



SparebankenVest  
**Sparebanken Vest Boligkreditt AS**  
(incorporated in Norway)

**€12,000,000,000**

## **Covered Bond Programme**

Under this €12 billion Covered Bond Programme (the "**Programme**"), Sparebanken Vest Boligkreditt AS (the "**Issuer**") may from time to time issue covered bonds issued in accordance with Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II and appurtenant regulations ("**Covered Bonds**" which expression shall include VPS Covered Bonds) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Covered Bonds may be issued in bearer form ("**Bearer Covered Bonds**"), registered form ("**Registered Covered Bonds**") or uncertificated book-entry form cleared through the Norwegian Central Securities Depository, Verdipapirsentralen ASA (the "**VPS Covered Bonds**" and the "**Verdipapirsentralen**" or Euronext "**VPS**", respectively).

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €12 billion (or its equivalent in other currencies calculated as described herein). A description of the restrictions applicable at the date of this Base Prospectus relating to the maturity of certain Covered Bonds is set out in "Overview of the Programme — Maturities".

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

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus (other than in relation to VPS Covered Bonds) as meeting the standards of completeness, comprehensibility and consistency imposed by the Base Prospectus Regulation. Such approval by the CSSF in accordance with Article 6(4) of the Luxembourg Law on Prospectuses should not be considered as an endorsement of the Issuer or the solvency of the Issuer or economic and financial soundness or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Application has also been made to the Luxembourg Stock Exchange for Covered Bonds (other than VPS Covered Bonds) issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Unless otherwise specified herein and except in the case of VPS Covered Bonds, references in this Base Prospectus to Covered Bonds being "**listed**" (and all related references) shall mean that such Covered Bonds are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended 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 2014/65/EU, as amended (the "**Markets in Financial Instruments Directive**").

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and will expire on 5 May 2022. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and certain other information which is applicable to each Tranche (as defined under "**Terms and Conditions of the Covered Bonds**") of Covered Bonds will be set forth in a Final Terms document ("**Final Terms**") which, with respect to Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of the Base Prospectus and of Final Terms in relation to Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Programme provides that Covered Bonds 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 Covered Bonds which are not listed or admitted to trading on any market.

The Covered Bonds issued under the Programme are expected to be assigned an "Aaa" rating by Moody's Investors Service Limited ("**Moody's**"). Moody's is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**). Moody's is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings issued by Moody's have been endorsed by Moody's Deutschland GmbH in accordance with the CRA Regulation. Moody's Deutschland GmbH is established in the EEA and registered under the CRA Regulation. As such, Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation (on [www.esma.europa.eu/page/list-registered-and-certified-CRAs](http://www.esma.europa.eu/page/list-registered-and-certified-CRAs)). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by Moody's as endorsed by Moody's Deutschland GmbH. The Issuer may also issue Covered Bonds which are either unrated, or rated below "Aaa" by Moody's as endorsed by Moody's Deutschland GmbH. Details of the ratings of the rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA 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 third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

The Issuer may agree with any Dealer that Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds herein, in which event 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 Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and the Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the Covered Bonds may not be offered or sold except (i) in the United States to or for the account or benefit of persons who are "qualified institutional buyers" as defined in Rule 144A of the Securities Act ("**Rule 144A**") in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or another available exemption from the registration requirements of the Securities Acts or (ii) outside the United States to non-U.S. persons pursuant to, and in compliance with Regulation S under the Securities Act ("**Regulation S**") and applicable securities regulations in each jurisdiction in which the Covered Bonds are offered.

Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to one of EURIBOR, NIBOR, STIBOR or SONIA which constitute "benchmarks" under Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**), as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR (European Money Markets Institute) and NIBOR (Norske Finansielle Referanser AS) is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") under Article 36 of the EU Benchmarks Regulation) and as far as the Issuer is aware the administrators of STIBOR (Swedish Financial Benchmark Facility AB) and SONIA (Bank of England) are not included in the ESMA's register of administrators under Article 36 of the EU Benchmarks Regulation.

The transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that European Money Markets Institute, Norske Finansielle Referanser AS, Swedish Financial Benchmark Facility AB and the Bank of England are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Prospective investors should have regard to the factors described under the section "Risk Factors" in this Base Prospectus.

The date of this Base Prospectus is 5 May 2021.

*Arranger*

**HSBC**

*Dealers*

**Barclays**

**Commerzbank**

**Danske Bank**

**ING**

**Landesbank Baden-Württemberg**

**Credit Suisse**

**Deutsche Bank**

**HSBC**

**Nordea**

**UniCredit**

This document constitutes a base prospectus (the "**Base Prospectus**") for the purposes of Article 8 of the Prospectus Regulation.

The Issuer (the "Responsible Person") accepts responsibility for the information contained in this Base Prospectus including the Final Terms relating to each Tranche of Covered Bonds issued under the Programme, to the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced (and is clearly sourced where it appears in the document) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading

Copies of Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market will be available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and from the registered office of the Issuer and the specified offices of the Paying Agents (as defined below) for the time being in London and Luxembourg.

This Base Prospectus is to be read in conjunction with any supplements hereto, all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below) and any Final Terms. This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference into and form part of this Base Prospectus.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arranger as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Covered Bonds or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised by the Issuer, the Dealers or the Arranger 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 Covered Bonds 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 or the Arranger.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, any of the Dealers or the Arranger that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds 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 Covered Bonds constitutes an offer by or on behalf of the Issuer, any of the Dealers or the Arranger to any person to subscribe for or to purchase any Covered Bonds.

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

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Covered Bonds 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE/TARGET MARKET** – The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (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.

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Covered Bonds will include a legend entitled **UK MiFIR Product Governance** which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a distributor) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**SINGAPORE SFA PRODUCT CLASSIFICATION:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), unless otherwise specified before an offer of any Covered Bonds, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Covered Bonds issued or to be issued under the Programme shall be 'capital markets products other than 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In connection with the issue of any Tranche of Covered Bonds, one or more relevant Dealers acting as stabilising manager (each a Stabilising Manager) may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds 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 Covered Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

The delivery of this Base Prospectus does not at any time 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 and the Arranger expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the documents deemed incorporated by reference herein when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and the Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the Covered Bonds may not be offered or sold except (i) in the United States to or for the account or benefit of persons who are "qualified institutional buyers" as defined in Rule 144A of the Securities Act ("**Rule 144A**") in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or another available exemption from the registration requirements of the Securities Acts or (ii) outside the United States to non-U.S. persons pursuant to, and in compliance with Regulation S under the Securities Act ("**Regulation S**") and applicable securities regulations in each jurisdiction in which the Covered Bonds are offered. In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds).

The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. None of the Issuer, the Dealers and the Arranger represents that this document may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Arranger which would permit a public offering of any Covered Bonds outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds 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 and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Covered Bonds come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States, the European Economic Area (including Norway), the United Kingdom, Japan, Singapore and Switzerland (see "Subscription and Sale" below).

Neither the Arranger, the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. None of the Arranger or the Dealers have conducted any due diligence in relation to the Issuer and/or the Cover Pool and have not prepared any report or statements (whether financial or otherwise) in relation to the Issuer and/or the Cover Pool. The contents of this Base Prospectus should not be construed as providing legal, business, accounting or tax advice by any party (including the Arrangers and the Dealer)

and each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Covered Bonds, no advisory or fiduciary duty is owed by the Arranger or the Dealers in respect thereof. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Covered Bond shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Arranger or the Dealers shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Covered Bonds or any Transaction Documents, or any other agreement or document relating to the Covered Bonds or any Transaction Documents, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

The Bearer Covered Bonds of each Tranche will initially be represented by a temporary global Covered Bond in bearer form (a "Temporary Bearer Global Covered Bond") which will (i) if the global Covered Bonds are intended to be issued in new global Covered Bond ("**NGCB**") form, as specified 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, société anonyme ("**Clearstream, Luxembourg**"); and (ii) if the global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for Euroclear and Clearstream, Luxembourg. The Temporary Bearer Global Covered Bond will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Covered Bond in bearer form (a "Permanent Bearer Global Covered Bond") or, in certain limited circumstances, Bearer Covered Bonds in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a Permanent Bearer Global Covered Bond either (i) is exchangeable (in whole but not in part) for definitive Covered Bonds upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Covered Bonds following the occurrence of an Exchange Event (as defined under "Form of the Covered Bonds"), all as further described in "Form of the Covered Bonds" below. Bearer Covered Bonds are subject to US tax law requirements, and, subject to certain exceptions, may not be offered, resold or delivered within the United States to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder). See "Subscription and Sale" below.

