.

In the Conditions:

**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, one cent.

## 3.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

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

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

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) 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
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) 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
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which 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 London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (ii) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (iii) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**(b) 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.

- (i) 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 subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the

International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **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.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, NIBOR or STIBOR in each case for the relevant currency and/or period, all as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 3.2(b)(ii)(A), no offered quotation appears or, in the case of Condition 3.2(b)(ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as

being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR or CHF LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR or CHF LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) 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).

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

**(c) 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 (b) 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 (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

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

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

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

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

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**(e) 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.

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 11. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

**(g) 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 3.2, whether by the Agent shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**3.3 Interest Rate and Payments from the Maturity Date in the event of extension of maturity of a Series of Notes**

- (a) If an Extended Final Maturity Date is specified in the Final Terms for a Series of Notes and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the Final Terms, each Note shall bear interest in accordance with this Condition 3.3 on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date upon which the Notes are redeemed in full and the Extended Final Maturity Date, subject to Condition 3.6. In such circumstances, the Rate of Interest for any Interest Period falling after the Maturity Date, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Agent in accordance with (i) if the

applicable Final Terms specify that "Fixed Rate Provisions" are applicable for the period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date, Condition 3.1 *mutatis mutandis* or (ii) if the applicable Final Terms specify a "Floating Rate Provisions" are applicable for the period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date, Condition 3.2 *mutatis mutandis*, as applicable, and the applicable Final Terms.

- (b) In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date, for the purposes of this Condition 3.3, the outstanding nominal amount shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (c) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3, whether by the Agent shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (d) This Condition 3.3 shall only apply to a Series of Notes if the Issuer fails to redeem such Series of Notes (in full) at their Final Redemption Amount (as specified in the applicable Final Terms) on the Maturity Date and the maturity of such Notes is automatically extended to the Extended Maturity Date in accordance with Condition 5.1.

### **3.4 Benchmark Discontinuation**

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions apply:

#### **(a) Independent Adviser**

The Issuer shall use 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 (in accordance with Condition 3.4(b)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 3.4(c)) and any Benchmark Amendments (in accordance with Condition 3.4(d)).

An Independent Adviser appointed pursuant to this Condition 3.4 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Noteholders, the Receiptholders or the Couponholders (as applicable) for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3.4.

#### **(b) Successor or Alternative Rate**

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

- (A) there is a Successor Rate, then such Successor Rate as adjusted by the applicable Adjustment Spread (as provided in Condition 3.4(c)) shall



subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 3.4); or

- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate as adjusted by the applicable Adjustment Spread (as provided in Condition 3.4(c)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 3.4).

**(c) Adjustment Spread**

If a Successor Rate or Alternative Rate is determined in accordance with Condition 3.4(b), the Issuer, following consultation with the Independent Adviser, shall determine, acting in good faith and in a commercially reasonable manner, an Adjustment Spread (which may be expressed as a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

**(d) Benchmark Amendments**

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 3.4 and the Issuer, following consultation with the Independent Adviser determines, acting in good faith and in a commercially reasonable manner, (A) that amendments to the Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or, in either case, Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3.4(e), without any requirement for the consent or approval of the Noteholders, the Receiptholders or the Couponholders (as applicable), vary the Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3.4, 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.

**(e) Notices, etc.**

The Issuer shall notify the Agent, any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms), the Paying Agents and, in accordance with Condition 11, the Noteholders, the Receiptholders or the Couponholders (as applicable), promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3.4. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

**(f) Survival of Original Reference Rate**

Without prejudice to the Issuer's obligations under the provisions of this Condition 3.4, the Original Reference Rate and the fallback provisions provided for in Condition 3.2(b)(ii) will continue to apply unless and until the Agent or any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms) has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of the applicable Adjustment Spread and any Benchmark Amendments in accordance with Condition 3.4(e).

**(g) Fallbacks**

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest (as applicable), in each case pursuant to this Condition 3.4, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 3.2(b)(ii) will continue to apply to such determination. For the avoidance of doubt, this Condition 3.4 shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.4.

**(h) Definitions**

In this Condition 3.4:

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

- (A) 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;
- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (C) if neither (A) nor (B) above applies, 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 to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Noteholders, the Receiptholders or the Couponholders (as applicable) as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**Alternative Rate** means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 3.4 has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Amendments** has the meaning given to it in Condition 3.4(d);

**Benchmark Event** means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, 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) and (ii) the date falling six months prior to the specified date referred to in (B)(i);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i);
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i); or
- (F) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Agent, any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms), or any Paying Agent to calculate any payments due to be made to any Noteholder, Receipholder or Couponholder (as applicable) using the Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used.

**Independent Adviser** means an independent financial institution of international repute or an independent adviser with appropriate expertise in the international debt capital markets appointed by the Issuer at its own expense under Condition 3.4(a);

**Original Reference Rate** means the Reference Rate originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of a Reference Rate:

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

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

### **3.5 Exempt Notes**

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

### **3.6 Accrual of interest**

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

## **4. PAYMENTS**

### **4.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto.

## **4.2 Presentation of definitive Notes, Receipts and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 4.4) 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 16) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

## **4.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note 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. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

#### **4.4 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 4.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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

#### **4.5 General provisions applicable to payments**

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

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) 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
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### **4.6 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the

relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
  - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

#### **4.7 Interpretation of principal and interest**

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

- (a) the Final Redemption Amount of the Notes;
- (b) the Optional Redemption Amount(s) (if any) of the Notes;
- (c) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;
- (d) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5.7); and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

#### **4.8 Transfer Restriction<sup>\*\*</sup>**

Payments on the Notes will be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

#### **4.9 Discharge of the Issuer<sup>†</sup>**

The receipt by the Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss francs in Zurich shall release the Issuer from its obligation under the Notes and Coupons for the payment of the principal and interest due on the respective payment dates to the extent of such payments and except to the extent that there is default in the subsequent payment thereof to the Noteholders or Couponholders, as the case may be.

---

<sup>\*\*</sup> Only applicable to Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange Ltd.

Except to the extent required by law, payments of principal and interest in respect of any Notes denominated in Swiss francs shall be made in freely disposable Swiss francs without collection costs and, whatever the circumstances may be, irrespective of the nationality, domicile or residence of the holder of the Notes and without requiring any certification, affidavit or the fulfilment of any other formality.

## **5. REDEMPTION AND PURCHASE**

### **5.1 Redemption at maturity**

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

If an Extended Final Maturity Date is specified in the Final Terms for a Series of 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 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 S&P, any relevant Swap Provider and the Agent as soon as reasonably practicable and in any event at least 4 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 Agent) shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

Where the applicable Final Terms for a relevant Series of Notes provides that such 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.

### **5.2 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, or the Intermediary (to be reflected in the records of Euroclear, Clearstream, Luxembourg and the Intermediary 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 Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 11 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 5.2 and



notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 11 at least five days prior to the Selection Date.

### **5.3 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 11 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg, and the Intermediary deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg, or the Intermediary to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and the Intermediary (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg and the Intermediary or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or the Intermediary from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or the Intermediary given by a holder of any Note pursuant to this Condition 5.3 shall be irrevocable.

### **5.4 Specific redemption provisions applicable to certain types of Exempt Notes**

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement. Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

### **5.5 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent for cancellation.

## 5.6 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 5.5 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

## 5.7 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 5.1, 5.2 or 5.3 above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

<sup>y</sup> is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

## 6. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law.

As used herein, **Tax Jurisdiction** means the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer).

## 7. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 16) 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 or Condition 4.2 or any Talon which would be void pursuant to Condition 4.2.

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

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

## **9. PAYING AGENTS**

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

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

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

In respect of any Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange Ltd., the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified address outside Switzerland. In addition, all references in these Conditions to "Agent" and the "Paying Agents" shall, to the extent a Principal Swiss Paying Agent and Swiss Paying Agents are specified in the applicable Final Terms, and so far as the context permits, be construed as references to the "Principal Swiss Paying Agent" and the "Swiss Paying Agents", respectively.