Unless otherwise provided with respect to a particular Series (as defined under "*Terms and Conditions of the Covered Bonds*") of Registered Covered Bonds, the Registered Covered Bonds of each Tranche of such Series sold outside the United States in reliance on Regulation S under the Securities Act will be represented by a permanent global Covered Bond in registered form, without interest coupons (a "**Reg. S Global Covered Bond**"), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") or common safekeeper as the case may be for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue (the "**Distribution Compliance Period**"), beneficial interests in the Reg. S Global Covered Bond may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person except in accordance with Rule 144A, or Rule 903 or 904 of Regulation S or pursuant to another applicable exemption from or a transaction not subject to the registration requirements of the Securities Act. The Registered Covered Bonds of each Tranche of such Series sold in private transactions to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A under the Securities Act will be represented by a restricted permanent global covered bond in registered form, without interest coupons (a "Restricted Global Covered Bond", and, together with a Reg. S. Global Covered Bond, "Registered Global Covered Bonds"), deposited with a custodian for, and registered in the name of a nominee of, DTC or common safekeeper as the case may be. Registered Covered Bonds in definitive form will, at the request of the holder (save to the extent otherwise

indicated in the applicable Final Terms), be issued in exchange for interests in the Registered Global Covered Bonds upon compliance with the procedures for exchange as described in "Form of the Covered Bonds".

Registered Covered Bonds may be offered and sold in the United States or to or for the account or benefit of U.S. persons exclusively to persons who are QIBs (as defined herein). Each U.S. purchaser of Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A under the Securities Act in connection with the resale of Registered Covered Bonds that are "restricted securities" within the meaning of the Securities Act, the Issuer is required to furnish, upon request of a holder of a Registered Covered Bond and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Covered Bonds remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. Registered Covered Bonds are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under "Subscription and Sale".

The Covered Bonds have not been recommended by or approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Covered Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable federal or state securities laws pursuant to a registration statement or an exemption from registration. See "Subscription and Sale". Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Each Tranche of VPS Covered Bonds will be issued in uncertificated book-entry form, as more fully described under "Form of the Covered Bonds" below. On or before the issue date of each Tranche of VPS Covered Bonds entries may be made with the VPS to evidence the debt represented by such VPS Covered Bonds to accountholders with Euronext VPS. VPS Covered Bonds will be issued in accordance with the laws and regulations applicable to VPS Covered Bonds from time to time.

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

#### COVERED BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

The Covered Bonds may not be a suitable investment for all investors and in making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Covered Bonds being offered, including the merits and risks involved.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;



- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Covered Bonds are complex financial instruments and such instruments may be purchased 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 Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

## TABLE OF CONTENTS

	Page
GENERAL DESCRIPTION OF THE PROGRAMME .....	8
RISK FACTORS .....	9
SUPPLEMENT TO THE BASE PROSPECTUS.....	23
DOCUMENTS INCORPORATED BY REFERENCE .....	24
OVERVIEW OF THE PROGRAMME .....	26
FORM OF THE COVERED BONDS.....	33
FORM OF FINAL TERMS (OTHER THAN THE VPS COVERED BONDS).....	37
PART A — CONTRACTUAL TERMS .....	38
PART B — OTHER INFORMATION .....	45
DTC INFORMATION — REGISTERED COVERED BONDS.....	48
TERMS AND CONDITIONS OF THE COVERED BONDS (OTHER THAN THE VPS COVERED BONDS).....	50
TERMS AND CONDITIONS OF THE VPS COVERED BONDS.....	82
OVERVIEW OF NORWEGIAN LEGISLATION RELATING TO COVERED BONDS (Obligasjoner med fortrinnsrett).....	103
USE OF PROCEEDS .....	108
DESCRIPTION OF THE ISSUER.....	109
SHAREHOLDERS.....	112
DESCRIPTION OF THE SPAREBANKEN VEST GROUP .....	113
TAXATION .....	116
SUBSCRIPTION AND SALE .....	126
GENERAL INFORMATION.....	133
APPENDIX GLOSSARY .....	135

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Covered Bonds denominated in any currency, subject as set out herein. An overview of the terms and conditions of the Programme and the Covered Bonds is set out in "Overview of the Programme" below. The applicable terms of any Covered Bonds will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Covered Bonds and will be set out in the Terms and Conditions of the Covered Bonds endorsed on, attached to, or incorporated by reference into, the Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

This Base Prospectus and any supplement to this Base Prospectus will only be valid for listing Covered Bonds (other than VPS Covered Bonds) on the Official List of the Luxembourg Stock Exchange, or any other stock exchange in the European Economic Area, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Covered Bonds previously or simultaneously issued under the Programme, does not exceed €12 billion or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Covered Bonds issued under the Programme from time to time:

- (a) the euro equivalent of Covered Bonds denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Covered Bonds, described under "Form of the Covered Bonds") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Covered Bonds or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the euro equivalent of Zero Coupon Covered Bonds (as specified in the applicable Final Terms in relation to the relevant Covered Bonds, described under "Form of the Covered Bonds") and other Covered Bonds issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

## RISK FACTORS

*This section describes the principal risk factors associated with an investment in the Covered Bonds.*

*Any investment in the Covered Bonds issued under the Programme will involve risks including those described in this section. All principal or material risks in relation to the Issuer and any investment in the Covered Bonds are included in this section. The risks and uncertainties described below are not the only ones that the Issuer may face. Additional risks and uncertainties that the Issuer is unaware of, or that they currently deem to be immaterial, may also become important risk factors that affect them.*

*Prospective investors should note that the following is not an exhaustive list of or explanation of all risks which investors may face when making an investment in the Covered Bonds and should be used as guidance only. The Issuer has described only those risks relating to its ability to fulfil its obligations under the Covered Bonds that it considers to be material. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may (individually or cumulatively) become material including as a result of the occurrence of events outside the Issuer's control. Investors should consider carefully whether an investment in the Covered Bonds is suitable for them in light of the information in this Base Prospectus and their particular circumstances.*

### **A. RISKS RELATING TO THE ISSUER**

#### **1.1 The Issuer may not be able to refinance its borrowings on commercially reasonable terms or at all**

The Issuer's lending is to a large extent made for longer durations than the Issuer's borrowings. Therefore, the Issuer is dependent on the ability to refinance borrowings upon maturity. Depending on overall market conditions, there is a risk that the Issuer will either be unable to refinance its borrowings or that it will be required to do so at a cost significantly higher than originally anticipated. The market turmoil caused by the global outbreak of the coronavirus (“COVID-19”) has not, so far, made it more difficult for the Issuer to refinance its borrowings on commercial satisfactory terms. . The credit spreads for covered bond financing started to widen significantly in March 2020, when COVID-19 led to lock downs all over Europe. The Norwegian and European governments were swift to set up unprecedented measures to counter the economic consequences. The central banks were also setting up almost unlimited supply of liquidity and funding to banks at favourable terms to kick-start the money market and keep the economies running. The sum of all the measure sent the credit spreads lower and in September 2020 the prices were back to pre-pandemic levels. The measurements has led to very low volumes of issuance, which has pushed the credit spreads down significantly. The vaccination programme is taking longer than anticipated and there are more contagious mutated COVID-19 variants causing new country-wide shut-downs. This in turn may cause a timing risk for the issuer to refinance its borrowings on commercially satisfactory terms, and if this situation were to continue for a prolonged period of time it could adversely impact the Issuer's ability to pay amounts due under the Covered Bonds.

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

The Issuer is however dependent on maintaining its credit ratings in order to be able to refinance its borrowings on commercially reasonable terms, as credit ratings affect the costs and other terms upon which the Issuer is able to obtain funding. Any factors having a negative impact on the Issuer, the Cover Pool or the Sparebanken Vest Group, such as the deterioration of the residential property market in Norway or a downturn in the international or domestic financial markets, may affect the credit rating of the Programme and/or any outstanding Covered Bonds. A credit rating downgrade will not in itself have any impact on the Issuer's ability to perform its obligations under the Covered Bonds, but could, in each case, increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit the Issuer's access to the capital markets, undermine confidence in (and the competitive position of) the Issuer, trigger obligations under certain bilateral terms in some of the Issuer's trading and collateralised financing contracts and/or limit the range of counterparties willing to enter into transactions with the Issuer. Any of these events may lead to difficulties for the Issuer in refinancing its borrowings on commercially reasonable terms or at all.

#### **1.2 Default on mortgage loans may lead to the Issuer being unable to satisfy its obligations under the Covered Bonds**

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

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

The economic consequences of COVID-19 are still uncertain. Higher unemployment will also affect the environment in 2021. The Issuer did not see a significant increase of loans in default for more than 90 days in 2020 and instalment-free housing loans has been low in 2020. The global outbreak of COVID-19, coupled with the measures implemented by the Norwegian authorities to contain it, is expected to have a material and adverse impact on the level of economic activity in Norway, and may still lead to a sudden loss of income for many of the Issuer's borrowers. At present it is highly unclear whether any of the measures taken by Norwegian government to mitigate the adverse economic effects of the COVID-19 outbreak will have the intended effect.

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. Borrowers may default as a result of interest rate increases or as a result of changes in their own personal circumstances (e.g. following redundancy or divorce) or following natural disasters, illness (including any illness arising in connection with an epidemic or pandemic) widespread health crises or the fear of such crises (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases). Default in respect of the Issuer's assets included in the Cover Pool (as defined below) could jeopardise the Issuer's ability to make payments on the Covered Bonds in full or on a timely basis. If a material amount of assets in the Cover Pool were to default, there is no guarantee that the required level of assets within the Cover Pool could be maintained or that the Issuer would be in a position to substitute non-defaulting assets for defaulting assets or add a sufficient amount of new assets to the Cover Pool.

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

### **1.3 The Issuer is dependent on Sparebanken Vest's competitive market position and the demand for its products**

The mortgages originated by Sparebanken Vest and subsequently transferred to the Issuer's Cover Pool represent a dynamic pool, particularly because of the high refinancing ratio in the Norwegian mortgage market. Sparebanken Vest's ability to originate mortgages depends on the competitive market position of Sparebanken Vest and the demand for its products. A general downturn in the Norwegian economy (for example due to the recent COVID-19 outbreak), regulatory changes affecting the residential mortgage market and/or interest rate rises may result in a decrease in the demand for residential property and, therefore, residential mortgages. A decrease in the demand for Sparebanken Vests's mortgage loans may lead to less than expected mortgages being transferred from Sparebanken Vest to the Issuer. A significant reduction in the size of the mortgage portfolio will adversely affect the value of the Cover Pool and may result in the Issuer not being able to make payments on the Covered Bonds in full or on a timely basis.

#### **1.4 Public administration of the Issuer and halt to payments from the Cover Pool may lead to Covered Bondholders not receiving the full amount due on the Covered Bonds**

In the event of public administration of the Issuer, timely payments shall be made on the Covered Bonds so long as the Cover Pool is in material compliance with the statutory requirements under the Norwegian Act on Financial Undertakings and Financial Groups of 10 April 2015 No 17 (*lov 10. april 2015 nr. 17 om finansforetak og finanskonsern (finansforetaksloven)*) (the “**Financial Undertakings Act**”) and the Regulations of 9 December 2016 no. 1502 on Financial Undertakings and Financial Groups (*forskrift 9. desember 2016 nr. 1502 om finansforetak og finanskonsern (finansforetaksforskriften)*) (the “**Financial Undertakings Regulations**”). Public administration of the Issuer will not in itself be sufficient cause for termination or similar remedy by the Covered Bondholders or the providers of the swaps (the “**Swap Providers**”). The public administration board may take any action considered necessary to ensure that the holders of the Covered Bonds and the Swap Providers receive agreed and timely payment on the Covered Bonds and swaps, including selling assets in the Cover Pool and issuing new Covered Bonds and entering into new derivative instruments with recourse to the assets in the Cover Pool *pari passu* with the Covered Bondholders.

If it is no longer possible to make timely payments to Covered Bondholders or Swap Providers, the public administration board shall set a date to halt payments. Where a halt to payments is introduced, the further administration in respect of the Issuer shall continue in accordance with Norwegian bankruptcy law. The administration board shall inform the Covered Bondholders and the swap counterparties of the halt to payments and the date on which such halt to payments will be introduced at the earliest opportunity, and shall consult with them in relation to any material decisions in respect thereof.

The amount of claims with a right of priority to the assets included in the Cover Pool will be calculated as at the date on which the halt to payments takes effect. The calculation shall establish the present value of the relevant claim, as duly discounted in accordance with the terms of the Financial Undertakings Act and the Financial Undertakings Regulations. This provides that settlement of interest rate and foreign exchange contracts shall be made at a prudent market value based on the pricing of comparable interest rate contracts and foreign exchange contracts (although investors should note that any termination payment under the relevant swap agreement shall be calculated in accordance with the terms of such swap agreement), and settlement of amounts due on the Covered Bonds shall include 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 those Covered Bonds), discounted by the market rate for comparable covered bonds in the relevant currency.

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

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

In order to hedge its interest rate risks and currency risks, the Issuer enters into interest rate swaps (“the **Interest Rate Swaps**”) and currency swaps (the “**Currency Swaps**”) with various Swap Providers. A well-functioning derivative market is essential for the Issuer in order to be able to enter into such Interest Rate Swaps and Currency Swaps on commercially attractive terms or at all, and any disruption in the market for such Swaps or the Issuer’s access thereto could have a negative effect on the Issuer’s ability to manage its interest rate risks and currency risks in an adequate fashion. Such a disruption could also enhance the refinancing risk for the Issuer if Issuer in such scenario would find itself restricted from issuing Covered Bonds in other currencies than NOK and/or with a different interest profile than the assets in the Cover Pool.

If the Issuer fails to make timely payments of amounts due or certain other events occur in relation to the Issuer under a swap and any applicable grace period has expired, then the Issuer will have defaulted under that swap. The Issuer’s default under a swap due to non-payment or otherwise will suspend the relevant Swap Provider’s obligation to make further payments under that swap, and the relevant Swap Provider may on certain conditions terminate the relevant swap.

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

If an Interest Rate Swap or Currency Swap is terminated due to the Swap Provider's default, and unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments due on its Covered Bonds in case of material fluctuations between either (i) for Interest Rate Swaps, the interest rates payable on the Cover Pool Assets and the applicable interest rate for the Covered Bonds, or (ii) for Currency Swaps, the currency of the Cover Pool assets and the currency of the Covered Bonds.

If a Swap Provider suffers a ratings downgrade and the affected Interest Rate Swaps or Currency Swaps, as applicable, cannot be transferred to an eligible replacement Swap Provider, the rating of the Covered Bonds may be adversely affected as a result.

## **1.6 Termination payments for swaps may reduce the value of the Cover Pool**

If any of the Interest Rate Swaps or the Currency Swaps are terminated, the Issuer may as a result be obliged to make a termination payment to the relevant Swap Provider. The amount of the termination payment will be based on the cost of entering into a replacement Interest Rate Swap or Currency Swap, as the case may be. Any termination payment to be made by the Issuer to a Swap Provider will rank *pari passu* with claims for payments due to the Covered Bondholders. Consequently, if the Issuer is unable to make the termination payment to the relevant Swap Provider from its own funds, the Cover Pool may be used to make such termination payments which will reduce the value of the Cover Pool for other preferential claims, such as the Covered Bonds.

## **1.7 Operational risks**

The Issuer's business involves operational risks. Operational risks are defined by the Issuer as the risk of incurring losses, including damaged reputation, due to deficiencies or errors in internal processes and control routines or by external events that affect operations. The Issuer conducts its business subject to compliance risks (including the effects of changes in laws, regulations, policies and voluntary codes of practice in Norway and other markets where the Issuer operates). There is a risk that the Issuer's risk management strategies and procedures are not sufficient, which may expose the Issuer to unanticipated or unidentified risks.

Further examples of relevant operational risks the issuer is exposed to are the following (but not limited to):

Settlement risk: for example, the possibility that the Issuer has already paid a counterparty or given irrevocable instruction to a transfer of cash or securities, but the corresponding delivery of cash or securities, or, as the case may be, return payment does not settle at the agreed time as a consequence of default or a failure in the relevant settlement system.

Failure in compliance with anti-money laundering, anti-bribery and sanctions rules: The Issuer's compliance risk management systems and policies may not be fully effective in preventing all violations of laws, regulations and rules. Monitoring compliance with anti-money laundering, anti-bribery and sanctions rules can put a significant financial burden on financial institutions and requires significant technical capabilities.