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 Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## 10. EXCHANGE OF TALONS

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

## 11. NOTICES

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or 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. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

Notwithstanding the provisions of this Condition 11, so long as the Notes are listed on the SIX Swiss Exchange Ltd. and so long as the rules of the SIX Swiss Exchange Ltd. so require (and provided that the Notes are not listed on another stock exchange or admitted to trading by another relevant authority (in which case the notice will also be published in accordance with the rules of such stock exchange or authority)), notices in respect of such Notes will be validly given through the Principal Swiss Paying Agent by means of publication in the internet website of the SIX Swiss Exchange Ltd. ([www.six.com](http://www.six.com)). In addition, the Principal Swiss Paying Agent may also publish any such notices by other means in accordance with the rules of the SIX Swiss Exchange Ltd. 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.

## **12. MEETINGS OF NOTEHOLDERS AND MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the holders or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of all the holders, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable thereafter.

## **13. FURTHER ISSUES**

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

## **14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 15.1 Governing law

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

### 15.2 Submission to jurisdiction

- (a) Subject to Condition 15.2(b) below, the English courts have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly each of the Issuer, the Noteholders, the Receiptholders and the Couponholders submits to the exclusive jurisdiction of the English courts.
- (b) This Condition 15.2(b) is for the benefit of the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### 15.3 Appointment of Process Agent

The Issuer appoints Clifford Chance Secretaries Limited at its registered office at 10 Upper Bank Street, London E14 5JJ as its agent for service of process, and undertakes that, in the event of Clifford Chance Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## 16. DEFINITIONS

In these Conditions the following words shall have the following meanings:

**Currency Swap** means each currency swap which enables the Issuer to hedge currency risks arising from (a) Covered 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 counterparty in its capacity as currency swap provider under a Currency Swap Agreement;

**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 counterparty in its capacity as interest rate swap provider under an Interest Rate Swap Agreement;

**Relevant Date** means the date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 11;

**S&P** means S&P Global Ratings Europe Limited, including its successors;

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

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

**Swap Providers** means each Currency Swap Provider and each Interest Rate Swap Provider.

## TERMS AND CONDITIONS OF THE VPS NOTES

*Any reference in the Terms and Conditions to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

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

*The applicable Pricing Supplement in relation to any Tranche of Exempt VPS Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such VPS Notes. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant VPS Notes.*

The VPS Notes are covered bonds (obligasjoner med fortrinnsrett) issued by Storebrand Boligkreditt AS (the **Issuer**) in accordance with Chapter 11, subchapter II of Act of 10 April 2015 no 17 on financial undertakings and financial groups Nw: Lov 10, april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven) (the **Act**) and the Regulation of 9 December 2016 no 1502 on financial undertakings and financial groups (Nw: Forskrift 9. desember 2016 nr.1502 om finansforetak og finanskonsern) (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 the trust agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the **VPS Trustee Agreement**) dated 23 April 2008 made between the Issuer and Nordic Trustee ASA (the **VPS Trustee**, which expression shall include any successor as Trustee).

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 Depository, the *Verdipapirsentralen* (**VPS Notes** and the **VPS**, respectively).

The VPS Notes have the benefit of an agency agreement dated 25 May 2016 (such agency agreement as amended and/or supplemented and/or restated from time to time, the **VPS Agency Agreement**) between the Issuer and Danske Bank A/S (the **VPS Agent**).

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 of each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this VPS Note which complete these Terms and Conditions of the VPS Notes (the **VPS Conditions**) and in the case of a VPS Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an Exempt Note), 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 the VPS Notes. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this VPS Note.



The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes (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 are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office of the VPS Trustee for the time being at Haakon VII Gate 1, 0161, Oslo, Norway. Copies of the applicable Final Terms for VPS Notes will be published on the website of the Issuer ([www.storebrand.no/site/stb.nsf/Pages/boligkreditt-ir-eng.html](http://www.storebrand.no/site/stb.nsf/Pages/boligkreditt-ir-eng.html))

The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, 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 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 in uncertificated book entry form in the denomination of NOK 500,000 and/or such other currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) as shown in Part A of the relevant Final Terms provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) and will be registered with a separate securities identification code in the VPS.

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

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

VPS Notes may not be exchanged for Notes other than VPS Notes, issued by the Issuer, and vice versa.

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

If this VPS Note is an Exempt Note, this VPS Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon 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.

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 for the time being of the VPS.

## **2. STATUS OF THE VPS NOTES AND OVERCOLLATERALISATION**

### **(a) Status of the Notes**

Each Tranche of VPS Notes will constitute unconditional and unsubordinated obligations of the Issuer and will rank *pari passu* with all other outstanding unsubordinated obligations of the Issuer that have been provided equivalent priority of claim to covered bonds (*obligasjoner med fortrinnsrett*) issued in accordance with the terms of the Act.

### **(b) Overcollateralisation**

For so long as the VPS 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 (as defined below) with respect to the VPS Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to such Cover Pool shall at all times be a minimum of (i) 102.0 per cent. of the outstanding principal amount of the VPS Notes and any other covered bonds issued by the Issuer (taking into account the effect of derivative contracts) having recourse to such Cover Pool or (ii) such other percentage as may be selected by the Issuer from time to time and notified to the VPS Trustee and, if applicable, S&P (the **Alternative Overcollateralisation Percentage**), provided that, to the extent S&P has assigned a credit rating to the VPS Notes, the Issuer shall not at any time select an Alternative Overcollateralisation Percentage unless:

- (A) the credit rating assigned to the VPS Notes at such time by S&P is AAA; and
- (B) S&P has confirmed in writing to the Issuer that, at the time of its confirmation, the selection of such Alternative Overcollateralisation Percentage would not in and of itself result in its credit rating then assigned to the VPS Notes by S&P being reduced, removed, suspended or placed on creditwatch.

To the extent a higher level of minimum overcollateralisation is stipulated in any applicable legislation from time to time, such level of overcollateralisation shall be the minimum level required to be maintained by the Issuer.

### **(c) Definitions**

In this Condition, the following expressions shall have the following meanings:

**Cover Pool** means assets of the Issuer falling within the requirements of Section 11-8 of the Act, Section 11-4 of the Regulations and otherwise as set out in the Act and Regulations from time to time (other than any such asset in respect of which an amount has become due and payable to the Issuer, and such amount is not paid within 90 days of becoming due and payable); and

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

### 3. INTEREST

#### (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) 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 or the relevant payment date if the VPS Notes become payable on a date other than an 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, one cent.

**(b) Interest on Floating Rate Notes**

**(i) Interest Payment Dates**

Each Floating Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period. In the VPS Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, or the relevant payment date if the Note becomes payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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), 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:

- (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 each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(ii) *Rate of Interest*

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

(A) ***ISDA Determination for Floating Rate Notes***

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

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

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

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

**(B) Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, NIBOR or STIBOR in each case for the relevant currency and/or period, all as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR) 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 the Relevant Screen Page is not available or if, in the case of Condition 3(b)(ii)(B)(1), no offered quotation appears or, in the case of Condition 3(b)(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

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 London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) 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).

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

(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 this paragraph (iii) 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 this paragraph (iii) 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 will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on such 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 (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) 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;
- (i) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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



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

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

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

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

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

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

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

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

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

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(v) *Linear Interpolation*

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

Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 9 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 9. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(vii) *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, 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.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, by the Calculation Agent, shall (in the absence of wilful default, bad faith and manifest error) be binding on all parties and (in the absence of wilful default or bad faith) 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) *Interest Rate and Payments from the Maturity Date in the event of extension of maturity of a Series of Notes*

- (i) If an Extended Final Maturity Date is specified in the Final Terms for a Series of Notes and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the Final Terms, each Note shall bear interest in accordance with this Condition 3(c) on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date upon which the Notes are redeemed in full and the Extended Final Maturity Date, subject to Condition 3(f). In such circumstances, the Rate of Interest for any Interest Period falling after the Maturity Date, and the amount of interest payable on each Interest Payment Date in

respect of such Interest Period, shall be determined by the Agent in accordance with (i) if the applicable Final Terms specify that "Fixed Rate Provisions" are applicable for the period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date, Condition 3(a) *mutatis mutandis* or (ii) if the applicable Final Terms specify a "Floating Rate Provisions" are applicable for the period from (but excluding) the Maturity Date to (and including) the Extended Final Maturity Date, Condition 3(b) *mutatis mutandis*, as applicable, and the applicable Final Terms.

- (ii) In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date, for the purposes of this Condition 3(c), the outstanding nominal amount shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (iii) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(c), whether by the Agent shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (iv) This Condition 3(c) shall only apply to a Series of Notes if the Issuer fails to redeem such Series of Notes (in full) at their Final Redemption Amount (as specified in the applicable Final Terms) on the Maturity Date and the maturity of such Notes is automatically extended to the Extended Maturity Date in accordance with Condition 5(a).

**(d) *Benchmark Discontinuation***

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the VPS Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions apply:

**(i) *Independent Adviser***

The Issuer shall use 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 (in accordance with Condition 3(d)(ii)(b)) and, in either case, an Adjustment Spread (in accordance with Condition 3(d)(iii)) and any Benchmark Amendments (in accordance with Condition 3(d)(iv)).

An Independent Adviser appointed pursuant to this Condition 3(d) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the VPS Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(d).

**(ii) *Successor or Alternative Rate***

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

- (a) there is a Successor Rate, then such Successor Rate as adjusted by the applicable Adjustment Spread (as provided in Condition 3(d)(iii)) shall subsequently be used in

place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the VPS Notes (subject to the further operation of this Condition 3(d)); or

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

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 3(d)(ii), the Issuer, following consultation with the Independent Adviser, shall determine, acting in good faith and in a commercially reasonable manner, an Adjustment Spread (which may be expressed as a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(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 determines, acting in good faith and in a commercially reasonable manner, (A) that amendments to the VPS Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or, in either case, Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) 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 the VPS Noteholders, vary the VPS Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

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

(v) *Notices, etc.*

The Issuer shall notify the Agent, any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms), the Paying Agents and, in accordance with Condition 9, the VPS Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(d). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) *Survival of Original Reference Rate*

Without prejudice to the Issuer's obligations under the provisions of this Condition 3(d), the Original Reference Rate and the fallback provisions provided for in Condition 3(b)(ii)(B) will continue to apply unless and until the Agent or any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms) has been notified of the Successor Rate or the

Alternative Rate (as the case may be), and of the applicable Adjustment Spread and any Benchmark Amendments in accordance with Condition 3(d)(v).

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest (as applicable), in each case pursuant to this Condition 3(d), the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 3(b)(ii)(B) will continue to apply to such determination. For the avoidance of doubt, this Condition 3(d) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(d).

(viii) *Definitions*

In this Condition 3(d):

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

- (A) 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;
- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (C) if neither (A) nor (B) above applies, 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 to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the VPS Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**Alternative Rate** means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 3(d) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the VPS Notes;

**Benchmark Amendments** has the meaning given to it in Condition 3(d)(iv);

**Benchmark Event** means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, 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) and (ii) the date falling six months prior to the specified date referred to in (B)(i);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i);
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i); or
- (F) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Agent, any other party responsible for determining the Rate of Interest (as specified in the applicable Final Terms), or any Paying Agent to calculate any payments due to be made to any VPS Noteholder using the Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used.

**Independent Adviser** means an independent financial institution of international repute or an independent adviser with appropriate expertise in the international debt capital markets appointed by the Issuer at its own expense under Condition 3(d)(i);

**Original Reference Rate** means the Reference Rate originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the VPS Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of a Reference Rate:

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

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

**(e) *Exempt Notes***

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such VPS Notes are Index Linked Interest Notes the provisions of Condition 3.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such VPS Notes and otherwise as specified in the applicable Pricing Supplement.

**(f) *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 payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such VPS Note have been paid; and
- (2) five days after the date on which the full amount of the moneys 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.

**(g) *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 is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the 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 Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption Amount, 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 inter-bank 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 a bank in the

principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto. 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 the 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 the 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 (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.

**(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 further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) 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) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
  - (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the



principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**(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 Optional Redemption Amount(s) (if any) of the VPS Notes;
- (iii) in relation to VPS Notes redeemable in instalments, the Instalment Amounts;
- (iv) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(g)); and
- (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

**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 specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

If an Extended Final Maturity Date is specified in the Final Terms for a Series of 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 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 S&P, the VPS Trustee, the VPS Agent and any relevant Swap Provider as soon as reasonably practicable and in any event at least 4 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.

Where the applicable Final Terms for a relevant Series of 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 as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Noteholders in accordance with Condition 9 (which notice 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, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the 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 at the option of the VPS Noteholders (Investor Put)***

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 9 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem 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.

(d) ***Specific redemption provisions applicable to certain types of Exempt Notes***

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(e) ***Purchases***

The Issuer or any Subsidiary of the Issuer may at any time purchase VPS Notes at any price in the open market or otherwise.

(f) ***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.

(g) **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph 5(a), 5(b) or 5(c) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

<sup>y</sup> is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

**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.

**7. PRESCRIPTION**

The VPS Notes will become void unless claims in respect of principal and/or interest are made 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 15) therefor.

**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, 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 (which shall include, if and for so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, publication in a daily newspaper of general circulation in Luxembourg and/or on the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date one day after delivery to the VPS.

**10. MEETINGS OF VPS NOTEHOLDERS AND MODIFICATION**

*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) 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 Issuer, the VPS Trustee, Oslo Børs or by VPS Noteholders holding not less than 10 per cent. of the Voting VPS Notes. (For the purpose of this Condition, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes 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, the VPS Trustee Agreement (including modifying the date of maturity of the VPS 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 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 in aggregate nominal amount of the Voting VPS 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 aggregate nominal amount of the Voting 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.

## *Modification*

The VPS Trustee Agreement provides that:

- (i) the VPS Trustee may in certain circumstances, without the consent of the VPS Noteholders, make decisions binding on all VPS Noteholders relating to the VPS Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the Trustee's opinion, materially prejudicial to the interests of the VPS Noteholders; and
- (ii) that the Trustee may reach decisions binding for all VPS Noteholders.

## **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 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 person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

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

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

The VPS Notes (except for Conditions 2, 10, 11 and 12) and any non-contractual obligations arising out of or in connection with the VPS Notes (except for Conditions 2, 10, 11 and 12) are governed by, and shall be construed in accordance with, English law. Conditions 2, 10, 11 and 12 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 Securities Register Act 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 are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

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

Subject to the following paragraph, the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the VPS Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the VPS Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the VPS Notes) may be brought in such courts. The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such

Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

This paragraph is for the exclusive benefit of the VPS Trustee and the VPS Noteholders. To the extent allowed by law, the Issuer agrees 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 and the VPS Agency Agreement and that nothing contained in this Condition 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 Clifford Chance Secretaries Limited at its registered office at 10 Upper Bank Street, London E14 5JJ as its agent for service of process, and undertakes that, in the event of Clifford Chance 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:

**Agency Agreement** means an agency agreement dated 26 June 2019 between the Issuer and the agents named therein, as amended and/or supplemented and/or restated from time to time;

**Calculation Agency Agreement** in relation to any Series of VPS Notes means an agreement in or substantially in the form of Schedule 1 to the Agency Agreement;

**Calculation Agent** means, in relation to the VPS Notes of any Series, 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;

**Currency Swap** means each currency swap which enables the Issuer to hedge currency risks arising from (a) Covered 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 counterparty in its capacity as currency swap provider under a Currency Swap Agreement;

**Dual Currency Interest Note** means a VPS Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as the Issuer and the relevant Dealer may agree, as indicated in the applicable Final Terms;

**Dual Currency Note** means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable;

**Dual Currency Redemption Note** means a VPS Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as the Issuer and the relevant Dealer may agree, as indicated in the applicable Final Terms;

**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;

**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 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;

**Index Linked Interest Note** means a VPS Note in respect of which the amount in respect of interest payable is calculated by reference to an index and/or a formula as the Issuer and the relevant Dealer may agree, as indicated in the applicable Final Terms;

**Index Linked Note** means an Index Linked Interest Note and/or an Index Linked Redemption Note, as applicable;

**Index Linked Redemption Note** means a VPS Note in respect of which the amount in respect of principal payable is calculated by reference to an index and/or a formula as the Issuer and the relevant Dealer may agree, 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 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;