Any failure by the Issuer or the Sparebanken Vest Group to comply with applicable laws and regulations, including those relating to money laundering, bribery, financial crimes, sanctions and other inappropriate or illegal transactions, may lead to penalties, fines, public reprimands, damage to reputation, issuance of business improvement and other administrative orders, enforced suspension of operations or, in extreme cases, adversely affect the ability to obtain future regulatory approvals or withdrawal of authorisation to operate. These consequences may harm the Issuer's reputation, resulting in loss of customer or market confidence in the Issuer or deterioration of its business environment, and may adversely affect its business and results of operations.

Failure in compliance with data protection and privacy laws and risk of being targeted by cybercriminals: The Issuer's operations are subject to a number of laws and regulations relating to data privacy and protection, including the Norwegian Personal Data Act of 15 June 2018 (*lov 15. Juni 2018 nr. 38 om behandling av personopplysninger (personopplysningsloven)*) and Regulation (EU) 2016/679 (*General Data Protection Regulation (GDPR)*). The requirements of these laws and regulations may affect the Issuer's ability to collect, process and use personal data. Enforcement of data privacy legislation has become increasingly frequent and could result in the Issuer being subjected to claims from its customers alleging it has infringed their privacy rights, and it could face administrative proceedings

(including criminal proceedings) initiated by the Norwegian Data Protection Authority. In addition, any enquiries made, or proceedings initiated by, individuals or regulators may lead to negative publicity and potential liability for the Issuer and the Sparebanken Vest Group. Noncompliance with these standards may lead to the Issuer facing substantial fines.

The secure transmission of confidential information over the internet and the security of the Issuer's and the Sparebanken Vest Group's systems are essential to its maintaining customer confidence and ensuring compliance with data privacy legislation. If the Issuer, the Sparebanken Vest Group or any third party suppliers fails to transmit customer information and payment details online securely, or if they otherwise fail to protect customer privacy in online transactions, or if third parties obtain and/or reveal the Issuer's confidential information, the Issuer and the Sparebanken Vest Group may lose customers and potential customers may be deterred from using the Sparebanken Vest Group's products and services, which could expose the Issuer to liability and could have a material adverse effect on its business, financial condition and results of operations.

Liquidity risk relating to revolving mortgage loans: The Issuer owns a portfolio of mortgage loans which are structured as personal revolving credit facilities for the borrowers, who can draw down and repay amounts at will within a set overall credit limit determined on the same criteria as for standard repayment loans. If the Issuer experiences a large demand for drawdowns under such credit limits simultaneously, there is a risk that the Issuer may not have sufficient liquid resources to meet the demand.

#### **1.8 The Issuer is dependent on services provided by other Sparebanken Vest Group companies and its brand value**

The Issuer is a wholly owned subsidiary of Sparebanken Vest. The Issuer does not have any employees of its own, and is thus dependent upon receiving labour force and services from Sparebanken Vest in order to carry on its daily business. The Issuer is also dependent on the "*Sparebanken Vest*" brand in its covered bond issuances and relies on the positive perception by investors of the brand. The Issuer will thus be dependent on the other Sparebanken Vest Group companies in order to succeed in its business.

Should there be any disruptions and/or negative impact to any Sparebanken Vest Group companies and/or should the brand value of the Sparebanken Vest Group substantially deteriorate, this may have an adverse effect on the Issuer's business, financial condition and/or results of operations, as well as affecting the credit rating of the Issuer.

### **B. RISK RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS**

#### **1.1 The value of the Covered Bonds will be affected by market interest rates**

Investments in Fixed Rate Covered Bonds involve a risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Covered Bonds. While the nominal interest rate of a Fixed Rate Covered Bonds is fixed during the life of such Covered Bonds, the current interest rate on the capital markets typically changes on a daily basis. Investors should make their own investment decision as to the level of risk they are willing to be exposed to in this regard. Investors therefore take the risk with an investment in Fixed Rate Covered Bonds that movements in interest rates result in a negative effect on the price and liquidity of such Fixed Rate Covered Bonds in the secondary market.

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

Zero Coupon Covered Bonds do not pay current interest but are issued at a discount from their nominal value. Zero Coupon Covered Bonds are exposed to the risk that the price of such Covered Bonds falls as a result of changes in the market interest rate. The market values of Zero Coupon Covered Bonds 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 conventional interest-bearing securities with comparable maturities.

#### **1.2 If the Covered Bonds 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 Covered Bonds concerned**



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

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

The applicable Final Terms may provide that an Extended Maturity Date (as defined below) applies to each Series of Covered Bonds.

If the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter) the maturity of the principal amount outstanding of the Covered Bonds not redeemed will automatically extend on a monthly basis up to but not later than 12 months from the Maturity Date (the "**Extended Maturity Date**"). In that event, the Issuer may redeem all or part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, up to and including the Extended Maturity Date. In that event also, the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds in accordance with the applicable Final Terms, save in respect of Zero Coupon Covered Bonds.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Terms and Conditions of the Covered Bonds.

### **1.4 Covered Bonds may be subject to optional redemption by the Issuer**

If specified in the applicable Final Terms, the Covered Bonds may contain an optional redemption feature which would be likely to limit their market value. During any period when the Issuer may elect to redeem the Covered Bonds, the market value of those Covered Bonds 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 Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. 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 Covered Bonds 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 likely to be available at that time.

### **1.5 The market continues to develop in relation to SONIA as a reference rate**

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to the relevant interbank offered rates LIBOR. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a risk free rate issued under this Base Prospectus. In this respect, the Bank of England released a discussion paper in February 2020 entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" pursuant to which the Bank of England stated its intention to publish a daily SONIA

compounded index and its consideration whether to publish a set of compounded SONIA period averages. This means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this.

Interest on Covered Bonds which reference a risk free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds reference such risk free rates to reliably estimate the amount of interest which will be payable on such Covered Bonds. Further, if the Floating Rate Covered Bonds become due and payable, the Rate of Interest payable shall be determined on the date the Covered Bonds became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

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

The relevant Final Terms relating to any specific Series of Covered Bonds may provide that it will be the Issuer’s intention to apply the proceeds from an offer of those Covered Bonds specifically for Green Loans (as defined in “*Use of Proceeds*” below) that promote climate-friendly and other environmental purposes and Covered Bonds issued thereunder to be referred to as “Green Bonds”. Prospective investors should have regard to the information in this Base Prospectus and/or the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Green Loans will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Loans). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled loan or as to what precise attributes are required for a particular loan to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any loans or uses the subject of, or related to, any Green Loans will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any loans or uses the subject of, or related to, any Green Loans. The Issuer intends to publish a framework relating to an investment in Green Loans or the issuance of Green Bonds which will be made available on the Issuer’s website.

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

In the event that any such Green Bonds are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards

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

While it is the intention of the Issuer to apply the proceeds of any Green Bonds in, or substantially in, the manner described in this Base Prospectus and/or the relevant Final Terms, there can be no assurance that the relevant loan(s) or use(s) which are the subject of, or related to, any Green Loans will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Loans. Nor can there be any assurance that such Green Loans will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. None of the Dealers will verify or monitor the application of the proceeds of any Green Bonds issued under the Programme.

Any such event or failure to apply the proceeds of any issue of Green Bonds for any Green Loans, as aforesaid will not constitute an event of default or, as the case may be, enforcement event under the relevant Green Bonds. The withdrawal of any opinion or certification as described above, or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on, and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Green Bonds, and also potentially the value of any other Green Bonds which are intended to finance Green Loans, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

## **C. RISK RELATING TO COVERED BONDS GENERALLY**

### **1.1 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, and certain substitute assets. All assets in the Cover Pool must comply with the terms of the Financial Undertakings Act and the Financial Undertakings Regulations. In particular, the Financial Undertakings Regulations determine maximum debt to value ratios of mortgages included in the Cover Pool (currently the maximum debt is 75 per cent. of the prudent market value in the case of residential mortgages for further detail see the section headed "*Overview of Norwegian legislation relating to Covered Bonds*"). At the date of this Base Prospectus, the properties over which mortgages are created are located 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. 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.

### **1.2 Overcollateralisation**

The Issuer is obligated under the Financial Undertakings Act to ensure that the value of the assets of the Cover Pool at all times exceeds the value of the covered bonds with preferential claims against the Cover Pool (taking into account the effects of derivative contracts) ("**Overcollateralisation**"). The Ministry of Finance is authorised to pass regulations setting a minimum requirement. At the date of this Base Prospectus, the Financial Undertakings Regulations stipulate that the Issuer must ensure a minimum Overcollateralisation in the Cover Pool of 2 per cent. at all times.