**NIBOR** means Norway inter-bank offered rate;

**Oslo Business Days** 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 Notes which have been redeemed and cancelled pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the VPS Agent in the manner provided in these Conditions and the VPS Agency Agreement (and where appropriate notice to that effect has been given to the Noteholders in accordance with the Conditions) and remain available for payment of the relevant Notes and/or Receipts and/or Coupons;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions; and
- (d) those Notes in respect of which claims have become prescribed under the Conditions;

**Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area;

**Reference Banks** means, in the case of a determination of LIBOR and CHF LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of NIBOR, the principal Norwegian office of four major banks in the Norwegian inter-bank market and, in the case of a determination of STIBOR, the principal Swedish office of four major banks in the Swedish inter-bank market, in each case selected by the Calculation Agent in consultation with the Issuer or as specified in the applicable Final Terms;

**Relevant Date** means the date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 9.

**S&P** means S&P Global Ratings Europe Limited, including its successors;

**Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR, or Stockholm time, in the case of a determination of STIBOR) or 12.00 a.m. (Oslo time, in the case of a determination of NIBOR);

**STIBOR** means Sweden inter-bank offered rate;

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

- (i) 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



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

**Swap Providers** means each Currency Swap Provider and each Interest Rate Swap Provider; and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

## OVERVIEW OF THE NORWEGIAN LEGISLATION REGARDING COVERED BONDS

*(Obligasjoner med fortrinnsrett)*

The following is a brief summary of certain features of Norwegian law governing the issuance of covered bonds in Norway, at the date of this Base Prospectus. The summary 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 covered bonds comprises an amendment to Chapter 11, Subsection II of the Norwegian Financial Undertakings Act of 2015 (the **Act**) which came into legal effect on 1 January 2016, certain amendments to the Act that came into legal effect on 1 January 2017, and regulations of 9 December 2016 issued by the Ministry of Finance (the **Ministry**) under the authority conferred on it by the Act (the **Regulations**) which came into legal effect on 1 January 2017 (together the **Legislation**).

### Legislation

*Under the Legislation, certain Norwegian credit institutions which meet the general definitions of a "Financial Company" (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 credit businesses which are not banks (and whose activity is the receiving of funds or other assets to be repaid and the granting of credit and loans in its own name). Credit Institutions must hold licenses issued by the Ministry of Finance 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, but must notify the Norwegian Financial Supervisory Authority (the Norwegian FSA) no less than 30 days in advance before the Credit Institution's first issuance of covered bonds. The Issuer is a "kredittforetak", as defined by the Act, has received the required Credit Institution license, 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 derivatives contracts 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 derivatives agreements relating to the covered bonds, over a pool of certain security assets (the **Cover Pool**). Under Norwegian law, an issuer of bonds, 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**) unless (i) the covered bonds are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) the covered bonds are 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 derivatives agreements, and the Cover Pool pertaining to such covered bonds and derivatives agreements. The Register must at all times contain detailed information on the nominal value of the covered bonds, the assets which constitute the Cover Pool, and the derivative agreements. Consequently, the 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 Cover Pool pertaining to the covered bonds, but shall, according to the preparatory works to the Act, serve as strong evidence.

### Benefit of a prioritised claim

Pursuant to the Act, if a Credit Institution which has issued covered bonds is liquidated under public administration, the holders of covered bonds issued by the relevant Credit Institution and the counterparties

to the relevant derivatives agreements will have an exclusive, equal and pro rata prioritised claim over the Cover Pool. The prioritised claims will rank ahead of all other claims. According to the provisions of section 6-4 of the Norwegian Liens Act and section 11-15 of the Act, a future administration estate 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 public administration, ranking ahead of the claims of holders of covered bonds and of the counterparties to the relevant derivatives agreements. Such liens will, however, be as at the date of this Base Prospectus limited to 700 times the standard Norwegian court fee (which currently amounts to NOK 805,000) in respect of each 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 derivatives 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 estate 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. 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, which include loans secured by various types of mortgages (**Mortgages**), on other registered assets (*realregistrerte formuesgoder*), loans granted to or guaranteed by certain governmental bodies (**Government Loans**), receivables in the form of certain derivatives agreements and supplemental assets.

The Mortgages may include residential mortgages, mortgages over other title documents relating to residences (together with the former, **Residential Mortgages**) and mortgages over other real property (**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.

Supplemental assets may only consist of receivables of certain liquidity and certainty, and are as a main rule subject to a limit of 20 per cent. of the total value of the Cover Pool, see below. However, under certain circumstances, and for a limited period of time only, the Norwegian FSA may approve an increase in the mentioned limit to 30 per cent. of the total value of the Cover Pool. The supplemental 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 supplemental assets may not exceed 20 per cent. of the value of the Cover Pool. According to the Regulations, the proportion of

the Cover Pool represented by Government Loans and receivables in the form of derivatives 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.

## **Valuations**

The Act requires that the value of the Cover Pool at all times must exceed the aggregate value of the covered bonds which confer a right on the holders and the counterparties to derivatives agreements to a prioritised claim over that Cover Pool.

The Regulation requires that the value of the Cover Pool shall be at least 102% of the aggregate outstanding principal amount of all covered bonds (taking into account the effects of derivative contracts) issued by the Issuer at such time (overcollateralisation). This constitutes a change compared to the former legislation on covered bonds, which did not authorise the Ministry to impose such overcollateralisation through regulations.

The calculation of the value of the Cover Pool assets consisting of loans secured by real estate or other registered assets 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.

## **Balance and liquidity requirements**

In order to ensure that the abovementioned requirement that the value of the Cover Pool at all times shall exceed the value of the covered bonds is complied with, 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 assets 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 related derivatives agreements. The Credit Institution must also establish a liquidity reserve which shall be included in the Cover Pool.

## **Inspector**

An independent inspector (**Inspector**) shall be appointed by the Norwegian Financial Supervisory Authority prior to a Credit Institution issuing any covered bonds. The Inspector is required to monitor the Register, and shall, at least every three months, review 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 3 months determine if the

requirements of the Act are complied with. Furthermore, the Inspector shall submit annual reports of observations and assessments to the Norwegian FSA.

### **Cover Pool administration in the event of public administration**

Credit Institutions cannot be subject to ordinary bankruptcy proceedings. Instead, Credit Institutions experiencing financial difficulties may be subject to bail-in tools or be liquidated under public administration. Public administration entails that the institution's former governing bodies are replaced by an administration board which assumes control over the institution. The administration board will halt the operations and activities of the institutions, and liquidate the institution and distribute its assets to the creditors in accordance with ordinary bankruptcy rules and subject to the provisions on preferential rights to the Cover Pool.

## DESCRIPTION OF THE ISSUER AND THE STOREBRAND GROUP

### 1. STOREBRAND BOLIGKREDITT AS

Storebrand Boligkreditt AS (the **Issuer**) will be the issuer of Covered Bonds under the Programme. The Issuer is a wholly owned subsidiary of Storebrand Bank ASA (**Storebrand Bank** and, together with its subsidiaries, the **Storebrand Bank Group**) and is a part of the retail business area of Storebrand Bank's organisation.

The Issuer is a limited company incorporated under the laws of the Kingdom of Norway with registration number 990645515. The Issuer was incorporated on 23 November 2006. The Issuer's registered address is Professor Kohts vei 9, P.O. Box 500, 1327 Lysaker Norway, with the same visiting address, and the Issuer's telephone number is + 47 22 31 50 50. The Norwegian Financial Supervisory Authority granted the Issuer license to become a Mortgage Credit Institution on 7 January 2008.

#### 1.1 Operations

The Issuer employs two people directly to act as the company's administration. Their main responsibilities are to carry out the requirements regarding reporting, risk analyses, loan portfolio analysis and administration, the daily management of the Issuer and to apply the agreed Master Agreement and the Transfer and Servicing Agreement on behalf of the Issuer (see paragraph 1.2 below). All other activities with regards to the Issuer's lending operations will be carried out by Storebrand Bank.

All loans will be acquired from Storebrand Bank, according to agreed terms. The transfer of loans commenced in February 2008.

#### 1.2 Master Agreement and Transfer and Servicing Agreement

Storebrand Bank, Storebrand Livsforsikring and the Issuer have agreed that Storebrand Bank and Storebrand Livsforsikring shall carry out most of the operations and services necessary for the Issuer to be able to carry out its business operations. The parties have entered into mutual agreements that cover these services including the compensation for the loans transferred from Storebrand Bank to the Issuer (the **Master Agreement** and the **Transfer and Servicing Agreement**). The compensation for loans and services covered by the agreement is set to fair market value. The Transfer and Servicing Agreement is governed by Norwegian Law. See "*Overview of the Master Agreement and the Transfer and Servicing Agreement*" below.

#### 1.3 Derivatives arrangements

The Issuer will, if necessary, enter into derivatives arrangements with Storebrand Bank and/or other parties, comprising interest rate swaps and currency swaps, for the purpose of controlling interest rate and currency risk relating to the Issuer's funding and lending operations.

#### 1.4 Financial information

The Issuer is currently building its portfolio by transferring loans and mortgages from Storebrand Bank. The Storebrand Bank Group had loans to customers (retail market) valued at fair value through other comprehensive income of NOK 27.9 billion as at year end 2018 and NOK 28.6 billion as at 31 March 2019. Storebrand Bank has, as at 11 June 2019, also sold NOK 17.0 billion in mortgages to Storebrand Livsforsikring AS. As at 11 June 2019, 9,025 loans had been transferred to the Issuer. The average size of each such transferred loan is approximately NOK 1.9 million as at 11 June 2019. The acquisition of the loans has been financed by issuance of covered bonds under the Programme and from the unsecured Credit Facility made available by Storebrand Bank as described below. As at 31 March 2019, the Issuer's paid in

equity is NOK 1.444 billion. Storebrand Bank plans to gradually increase the share of retail market loans on its balance sheet.

The requirement for the Issuer to maintain a countercyclical capital buffer increased from 2.0 per cent. to 2.5 per cent. from 31 December 2019, consequently the total capital adequacy requirements and capital buffers from the same time increased to 16.0 per cent., from 15.5 per cent. As at 31 March 2019, the capital adequacy ratio of the Issuer was 21.4 per cent.

The values of all properties supporting the loans in the Issuer's cover pool are calculated by *Eiendomsverdi* using Automatic Valuation Method (**AVM**). The valuation is carried out on a quarterly basis. *Eiendomsverdi* is an independent Norwegian AVM provider used by banks in Norway to assess property values. AVM is based on factors such as the sales history for a particular property, other property sales in the relevant area, property type and general market conditions. Other relevant factors include the size of the local market, migration trends and number of sales.

The Issuer has a senior unsecured revolving credit facility (the **Credit Facility**) under an agreement with Storebrand Bank (the **Credit Facility Agreement**) in order to ensure the Issuer has access to funding and liquidity to the extent it is not financed through the issuance of covered bonds, including financing of overcollateralisation and acquisition of loans for the cover pool prior to covered bond issuance. The unsecured nature of the Credit Facility means that claims of secured creditors and holders of the Issuer's covered bonds rank in priority to those of Storebrand Bank under the Credit Facility. For so long as any covered bonds are outstanding, there are no events of default under the Credit Facility, and the maturity of any loan under the Credit Facility will be structured to fall after the final maturity of any covered bonds issued by the Issuer.

On 14 May 2018, the Issuer updated the Credit Facility Agreement with Storebrand Bank. The credit available under the Credit Facility Agreement shall be not less than 100 per cent. of the Issuer's payment obligations (i) for the next 31 days, on a rolling basis, in respect of Covered Bonds, including interest, principal and any connected derivative agreements entered into for hedging purposes and (ii) for the preceding 31 day period, on a rolling basis, in respect of Covered Bonds, including interest, principal and any connected derivative agreements entered into for hedging purposes which have fallen due for payment during such 31 day period, but remain unpaid. At the request of Storebrand Bank, the Issuer shall issue Covered Bonds to Storebrand Bank in an aggregate amount not exceeding any utilisation outstanding at the time of such request from Storebrand Bank. The maturity date for such Covered Bonds shall be the date falling 3 months after the date on which all payment obligations of the Issuer (i) to holders of Covered Bonds and (ii) to counterparties pursuant to any connected derivative contracts, have been discharged in full such that no further amounts in respect of such obligations shall become due at later date.

## 1.5 Board of directors

The Issuer's board of directors consists of 4 members elected by the shareholder's meeting. The current directors are as follows:

Bernt Upstad	CEO, Storebrand Bank ASA
Thor Bendik Weider	Master in Business and Economics
Leif Helmich Pedersen	Partner at Borgersen & Partners AS
Jostein Dalland	Deputy Chairman of the Issuer and Managing Director, Digital Business Development

The address of the members of the board and the executive management (see paragraph 1.6 below) is the registered address of the Issuer.



## **1.6 Executive management**

Åse Jonassen is the Issuer's Managing Director.

## **1.7 Independent auditors**

PricewaterhouseCoopers AS were appointed as independent auditors of the Issuer and of the Storebrand Group in April 2018 and issued independent auditors' report on the financial statements of the Issuer as of and for the financial year ended 31 December 2018. Prior to that, Deloitte AS were the independent auditors of the Issuer and the Storebrand Group.

Deloitte AS issued independent auditors' reports on the financial statements of the Issuer as of and for the financial year ended 31 December 2017.

PricewaterhouseCoopers AS were also appointed by the Financial Supervisory Authority of Norway as the independent examiner pursuant to section 11-4, sub-section 1, of the Act.

## **1.8 Conflict of interest within administration, management and supervisory bodies**

Storebrand Bank employs two of the four members of the Issuer's board of directors. However, as the Issuer is a wholly-owned subsidiary of Storebrand Bank, and the Issuer's primary business will be to issue Covered Bonds on behalf of Storebrand Bank, the Issuer believes that there are no potential conflicts of interest between the private interests or other duties of the members of the board of directors or executive management of the Issuer and the duties of such persons to the Issuer.

Storebrand Bank and the Issuer have identical control committees as the other companies in the Storebrand Group who are required to have a control committee. As the task of the control committee is to supervise that each of Storebrand Bank and the Issuer operates and manages its business in accordance with applicable laws, regulations and its articles of association, the Issuer believes that there are no potential conflicts of interest between the duties of the relevant individuals as members of the control committee of Storebrand Bank and the duties of the same individuals as members of the control committee of the Issuer.

## **1.9 Jurisdiction**

The Issuer is organised under the laws of the Kingdom of Norway. Should the Issuer conduct operations outside Norwegian jurisdiction, such operations will also be governed by the laws and regulations of the country in question.

# **2. THE STOREBRAND GROUP**

## **2.1 The Storebrand Group**

The Storebrand Group is a leading company in the Norwegian market for pensions, life and health insurance, banking and asset management. In addition, the Storebrand Group has a presence in Sweden for life and health insurance. The Storebrand Group's activities are carried out by wholly owned-subsidaries of the holding company, Storebrand ASA (**Storebrand** and, together with its subsidiaries, the **Storebrand Group**). The main operating subsidiaries in the Storebrand Group are Storebrand Livsforsikring AS and its Swedish subsidiary SPP, Storebrand Kapitalforvaltning AS, Storebrand Bank and Storebrand Forsikring AS. Storebrand ASA is listed on the Oslo Stock Exchange.

Storebrand's history can be traced back to 1767. Storebrand has supplied occupational pensions to Norwegian employees since 1917, the same year that Storebrand's fully-owned subsidiary SPP was established in Sweden. Storebrand Bank was established in 1996. In 2006, property and casualty insurance was relaunched as an offering to the retail market customers and selected parts of the corporate market.

Storebrand's head office is in Lysaker, Akershus. Storebrand has nationwide networks of branch offices throughout Norway and Sweden, through which it offers a comprehensive range of products to private individuals, companies, municipalities and the public sector. The Storebrand Group today consists of life insurance in Norway and Sweden, and property and casualty insurance, asset management and banking in Norway.