Similarly, the Issuer has undertaken in Condition 2(b) of the Conditions and Condition 2(b) of the VPS Conditions to ensure that, for as long as any of the Covered Bonds is outstanding, the value of the Cover Pool shall at all times be at least 102 per cent. of the outstanding principal amount of the Covered Bonds and related Covered Bond Swaps (as defined in the Conditions or VPS Conditions, as applicable) having recourse to such Cover Pool. Such level of contractually agreed overcollateralisation will be subject to change in accordance with any higher overcollateralisation level imposed

by applicable Norwegian legislation from time to time. However Covered Bondholders should be aware that the Overcollateralisation maintained by the Issuer does not guarantee that the preferential claim of Covered Bondholders on the Cover Pool would be sufficient to make payment of all amounts due to Covered Bondholders in the event of the Issuer's insolvency.

The Issuer is not obliged to increase the Overcollateralisation percentage if any rating assigned to the Covered Bonds are reduced, removed, suspended or placed on credit watch for any reason. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of the Covered Bonds will be upheld until maturity.

Furthermore, provided that the Issuer complies with the Financial Undertakings Act and the Financial Undertakings Regulations at all times, failure by it to comply with the contractually agreed level of Overcollateralisation will not in itself prevent the Issuer from issuing further Covered Bonds, refinancing existing Covered Bonds or acquiring new mortgage loans into the Cover Pool. In such circumstances, Covered Bondholders may have a claim against the Issuer for breach of contract or for other specific relief, subject to English law generally.

If the value of a mortgaged property declines significantly after the residential mortgage has been included in the Covered Pool, the Issuer may no longer be able to count the full value of the mortgage loan towards the 102 per cent. Overcollateralisation requirement (as to which see further detail in the section headed "*Overview of Norwegian legislation relating to Covered Bonds*") even if the mortgage loan is fully performing. This will be a statutory breach and may lead the NFSA to bring actions to the Issuer.

### **1.3 No events of default**

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

### **1.4 Failure by the Issuer to meet applicable matching and overcollateralisation rules may affect the value and liquidity of the Covered Bonds**

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

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

### **1.5 Terms and Conditions of the Covered Bonds may be changed without the consent of any or all of the Covered Bondholders**

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

The Conditions also provide that the Issuer and the Fiscal Agent may, without the consent of the Covered Bondholders, agree to any modification of the Covered Bonds other than VPS Covered Bonds, the Coupons or the Agency Agreement

which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Covered Bondholders, Receiptholder or Couponholders as described in the Conditions.

The VPS Trustee Agreement (as defined below) provides that the Issuer and the VPS Trustee may agree to amend the VPS Trustee Agreement or the VPS Conditions without prior approval of the affected VPS Covered Bondholder provided that:

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

Subject to the above conditions being met, such modifications or amendments may be effected without the consent of a Covered Bondholder, or against such Covered Bondholders' wishes.

## **1.6 Covered Bonds are obligations of the Issuer only**

The Covered Bonds will constitute obligations of the Issuer which have the benefit of a statutory preference under Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II (the "**Financial Undertakings Act**") and regulation of 9 December 2016 issued by the Norwegian Ministry of Finance (the "**Ministry**") under the authority conferred on it by the Financial Undertakings Act (the "**Regulation**") over a dedicated pool of assets maintained by the Issuer (the "**Cover Pool**"). An investment in the Covered Bonds involves a reliance on the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by any member of the Sparebanken Vest Group or any other person. In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds. There can be no assurance that the Cover Pool will be sufficient to pay in full the amounts payable under the Covered Bonds.

## **1.7 Change of law may have an impact on the Covered Bonds**

The Conditions are based on English law save for Condition 2 of the Conditions which is governed by Norwegian law in effect as at the date of this Base Prospectus.

The VPS Conditions are based on English law, save for Conditions 2, 11, 12 and 13, which are governed by Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law or administrative practice in England or Norway after the date of this Base Prospectus and any such change could materially and adversely impact the value of any Covered Bonds affected by it.

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

In relation to any issue of Covered Bonds 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 Covered Bond 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 at the relevant time may not receive a definitive Covered Bonds in respect of such holding (should definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination.

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

## **D. RISK RELATING TO THE REGULATORY, POLITICAL AND ECONOMIC ENVIRONMENT OF THE ISSUER AND THE COVERED BONDS**

### **1.1 Regulatory changes may have an adverse impact on the Issuer and the Covered Bonds**

The Issuer's business is subject to financial services laws, regulations, administrative actions and supervision, all of which is subject to continuous development and updates. Overall there is a trend of increasing regulatory scrutiny of the financial service business within which the Issuer operates. Any significant regulatory development or increased supervision could have an adverse effect on how the Issuer conducts its business, the products and services it offers and the value of its assets. Further, such changes may result in increased compliance costs and may affect the Issuer's results of operations.

## **1.2 Covered Bondholders may face an exchange rate risk**

The Issuer will pay the principal amount and interest of the Covered Bonds in the Specified Currency. This involves certain risks relating to currency conversion if an investor's financial activities are denominated principally in a currency or a currency unit other than the Specified Currency (the "**Investor's 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 (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

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

## **1.3 The Covered Bonds may not have established, or be able to develop, a trading market**

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, Covered Bondholders may not be able to sell their Covered Bonds 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 Covered Bonds 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 Covered Bonds would generally have a more limited secondary market and more price volatility than conventional debt securities. Any such illiquidity may have an adverse effect on the market value of Covered Bonds.

## **1.4 Other Regulatory Developments**

In Europe, the U.S. and elsewhere, there is significant focus on fostering greater financial stability through increased regulation of financial institutions and their corresponding capital and liquidity positions. This has resulted in a number of regulatory initiatives which are currently at various stages of implementation and which may have an impact on the regulatory position for certain investors in covered bond exposures and/or on the incentives for certain investors to hold covered bonds, and may thereby affect the liquidity of such securities.

In particular, it should be noted that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as Basel III (**Basel III**)). Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements. As implementation of Basel III requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of covered bonds (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework for Europe.

It should also be noted that at the end of 2019, the European Parliament and the Council finalised the legislative package on covered bond reforms made up of a new covered bond directive (Directive (EU) 2019/2162) and a new regulation

(Regulation (EU) 2019/2160), which entered into force on 7 January 2020 with the deadline for application of 8 July 2022 (both texts have relevance for the EEA and are to be implemented in due course in other countries in the EEA. The new covered bond directive replaces article 52(4) of the UCITS Directive, establishes a revised common base-line for issue of covered bonds for EU regulatory purposes (subject to various options that members states may choose to exercise when implementing the new directive through national laws). The new regulation will be directly applicable in the EU from 8 July 2022 (and will be implemented in due course in other countries in the EEA) and it amends article 129 of the Capital Requirements Regulation (Regulation (EU) No 575/2013) ("EU CRR") (and certain related provisions) and further strengthens the criteria for covered bonds that benefit from preferential capital treatment under the EU CRR regime. Given that the aspects of the new regime will require transposition through national laws, the final position is not yet known.

In addition, it should be noted that the new covered bond directive provides for permanent grandfathering with respect to certain requirements of the new regime for article 52(4) UCITS Directive-compliant covered bonds issued before 8 July 2022 and includes an option for the EU member states to allow tap issues with respect to grandfathered covered bonds (for up to 24 months after 8 July 2022), provided such tap issues comply with certain prescribed requirements. Prospective investors should therefore make themselves aware of the changes (and any corresponding national implementing measures) in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. Finally, from the perspective of the investors subject to Regulation (EU) No 575/2013 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK CRR"), it should be noted that preferential regulatory treatment under article 129 of the UK CRR is only available to covered bonds issued by a credit institution which has its registered office in the UK and eligibility as third country covered bond exposures for the purposes of the liquidity coverage ratio under the UK CRR regime will be subject to meeting the equivalence requirements. However, the application of the UK CRR regime at the start of 2021 (ie following the UK withdrawal from the EU at the end of the transition period) is subject to the temporary transitional relief which applies until 31 March 2022, during which period any preferential treatment afforded to EU assets and exposures continues as such treatment applied before the end of the transition period. Therefore, prospective investors, if this is applicable to them, should make themselves aware of these changes with respect to their investment in the Covered Bonds (including the availability of the transitional relief and any changes that the UK authorities may publish from time to time in relation to these matters).

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

Currently, Norwegian covered bonds comply with the EU Capital Requirements Directive regulations and qualify for a 10 per cent. risk weighting in eligible European jurisdictions. However, the Issuer cannot be certain as to how any of the regulatory developments described above will impact the treatment of the Covered Bonds.

Prospective investors should therefore make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### **1.5 Changes or uncertainty in respect of EURIBOR, STIBOR and/or NIBOR may affect the value or payment of interest under the Covered Bonds**

Various interest rate benchmarks (including the Euro Interbank Offered Rate (**EURIBOR**), the Norwegian Inter-Bank Offered Rate (**NIBOR**) and the Stockholm Inter-Bank Offer Rate (**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.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies from 1 January 2018 in general, subject to certain transitional provisions. Certain requirements of the EU Benchmark Regulation apply with respect to the provision of a wide range of benchmarks (including EURIBOR, NIBOR and STIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU Benchmarks Regulation, among other things, (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 to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

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

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 was published by the ECB in 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.

Investors should be aware that the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR, NIBOR, STIBOR or SONIA. The guiding principles indicate, among other things, that continuing to reference EURIBOR, NIBOR, STIBOR or SONIA in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark. Based on the foregoing, prospective investors should in particular be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR, NIBOR, STIBOR and the Sterling Overnight Index Average (**SONIA**)) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; and



- (b) if EURIBOR, NIBOR, STIBOR or SONIA is discontinued or is otherwise unavailable then the rate of interest on the Floating Rate Covered Bonds will be determined for a period by the fall-back provisions provided for under Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Euro-zone interbank market (in the case of EURIBOR), Norwegian interbank market (in the case of NIBOR), Stockholm interbank market (in the case of STIBOR) or the Sterling Overnight Index Average (in the case of SONIA) not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR, NIBOR, STIBOR or SONIA was available; and
- (c) if EURIBOR, NIBOR, STIBOR SONIA or any other relevant interest rate benchmark is discontinued there can be no assurance that the applicable fall-back provisions under any swap agreement would operate to allow the transactions under any swap agreement to effectively mitigate interest rate risk in respect of the Covered Bonds.

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

If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event (as defined in the Conditions of the Covered Bonds) has occurred, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Condition 3(e) (Benchmark Replacement) and, if applicable, an Adjustment Spread (as defined in the Conditions) and notify the Paying Agents once an Independent Advisor has been appointed. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the terms and conditions of the Covered Bonds shall apply.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or Adjustment Spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus 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.

In the event of any significant new factor arising or any material mistake material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Covered Bonds, the Issuer will prepare and publish a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Covered Bonds. Furthermore, the Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") that it will, in connection with the listing of the Covered Bonds on the Official List of the Luxembourg Stock Exchange, so long as any Covered Bond remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare and publish a further supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of the Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited annual financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020, prepared in accordance with the International Financial Reporting Standards, including the information set out at the following pages of the Issuer's 'Annual Report 2019' and 'Annual Report 2020' and are available at <https://www.spv.no/om-oss/investor-relations/sparebanken-vest-boligkreditt/financial-reports>:

<i>Information</i>	<i>2019</i>	<i>2020</i>
Profit and loss accounts	8	8
Balance sheets	9	9
Cashflow statements	10	10
Equity movements	11	11
Accounting policies and explanatory notes	12-39	12-39
Alternative Performance Measurements	40	40
Auditors' report	42-45	42-45

- (b) the audited consolidated annual financial statements of Sparebanken Vest Group for each of the financial years ended 31 December 2019 and 31 December 2020, prepared in accordance with the International Financial Reporting Standards, including the information set out at the following pages of Sparebanken Vest's 'Annual Report 2019' and 'Annual Report 2020' and are available at <https://www.spv.no/english/investor-relations/annual-and-interim-reports>:

<i>Information</i>	<i>2019</i>	<i>2020</i>
Profit and loss accounts	47	46
Balance sheets	48	48
Cashflow statements	50	50
Equity movements	51	51
Accounting policies and explanatory notes	53-135	53-135
Alternative Performance Measurements	151-152	151-152
Auditors' report	136-142	136-142

- (c) the sections entitled "Terms and Conditions of the Covered Bonds (other than the VPS Covered Bonds)" and "Terms and Conditions of the VPS Covered Bonds" set out in the prospectuses dated 6 May 2020 (on pages 49 to 81 inclusive), 23 May 2019 (on pages 47 - 76 inclusive), 11 April 2018 (on pages 44-89 inclusive), 23 March 2017 (on pages 42-87 inclusive), 18 March 2016 (on pages 41-84 inclusive), 20 March 2015 (on pages 46-100 inclusive), 28 March 2014 (on pages 46 to 94 inclusive), 22 March 2013 (on pages 46 to 94 inclusive), 26 March 2012 (on pages 53 to 101 inclusive), 9 March 2011 (on pages 51 to 99 inclusive), 23 February 2010 (on pages 49 to 97 inclusive) and 17 November 2008 (on pages 48 to 95 inclusive) (for the avoidance of doubt, the applicable Final Terms for a Series or Tranche of Covered Bonds will indicate the date of the Terms and Conditions applicable to such Series or Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Covered Bonds issued after the date hereof shall be those set out in full in this Base Prospectus) and are available at <https://www.bourse.lu/programme-documents/Programme-SparebVestBolig/13544>. The remaining portions of the prospectuses dated 6 May 2020, 23 May 2019, 11 April 2018, 23 March 2017, 18 March 2016, 20 March 2015, 28 March 2014, 22 March 2013, 26 March 2012, 9 March 2011, 23 February 2010 and 17 November 2008 are not relevant for prospective investors.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) and upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London.

The annual and interim financial statements incorporated by reference herein can be viewed online at <https://www.spv.no/english/investor-relations/annual-and-interim-reports> and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The information incorporated by reference into this Base Prospectus that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

## OVERVIEW OF THE PROGRAMME

The following is a brief overview only and should be read in conjunction with the rest of this Base Prospectus and, in relation to any Covered Bond, in conjunction with the applicable Final Terms and, to the extent applicable, the Terms and Conditions of the Covered Bonds set out herein. Any decision to invest in the Covered Bonds should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference herein.

### Information relating to the Issuer

#### Description of the Issuer

Sparebanken Vest Boligkreditt AS, a limited company incorporated under the laws of the Kingdom of Norway as a finance company on 21 May 2008 with registration number 992710691. The registered office of the Issuer is at Jonsvollsgaten 2, 5011 Bergen, Norway. On 14 February 2008, the Issuer was granted licence to operate as a mortgage credit institution by the NFSA.

#### Issuer Legal Entity Identifier (LEI):

5967007LIEEXZX6AO004

#### Business of the Issuer

The Issuer specialises in mortgage lending in Norway. The Issuer is incorporated and domiciled in Norway and is a member of the Sparebanken Vest Group.

#### Description of Sparebanken Vest Group

Sparebanken Vest Group is an independent banking and financial services group based in Bergen in the Kingdom of Norway. Sparebanken Vest is the second oldest savings bank in Norway and was established in 1823.

### Information relating to the Programme

#### Description

Covered Bond Programme

#### Arranger

HSBC Continental Europe

#### Dealers

Barclays Bank Ireland PLC  
Credit Suisse Securities Sociedad de Valores S.A.  
Commerzbank Aktiengesellschaft  
Danske Bank A/S  
Deutsche Bank Aktiengesellschaft  
HSBC Continental Europe ING Bank N.V.  
Landesbank Baden-Württemberg  
Nordea Bank Abp  
UniCredit Bank AG

#### Fiscal Agent

Deutsche Bank AG, London Branch

#### VPS Trustee

Nordic Trustee AS (previously named Nordic Trustee ASA)