The Storebrand Group is the Nordic region's leading supplier of life insurance and pensions. The Storebrand Group consists of the following business areas: Savings (non-guaranteed), Guaranteed Pension, Insurance and Other. The Storebrand Group's main subsidiaries are Storebrand Livsforikring AS, Storebrand Asset Management AS and Storebrand Bank ASA. Storebrand Livsforikring AS together with its subsidiaries, SPP Pension & Forsikring AB is one of the leading providers of life insurance and pensions in the Nordic area with total assets of NOK 518,700 million on a consolidated basis as at 31 March 2019.

## **2.2 Storebrand Bank ASA**

Storebrand Bank is a wholly owned subsidiary of Storebrand. Storebrand Bank is a commercial bank with licences under the Securities Trading Act. Its head office is in Lysaker, Akershus.

Storebrand Bank is a web-based bank that offers traditional bank products to the Norwegian market. Employees with an occupational pension with Storebrand are part of the Group's benefit programme, which also includes favourable bank products. Storebrand Bank has also entered into a cooperative agreement with the Confederation of Unions for Professionals (UNIO) that offers members home loans with lending conditions that are among the best in the market. Storebrand Bank decided in 2013 to wind up its corporate market business and has succeeded with this, as at end of the first quarter of 2019, corporate loans accounted for less than 0.1% of customer assets.

Storebrand Bank has sold mortgages to its Storebrand Group affiliate Storebrand Livsforikring AS. The mortgages were sold on commercial terms. As the buyer, Storebrand Livsforikring AS has acquired both cash flows, risk and control. The loans were therefore derecognised in Storebrand Bank's balance sheet in accordance with IFRS 9. Storebrand Bank receives management fees for the work being done with the sold portfolio.

In the retail market, Storebrand Bank will continue to work on developing attractive products and digital services that support Storebrand's focus on sustainability. Improving competitiveness through better efficiency is a priority and Storebrand Bank will continue to reduce costs and increase the degree of automation in customer and work processes.

Storebrand Bank Group is a modest player in the Norwegian market. The Storebrand Bank Group had loans to customers (retail market) valued at fair value through other comprehensive income of NOK 27.9 billion as at 31 December 2018 and NOK 28.6 billion as at 31 March 2019. Storebrand Bank has, as at 16 May 2019, also sold NOK 17.8 billion in mortgages to Storebrand Livsforikring AS measured at fair value. The loans to customers (retail market) valued at fair value through other comprehensive income in the Storebrand Bank Group increased by NOK 0.6 billion from 31 December 2018 to 31 March 2019. As at 31 March 2019, the loans to customers (corporate market) valued at fair value through other comprehensive income amounted to NOK 0.017 billion. In Storebrand Bank Group, the volume of deposits from and due to customers amounted to NOK 14.6 billion as at 31 March 2019. Storebrand Bank has a robust funding profile and good access to funding.

At Storebrand Bank, the group unit Commercial Norway is responsible for the general commercial activities in the Norwegian part of the Group. This means that distribution, market activities and product development in Norway are gathered under the same management, with the goal to increase Storebrand Bank's market share. The bank delivers products to the different market and customer concepts. Storebrand Bank also purchases selected distribution services and products from other Storebrand Group companies. Accounting and Treasury functions in the Storebrand Group are combined in a centralised unit, and Storebrand Bank

ASA purchases accounting services from the Storebrand Group. These units will also provide services for the Issuer under the Transfer and Servicing Agreement described below. See "*Overview of the Master Agreement and the Transfer and Servicing Agreement*".

Storebrand Bank distributes banking products through internal channels (employees in the Storebrand Group).

As a wholly owned subsidiary of Storebrand, Storebrand Bank is dependent on the holding company for additional equity capital in the event that this should be required.

## OVERVIEW OF THE MASTER AGREEMENT AND THE TRANSFER AND SERVICING AGREEMENT

The Issuer has entered into a master agreement dated 21 April 2008 (the **Master Agreement**) with Storebrand Bank ASA and Storebrand Livsforsikring AS (each a **Service Provider**). The Master Agreement is a framework of agreements which regulates the responsibilities and pricing models which are to apply to services provided by Storebrand Bank and Storebrand Livsforsikring to the Issuer. The agreements included in the framework are the Master Agreement itself, as well as the transfer and servicing agreement dated 21 April 2008 (the **Transfer and Servicing Agreement**) and service agreements and pricing supplements between each Service Provider and the Issuer.

The Transfer and Servicing Agreement is the principal agreement included in the Master Agreement, and describes the terms and conditions applicable to the sale and transfer of loans between Storebrand Bank and the Issuer, and the services to be provided by Storebrand Bank to the Issuer in respect of servicing those loans.

Pursuant to the Transfer and Servicing Agreement, Storebrand Bank agrees to sell and assign to the Issuer and the Issuer agrees to purchase mortgage loans (the **Acquired Loans**) with the pertaining loan security (the **Loan Security**) for inclusion in the Cover Pool. Legal title to, and all rights and benefits in, each Acquired Loan (including but not limited to the benefit of the Loan Security and any guarantee and any payments in respect of the Acquired Loan) and all liabilities, risks and obligations, including the credit risk relating to each such Acquired Loan, are assigned to the Issuer at the date of transfer (the **Transfer Date**). The Transfer and Servicing Agreement is an ongoing agreement which also covers loans that will be transferred to the Issuer in the future. The purchase price payable by the Issuer for each Acquired Loan shall be the aggregate of (i) the principal amount outstanding under the Acquired Loan on the Transfer Date; (ii) any interest accrued thereon but unpaid to (but excluding) the Transfer Date and (iii) external distribution costs attributable to the loan. The purchase price shall be payable no later than the banking day following the Transfer Date. Internal costs for establishing, servicing and maintaining the loan are paid for through a service fee payable monthly by the Issuer on its volume of loans during such period.

The credit process performed by Storebrand Bank on behalf of the Issuer under the Transfer and Servicing Agreement is a standardised process carried out in accordance with routines, policies and the credit policy determined by the Issuer's board of directors. This credit policy is based on that of Storebrand Bank but with more stringent criteria relating to the transfer of loans, such as a loan-to-value ratio within 75 per cent. (see below). Documentation relating to an applicant's income, personal identification, property information and proof of residency are collected for all applications. This information is matched with and verified through external information and registers, including public tax records. These registers provide information on income and wealth, property information and behavioural information including any negative credit marks. Automated scoring models are used to evaluate all applications, and this is finally verified by experienced professionals in Storebrand Bank before a loan is eventually granted or declined. In the Transfer and Servicing Agreement, Storebrand Bank guarantees to the Issuer that all loans that are transferred to the Issuer comply with its credit policy.

All Acquired Loans must comply with the Issuer's board-approved credit policy (the **Credit Policy**), which may be amended from time to time. The requirements of the Credit Policy applicable as at the date of this Base Prospectus include, without limitation, the following:

1. Each borrower must be above 18 years of age;
2. Each borrower has to be identifiable by a Norwegian social security identity number;
3. The loan must have a maturity of not more than 30 years;

4. The Loan Security related to the Acquired Loan must be validly established and the Acquired Loan must represent a binding commitment for the debtor(s);
5. There may be no payment defaults in respect of the Acquired Loan on the Transfer Date; and
6. In each case, the amount of the Acquired Loan must be within 75 per cent. of the value of the collateral at the Transfer Date (**LTV**); The LTV will be revised every quarter based on updated collateral values as calculated by *Eiendomsverdi* using Automated Valuation Methods (**AVM**), and any amount exceeding 75 per cent. of LTV will be disregarded when calculating the value of the Cover Pool.

Furthermore, Storebrand Bank must make representations and warranties in respect of each Acquired Loan including, without limitation, statements to the following effect:

1. Storebrand Bank is entitled to transfer all of its rights associated with each Acquired Loan and the related Loan Security, and each such Acquired Loan is free of any mortgage, charges, liens and encumbrances;
2. Storebrand Bank has complied with all laws, decrees, guidelines and regulations associated with lending, and has complied with all the statutory requirements relating to the transfer of the Acquired Loans;
3. The Loan Security relating to an Acquired Loan was granted on terms that allow for the Loan Security to be transferred with the related Acquired Loan; and
4. At the Transfer Date, each Acquired Loan complies with the Credit Policy applicable at such date.