#### VPS Agent

Sparebanken Vest

#### Registrar

Deutsche Bank Luxembourg S.A. and/or Deutsche Bank Trust Company Americas

#### Transfer Agent

Deutsche Bank Luxembourg S.A. and/or Deutsche Bank Trust Company Americas

<b>Size</b>	Up to €12 billion (or its equivalent in other currencies calculated as described in "General Description of the Programme") outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution</b>	Covered Bonds may be distributed by way of a syndicated or non-syndicated basis.
<b>Currencies</b>	Euro, Sterling, U.S. dollars, Yen, Norwegian Kroner and, subject to any applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer (each a " <b>Specified Currency</b> ").
<b>Redenomination</b>	The applicable Final Terms may provide that certain Covered Bonds may be redenominated in euro.
<b>Maturities</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the relevant Dealer(s).
<b>Issue Price</b>	Covered Bonds may be issued at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Covered Bonds</b>	The Covered Bonds will be issued in bearer form, registered form or, in the case of VPS Covered Bonds, uncertificated book-entry form, as described in "Form of the Covered Bonds" below. VPS Covered Bonds will not be evidenced by any physical covered bond or document of title. Entitlements to VPS Covered Bonds will be evidenced by the crediting of VPS Covered Bonds to accounts with Euronext VPS.
<b>Status of the Covered Bonds</b>	The Covered Bonds are unsubordinated obligations issued in accordance with the Financial Undertakings Act and appurtenant regulations and rank <i>pari passu</i> among themselves and with all other obligations of the Issuer that have been provided the same priority as covered bonds issued pursuant to the Financial Undertakings Act. To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the assets of the Issuer that are covered in accordance with the Financial Undertakings Act, the residual claims will rank <i>pari passu</i> with the unsecured and unsubordinated obligations of the Issuer. In the event of public administration of the Issuer, the costs of such administration will to a certain degree rank ahead of a claim for payment of the Covered Bonds. See also "Overview of Norwegian Legislation relating to Covered Bonds".
<b>Fixed Rate Covered Bonds</b>	Covered Bonds may provide for interest based on a fixed rate (" <b>Fixed Rate Covered Bonds</b> "). Interest will be payable on Fixed Rate Covered Bonds on such date or dates

as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

### **Floating Rate Covered Bonds**

Covered Bonds may provide for interest based on a floating rate ("**Floating Rate Covered Bonds**"). Floating Rate Covered Bonds will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service

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

### **Other provisions in relation to Floating Rate Covered Bonds**

Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), 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(s).

### **Zero Coupon Covered Bonds**

Covered Bonds may provide that no interest is payable ("**Zero Coupon Covered Bonds**"). Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

### **Redemption**

The applicable Final Terms will indicate the scheduled maturity date of such Covered Bonds (the "**Maturity Date**") and will also indicate whether such Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or that such Covered Bonds will be redeemable at the option of the Issuer ("**Issuer Call**") and/or at the option of the Covered Bondholders ("**Investor Put**")), in each case upon giving not less than 15 nor more than 30 days' irrevocable notice to the Covered

### **Extended Maturity Date**

Bondholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms, at the maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that an Extended Maturity Date applies to each Series of Covered Bonds.

As regards redemption of Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter), the maturity of the principal amount outstanding of the Covered Bonds not redeemed will automatically extend on a monthly basis up to but, not later than, the Extended Maturity Date. In that event the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date.

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter), the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date and will be payable in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date in arrear on each Interest Payment Date after the Maturity Date at the rate provided for in the applicable Final Terms.

In the case of a Series of Covered Bonds to which an Extended Maturity Date so applies, those Covered Bonds may for the purposes of the Programme be:

- (a) Fixed Interest Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds in respect of the period from the Issue Date to (and including) the Maturity Date; and
- (b) Fixed Interest Covered Bonds or Floating Rate Covered Bonds in respect of the period from (but



excluding) the Maturity Date to (and including) the Extended Maturity Date,

as set out in the applicable Final Terms.

In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Covered Bonds on the Maturity Date.

#### **Denomination of Covered Bonds**

Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue) or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.

#### **Taxation**

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed within the Kingdom of Norway, subject as provided in Condition 6 (Taxation).

#### **Overcollateralisation**

Pursuant to the Financial Undertakings Act, the Issuer is required to ensure that the prudent market value of the assets in the Cover Pool shall at all times exceed the value of the Covered Bonds and any other covered bonds issued by the Issuer (taking into account the effects of relevant derivative contracts). Furthermore, pursuant to the Regulation the Issuer is required to ensure a minimum overcollateralisation in the Cover Pool of 2 per cent. at all times. In addition, the Issuer has contractually agreed to provide a level of overcollateralisation in the Cover Pool as set out in Condition 2(b) of the Covered Bonds and Condition 2(b) of the VPS Covered Bonds. Such level of contractually agreed overcollateralisation will be subject to change in accordance with any higher level imposed by applicable Norwegian legislation from time to time. See further "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme – Overcollateralisation".

**Negative Pledge**

The Covered Bonds will not contain a negative pledge provision.

**Cross Default and other Events of Default**

The Covered Bonds will not contain a cross-default provision or any other events of default entitling holders of Covered Bonds to demand immediate redemption.

**Approval, Listing and Admission to Trading**

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 Covered Bonds issued under the Programme (other than VPS Covered Bonds) during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. No such application has been made in respect of the VPS Covered Bonds. Accordingly, the CSSF would not be the competent authority in respect of such VPS Covered Bonds.

Applications may, however, be made to list VPS Covered Bonds on the Oslo Stock Exchange or on the Alternative Bond Market operated by Oslo Børs. Any such applications will be in accordance with applicable laws and regulations governing the listing of VPS Covered Bonds on the Oslo Stock Exchange or on the Alternative Bond Market from time to time.

Covered Bonds issued under the Programme 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(s) in relation to each Series. Covered Bonds which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Governing Law**

The Covered Bonds and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law, except that the provisions of the Covered Bonds under (in the case of Covered Bonds other than VPS Covered Bonds) Condition 2 and (in the case of VPS Covered Bonds) VPS Condition 2(a), 11, 12 and 13 will be governed by, and construed in accordance with, Norwegian law.

VPS Covered Bonds must comply with the Norwegian Act of 15 March 2019 no. 6 on Central Securities Depositories (the "CSD Act"), which implements Regulation (EU) no. 909/2014 (CSDR) into Norwegian law, and, to the extent

applicable, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64, as amended from time to time and the holders of VPS Covered Bonds 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.

### **Selling Restrictions**

There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area (including Norway), the United Kingdom, Japan, Switzerland and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds.

See "Subscription and Sale" below.

### **United States Selling Restrictions and Foreign Account Tax Compliance withholding**

For United States securities law and tax purposes only, the Issuer is a Category 2 issuer under Regulation S. Bearer Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), unless the Bearer Covered Bonds are issued in circumstances in which the Bearer Covered Bonds will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

### **Risk Factors**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme. These are set out under "Risk Factors" on page 8.

## FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in bearer form, registered form or, in the case of VPS Covered Bonds, uncertificated book-entry form.

Each Tranche of Bearer Covered Bonds will initially be represented by a Temporary Bearer Global Covered Bond without Coupons, Receipts or Talons (each as defined in "Terms and Conditions of the Covered Bonds") which will (i) if the global Covered Bonds are intended to be issued in NGCB form, as specified in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a Common Depository for, Euroclear and Clearstream, Luxembourg. Interests in the Temporary Bearer Global Covered Bond will be exchanged either for interests in a Permanent Bearer Global Covered Bond or, where specified in the applicable Final Terms (subject to such notice period as is specified in the Final Terms), for definitive Bearer Covered Bonds on or after the date (the "**Exchange Date**") which is the later of (i) 40 days after the Temporary Bearer Global Covered Bond is issued and (ii) 40 days after completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue). Such exchange will be made only upon delivery of written certification to Euroclear and/or Clearstream, Luxembourg, as the case may be, to the effect that the beneficial owner of such Covered Bonds is not a U.S. person or other person who has purchased such Covered Bonds for resale to, or on behalf of, U.S. persons and Euroclear and/or Clearstream, Luxembourg, as the case may be, has given a like certification (based on the certification it has received) to the Fiscal Agent.

If an interest or principal payment date for any Covered Bonds occurs whilst such Covered Bonds are represented by a Temporary Bearer Global Covered Bond, the related interest or principal payment will be made only to the extent that certification of non-U.S. beneficial ownership has been received as described in the last sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Bearer Global Covered Bond will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Covered Bond is improperly withheld or refused. Payments of principal or interest (if any) on a Permanent Bearer Global Covered Bond will be made through Euroclear or Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the Permanent Bearer Global Covered Bond if the Permanent Bearer Global Covered Bond is not intended to be issued in NGCB form) without any further requirement for certification. Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Covered Bonds" below) the Fiscal Agent shall arrange that, where a further Tranche of Covered Bonds is issued, the Covered Bonds of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Covered Bonds of any other Tranche of the same Series until at least expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

The applicable Final Terms will specify that either (i) a Permanent Bearer Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Covered Bonds with, where applicable, Receipts, Coupons and Talons attached upon 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 Bearer Global Covered Bond) to the Fiscal Agent as described therein or (ii) a Permanent Bearer Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Covered Bonds with, where applicable, Receipts, Coupons and Talons attached only upon the occurrence of an Exchange Event as described therein. "**Exchange Event**" means (i) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders is available or (ii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (Taxation) which would not be required were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive bearer form and a certificate to such effect signed by two Directors of the Issuer has been given to the Fiscal Agent. The Issuer will promptly give notice to Covered Bondholders in

accordance with Condition 12 (Notices) 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 Bearer Global Covered Bond) or the Covered Bondholders may give notice to the Fiscal 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 Fiscal Agent and the Covered Bondholders requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Fiscal Agent.