Pursuant to the terms of the Transfer and Servicing Agreement Storebrand Bank has agreed to keep the promissory notes and any other documents and instruments relating to the Acquired Loans and the Loan Security sold by it to the Issuer in custody and to receive and collect payments on behalf of the Issuer. Storebrand Bank agrees to manage, service, administer and make collection on the Acquired Loans sold by it and to keep all accounts and records as provided for under the Master Agreement and the Transfer and Servicing Agreement, all with reasonable care and diligence and in accordance with such procedures and to the same standard as it would apply to any comparable mortgage loans administered or owned by it. The obligation to provide such accounts and records includes the provision of IT services to ensure support for the Issuer's loan systems and electronic records. Further, Storebrand Bank agrees to collect all amounts due under the Acquired Loans sold by it when they become due, and take responsibility for the calculating, invoicing, collection and posting of all payments under the Acquired Loans. Any payments made in respect of the Acquired Loans shall be credited directly from the relevant borrower to the Issuer's bank account with Storebrand Bank, and from there be transferred within five Business Days to the Issuer's bank account with Nordea Bank.

Pursuant to the terms of the Master Agreement, Storebrand Livsforsikring has agreed to provide accounting services, including the preparation of annual and quarterly accounts. These services will be provided by the centralised accounting unit of the Storebrand Group, organised as part of Storebrand Livsforsikring.

Storebrand Bank provides all treasury services, including liquidity and investment management, hedging of currency risk and interest rate risk and all funding activities.

Finally, Storebrand Bank and Storebrand Livsforsikring, as applicable, will prepare any reports that the Issuer is required to prepare pursuant to any applicable laws and regulations, including reporting in respect of money laundering regulations and other legal and compliance services.

In consideration of the services performed under the Master Agreement and the Transfer and Servicing Agreement, Storebrand Bank and Storebrand Livsforsikring are entitled to servicing fees as separately agreed between the Issuer and each Service Provider.

Each Service Provider has agreed to indemnify the Issuer and hold it harmless with respect to any loss, claim, damage, liability, cost or expense which it may suffer or incur as a result of its wilful default or gross negligence, or as a result of any failure or breach on its part to fulfil its contractual obligations under the Master Agreement and/or the Transfer and Servicing Agreement, save (in each case) to the extent as resulted from the wilful default or gross negligence of the Issuer or the breach by the Issuer of any of its obligations under the Master agreement and/or the Transfer and Servicing Agreement.

In the event of a material breach by a Service Provider of its obligations under the Master Agreement and/or the Transfer and Servicing Agreement, the Issuer may terminate such agreement(s) by notice in writing with effect from a date specified in the notice.

## OVERVIEW OF THE SWAP AGREEMENTS

The Issuer will enter into swaps from time to time with Swap Providers by executing ISDA Master Agreements (including schedules, confirmations and, in each case, a credit support annex) (each such agreement, a **Swap Agreement** and each of the transactions thereunder, a **Swap**), in order (i) to hedge currency risks arising between (a) Covered Bonds issued in currencies other than NOK and (b) assets forming part of the Cover Pool but denominated in NOK and (ii) to hedge interest rate risks in NOK and/or other currencies to the extent that these have not already been hedged under (i)(a) and (b) above, in each case subject always to the requirements as referred to in "*Overview of the Norwegian Legislation regarding Covered Bonds (Obligasjoner med fortrinnsrett)*" above.

### Ratings Downgrade

Under each of the Swap Agreements, in the event that the relevant rating(s) of a Swap Provider are downgraded by a rating agency below the rating(s) specified in the relevant Swap Agreement (in accordance with the requirements of the rating agencies) for such Swap Provider, the relevant Swap Provider will, in accordance with the relevant Swap Agreement, be required to take certain remedial measures which may include providing additional collateral for its obligations under the relevant Swap, arranging for its obligations under the relevant Swap to be transferred to an entity with rating(s) required by the relevant rating agency as specified in the relevant 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 Swap Agreement (in accordance with the requirements of the relevant rating agency) to become a guarantor in respect of its obligations under the relevant Swap.

### Termination Events

The Swap Agreements will or may be terminated under certain circumstances, including the following:

- at the option of one party to the relevant Swap Agreement, if there is a failure by the other party to pay any amounts due under that Swap Agreement and any applicable grace period has expired;
- at the option of the Swap Provider, if a halt to payments occurs as defined in the Legislation, and the administration board in respect of the Issuer determines that the Swap Agreement should terminate;
- at the option of the Norwegian resolution authority following its application of bail-in tools towards the Issuer;
- at the option of the administration board of the Issuer on the public administration of the Issuer;
- at the option of the Issuer, upon the occurrence of an insolvency of the relevant Swap Provider or its guarantor, or the merger of the relevant Swap Provider without an assumption of its obligations under the relevant Swap Agreement, or if a material misrepresentation is made by the relevant Swap Provider under the Swap Agreement, or if the relevant Swap Provider defaults under an over-the-counter derivatives transaction under another agreement between the Issuer and such Swap Provider or if a breach of a provision of the relevant Swap Agreement by the 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 Swap Provider under the relevant Swap Agreement due to a change in law; and

- if the relevant 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 and described above under "*Ratings downgrade*".

Upon the occurrence of a swap early termination event, the Issuer or the relevant 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 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 Covered Bondholders.

Covered Bondholders will not receive extra amounts (over and above interest and principal payable on the Covered Bonds) as a result of the Issuer receiving a termination payment from a Swap Provider.

### **Transfer**

Each Swap Provider may, subject to certain conditions specified in the relevant Swap Agreement, transfer its obligations under any Swap to another entity.

### **Taxation**

Either party may be obliged to gross up payments made by it to the other party if withholding taxes are imposed on payments made under a Swap. However, if, due to a change in law, either the Issuer or the Swap Provider is required to gross up a payment under a Swap or to receive a payment under a Swap from which an amount has been deducted or withheld, either the Issuer or the relevant Swap Provider, as the case may be, may terminate the relevant Swap.

The Swap Agreements will be governed by English law.

The Swap Provider will rank *pari passu* with the Covered Bondholders 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.



## BOOK ENTRY CLEARING IN RESPECT OF VPS NOTES

*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 believe to be reliable, but neither of 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.*

### *Verdipapirsentralen (VPS)*

Verdipapirsentralen ASA is a Norwegian public limited liability company which is licensed to register financial instruments in Norway in accordance with the Act of 5 July 2002 no. 64 on the Registration of Financial Instruments (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 notes and bonds issued by Norwegian issuers outside Norway and (i) denominated in Norwegian kroner with subscription limited to non-Norwegians and (ii) issued outside Norway in another currency than Norwegian kroner.

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 for non-Norwegian security holders to register a holding of VPS Securities through a nominee.

## TAXATION

### Kingdom of Norway

*The following is a general description of certain Norwegian 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 of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, possibly with retroactive effect. In the following paragraphs, it is assumed that the Notes are held in bearer form or uncertificated book entry form (VPS Notes). The description below is based on the assumption that the Notes are considered and treated as multiple debt instruments (Nw: "mengdegjeldsbrev") for Norwegian tax purposes.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian Noteholder refers to the tax residency rather than the nationality of the Noteholder.*

### Non-resident holders of Notes

#### **Taxation on Interest**

In general, interest paid to a Noteholder who is not resident in Norway for tax purposes (a **non-resident holder**) will currently not be subject to Norwegian income or withholding tax. Such non-resident holder may, however, be subject to Norwegian taxation if the holding of Notes is effectively connected with a business carried on by the holder of Notes in Norway.

However, if the Notes are held by a non-resident holder that is performing business activities in Norway, and the Notes are effectively connected to such business activities in Norway, interest received on the Notes will be taxed in Norway with a tax rate of 22 per cent.

It should be noted that the Norwegian Ministry of Finance stated in October 2018 that a consultation paper relating to withholding tax on interest payments from Norway would be submitted for consultation during 2018 and that new legislation would be proposed during 2019, but such consultation paper has not yet been concluded and submitted for consultation.

It should be noted that the Norwegian government issued a white paper in October 2015 describing a tax reform for the period 2016-2018 which includes the possible introduction of withholding tax on interest payments from Norway. A detailed proposal will in such case be submitted for public consultation when ready. Many tax treaties currently restrict Norway's ability to effectively impose withholding tax on interest. A withholding tax will however, if implemented, take full effect in relation to states with which Norway does not have a tax treaty.

#### **Taxation of Capital Gains**

A non-resident holder is not taxed in Norway on gains derived from the sale, disposal or redemption of the Notes. Corresponding losses will generally not be tax deductible. Such non-resident holder may, however, be subject to Norwegian taxation if the holding of Notes is effectively connected with a business carried on by the non-resident holder in Norway.

#### **Net wealth taxation**

Norway does not levy any property tax or similar taxes on the Notes.

A non-resident holder is not subject to net wealth tax, unless the non-resident holder is an individual and the holding of Notes is effectively connected with a business carried on by the non-resident holder in Norway. In such instance, a Norwegian net wealth tax may apply as described for Norwegian tax resident holders of Notes, see “*Norwegian tax resident holders of Notes – Net wealth taxation*” below.

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

### ***Transfer taxes etc. and VAT***

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on the 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.

### **Norwegian tax resident holders of Notes**

#### ***Taxation of interest***

For both corporate and individual holders of Notes who are residents of Norway for tax purposes (**Norwegian holders**), interest on bonds (such as the Notes) is taxable as “ordinary income” subject to tax at a flat rate of currently 23 per cent. in the year of accrual. For Norwegian holders holding Notes issued with a discount (compared to the nominal value) such discount will be taxed in the year of the realization of the Notes.

If the Notes are not listed in a regulated market within six months following issuance, Norwegian holders of Notes who are individuals resident in Norway for tax purposes will be subject to additional Norwegian taxes on the interest received at a flat tax rate of currently 22 per cent. The basis for the additional tax is equal to the interest accrued on the Notes reduced by the tax rate of 22 per cent. and less a risk free interest rate (“*skjermingsfradrag*”). The risk free interest rate is determined by the Norwegian Directorate of Taxes based on the interest rate published by Norges Bank on a bi-monthly basis.

Any interest received in foreign currency is converted to Norwegian kroner when calculating the taxable interest income.

#### ***Taxation of capital gains***

Redemption 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 holders of Notes under Norwegian tax law. Capital gains will be taxable as “ordinary income”, subject to the flat rate of 22 per cent. Losses will be deductible from a Norwegian holder’s “ordinary income”, which is taxed at the same rate. Any capital gain or loss is calculated for each Note, and is computed as the difference between the amount received by the Norwegian holder of Notes on realisation and the cost price of the Notes. The cost price is equal to the price for which the Norwegian holder acquired the Notes, including costs incurred in connection with the acquisition and realisation of the Notes. Any gain received in foreign currency when realizing Notes is converted to Norwegian kroner when calculating the taxable gain.

#### ***Net wealth taxation***

The value of the Notes held by a Norwegian holder who is an individual 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 listed value on 1 January in the relevant assessment year (i.e. the year following the relevant fiscal year). The marginal rate of net wealth tax is 0.85 per cent of the tax payer’s wealth.

Limited liability companies and certain similar entities are exempt from net wealth tax.

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

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

### ***Withholding Tax***

#### ***(i) Non-resident holders of Notes***

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

#### ***(ii) Resident holders of Notes***

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

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

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

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "*participating Member States*"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in 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. 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 Notes are advised to seek their own professional advice in relation to the FTT.

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

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes other than VPS 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 Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 26 June 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the VPS Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules, TEFRA D or TEFRA D (Swiss practice) 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 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 under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of any Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available

any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive (and, in the case of investors in Norway capable of classification as a "professional investor" (Norwegian: "*profesjonell investor*") as defined in Section 7-1 cf. Sections 10-2 to 10-5 in the Norwegian Securities Regulation of 29 June 2007 no. 876);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or, in the case of investors in Norway, "professional investors") subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive (and, in the case of investors in Norway, in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007),

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

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes,



as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and

- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

## **United Kingdom**

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

- (a) in relation to any Notes which have 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;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Norway**

The Notes shall be registered with a licensed central securities depository in accordance with the Norwegian Registration of Financial Instruments Act of 5 July 2002 no. 64 (as amended or replaced from time to time, the **CSD Act**) (Nw. *verdipapirregisterloven*) 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. See also the selling restriction "*Prohibition of sales to EEA Retail Investors*" above.

## **Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of any Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium

qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this 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.

None of the Issuer and 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.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 15 February 2008. This update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 5 June 2019.

### **Approval, Trading and Listing of Notes**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

In the case of VPS Notes, application will be made to the Oslo Stock Exchange for such VPS Notes to be admitted to trading on the Oslo Stock Exchange's regulated market.

### **Documents Available**

From the date of this Base Prospectus, for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, or in the case of VPS Notes, so long as the VPS Notes are admitted to trading on the Oslo Stock Exchange's regulated market, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the audited financial statements of the Issuer as of and for the financial years ended 31 December 2017 and 31 December 2018, together with the audit reports prepared in connection therewith, and the unaudited interim financial statements of the Issuer as of and for the three months ended 31 March 2019 (in each case with English translations thereof). The Issuer currently prepares audited accounts on an annual basis and unaudited interim accounts on a quarterly basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited quarterly interim financial statements of the Issuer (if any) (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares audited accounts on an annual basis;
- (d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).

## **Clearing Systems**

The Notes (other than VPS Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) or, in the case of Notes denominated in Swiss francs, offered to the public in Switzerland, through the Intermediary.

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

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of the Intermediary is Brandschenkestrasse 47, P.O. Box, CH-8022 Zurich and the address of the VPS is Biskop Gunnerus' Gate 14A, 0185 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 each 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 significant change in the financial or trading position of the Issuer since 31 March 2019 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018.

## **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.

## **Independent auditors**

Since April 2018, the auditors of the Issuer have been PricewaterhouseCoopers AS (PWC), members of the Norwegian Institute of Public Accountants (*Den norske Revisorforening*) who have audited the Issuer's accounts, without qualification, in accordance with generally accepted audited standards in Norway for the financial year ended 31 December 2018. Deloitte AS, the former independent auditor, have audited the

Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Norway for the financial year ended 31 December 2017.

**Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business.

## **ISSUER**

### **Storebrand Boligkreditt AS**

Professor Kohts vei 9  
P.O Box 500  
1327 Lysaker  
Norway

## **AGENT**

### **Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

## **PAYING AGENT AND LUXEMBOURG LISTING AGENT**

### **Banque Internationale à Luxembourg**

69, route d'Esch  
L-2953 Luxembourg  
Luxembourg

## **VPS AGENT**

### **Danske Bank A/S**

2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

## **VPS TRUSTEE**

### **Nordic Trustee ASA**

Haakon VII Gate 1  
0161 Oslo  
Norway

## **LEGAL ADVISERS**

*To the Issuer as to Norwegian law*  
**Advokatfirmaet Thommessen AS**  
Haakon Vlls gate 10  
PO Box 1484 Vika  
0116 Oslo  
Norway

*To the Dealers as to English law*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

## INDEPENDENT AUDITORS

### *Current Auditors*

#### **PricewaterhouseCoopers AS**

Dronning Eufemias gate 18  
Postboks 748 Sentrum  
0106 Oslo  
Norway

### *Former Auditors*

#### **Deloitte AS**

Dronning Eufemias gate 14  
Postboks 221 Sentrum  
0103 Oslo  
Norway

## DEALERS

#### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

#### **Danske Bank A/S**

2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

#### **DNB Bank ASA**

Dronning Eufemias gate 30  
0191 Oslo  
Norway

#### **Nordea Bank Abp**

Satamaradankatu 5  
FI-00020 Nordea, Helsinki  
Finland

#### **Société Générale**

29 boulevard Haussmann  
75009 Paris  
France