As long as the Covered Bonds are represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond and Euroclear and/or Clearstream, Luxembourg so permit, the Covered Bonds will be tradable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000 notwithstanding that no definitive Covered Bonds will be issued with a denomination above €199,000.

The following legend will appear on all Permanent Bearer Global Covered Bonds and definitive bearer Covered Bonds, Coupons, Receipts and Talons which have an original maturity of more than 365 days:

"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 Permanent Bearer Global Covered Bonds and definitive bearer Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Permanent Bearer Global Covered Bonds and definitive bearer Covered Bonds, receipts or coupons.

Unless otherwise provided with respect to a particular Series of Registered Covered Bonds, the Registered Covered Bonds of each Tranche of such Series offered and sold in reliance on Regulation S, may only be offered or sold to non-U.S. persons outside the United States in accordance with Regulation S, will initially be represented by a Reg S Global Covered Bond which will be deposited with a common depository for, and registered in the name of a common nominee of, DTC or common safekeeper as the case may be, for the accounts of Euroclear and Clearstream, Luxembourg. Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Covered Bonds, beneficial interests in a Reg S Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 9 (Transfer and Exchange of Registered Covered Bonds) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Reg S Global Covered Bond will bear a legend regarding such restrictions on transfer.

Registered Covered Bonds of each Tranche of such Series may only be offered or sold in the United States or to or for the account or benefit of U.S. persons who are QIBs in accordance with Rule 144A. The Registered Covered Bonds of each Tranche sold to QIBs will be represented by a Restricted Global Covered Bond which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Covered Bonds in fully registered form.

Payments of principal on the Registered Covered Bonds will be made on the relevant payment date to the persons shown on the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in Brussels) immediately prior to the relevant payment date. Payments of interest on the Registered Covered Bonds will be made on the relevant payment date to the person in whose name such Covered Bonds are registered on the Record Date (as defined in Condition 4(b) (Presentation of Covered Bonds, Receipts and Coupons)) immediately preceding such payment date.

Payments of the principal of, and interest (if any) on, the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the Registered Global

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

For so long as any of the Covered Bonds are represented by a global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Registered Global Covered Bond or so long as the Covered Bond is a VPS Covered Bond, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg or DTC or Euronext VPS, as the case may be, as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee or Euronext VPS as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VPS Covered Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a Bearer Global Covered Bond, the bearer of the relevant Global Bearer Covered Bond or, in the case of Covered Bonds where DTC or its nominee is the registered holder of a Registered Global Covered Bond, DTC or its nominee shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond (and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly).

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg.

No beneficial owner of an interest in a Registered Global Covered Bond will be able to exchange or transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Each Tranche of VPS Covered Bonds will be issued in uncertificated and dematerialised book-entry form. Legal title to the VPS Covered Bonds will be evidenced by book entries in the records of Euronext VPS. Issues of VPS Covered Bonds will be issued with the benefit of the VPS Agency Agreement and the VPS Trustee Agreement. On the issue of such VPS Covered Bonds, the Issuer will send a letter to the Fiscal Agent, with copies sent to the other Paying Agents and the VPS Trustee (the "**VPS Letter**"), which letter will set out the terms of the relevant issue of VPS Covered Bonds in the form of Final Terms attached thereto. On delivery of a copy of such VPS Letter including the applicable Final Terms to Euronext VPS and notification to Euronext 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 Euronext VPS with a nominal amount of VPS Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Covered Bonds in Euronext VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Covered Bonds will take place in accordance with the rules and procedures for the time being of Euronext VPS.

Any reference herein to Euroclear and/or Clearstream, Luxembourg, DTC and/or Euronext VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders.

The Issuer may agree with any Dealer that Covered Bonds may be issued in a form not contemplated by the Terms and the Conditions of the Covered Bonds, in which case (if such Covered Bonds are intended to be listed) a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Issuer will notify the ICSDs and the Paying Agents upon issue whether the Covered Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with one of the ICSDs as common safekeeper (and in the case of registered Covered Bonds, registered in the name of a nominee of one of the

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

## FORM OF FINAL TERMS

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

**[IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds 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 United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making the Covered Bonds available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making the Covered Bonds available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a distributor) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.



**[SINGAPORE SFA PRODUCT CLASSIFICATION:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Covered Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>1</sup>

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

[Date]

**Sparebanken Vest Boligkreditt AS**

**Legal entity identifier (LEI): 5967007LIEEXZX6AO004**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]  
under the €12,000,000,000 Covered Bond Programme**

**PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 May 2021 [and the supplement[s] to the Base Prospectus dated [date] which [together] constitute[s] a base prospectus for the purposes of Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Copies of the Base Prospectus [as so supplemented] are available for viewing, free of charge, at the registered office of the Issuer and on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[The following alternative language applies if the first Tranche of a Series 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 Conditions (the "**Conditions**") set forth in the Base Prospectus dated [6 May 2020] [23 May 2019][11 April 2018][23 March 2017][18 March 2016][20 March 2015][28 March 2014][22 March 2013][26 March 2012][9 March 2011][23 February 2010][17 November 2008] which are incorporated by reference in the Base Prospectus dated 5 May 2021 [and the Supplement to the Base Prospectus dated [●]] ([together,] the **Prospectus**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated [●] 2021 [and the supplement[s] to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Copies of the Base Prospectus [as so supplemented] are available for viewing, free of charge, at the registered office of the Issuer and on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) Series which Covered Bonds will be consolidated and form a single Series with: [●]/[Not Applicable]

---

<sup>1</sup> For any Covered Bonds to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Covered Bonds pursuant to Section 309B of the SFA prior to the launch of the offer.

- (iv) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: [●]/[Issue Date]/[Not Applicable]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount of Covered Bonds admitted to trading: [●]  
 Series: [●]  
 Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]
5. (i) Specified Denominations: [●]  
 (As referred to under Condition 1)  
 (ii) Calculation Amount: [●]
6. (i) Issue Date: [●]  
 (ii) Interest Commencement Date: [●]  
 (a) Period to Maturity Date: [●]  
 (b) Period from Maturity Date up to Extended Maturity Date: [Not Applicable] [Maturity Date]
7. (i) Maturity Date: [[●] Interest Payment Date falling in or nearest to]  
 (ii) Extended Maturity Date: [Applicable/Not Applicable]  
 [[●]/Interest Payment Date falling in or nearest to [●]]  
 (see paragraph [17] below)  
 See Conditions 3(d) and 5(j).]
8. Interest Basis:  
 (As referred to under Condition 3)  
 (i) Period to (and including) Maturity Date: [[●] per cent. Fixed Rate]  
 [[SONIA/ EURIBOR/NIBOR/STIBOR] +/- [●] per cent.  
 Floating Rate]  
 [Zero Coupon]  
 (see paragraphs [13, 14, 15] below)  
 (ii) Period from (but excluding) Maturity Date up to (and including) Extended Maturity Date: [Not Applicable]  
 [[●] per cent. Fixed Rate]  
 [[SONIA/ EURIBOR/NIBOR/STIBOR] +/- [●] per cent.  
 Floating Rate]  
 (see paragraphs [16, 17] below)
9. Redemption/Payment Basis: [●] per cent. of the nominal amount  
 (Condition 5 (other than Condition 5(a)))
10. Change of Interest Basis or Redemption/Payment Basis: [Not applicable] [from Fixed to Floating] [from Floating to Fixed]

(As referred to under Conditions 3 and 5(j))

11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[see paragraphs [18, 19] below]
12. Method of distribution: [Syndicated/Non-syndicated]
13. U.S selling restrictions: [Rule 144A/Regulation S]

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

14. Fixed Rate Covered Bond Provisions:  
(As referred to under Condition 3(a)) [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [●] per cent. per annum payable  
[annually/semi-annually/quarterly] in arrear on each  
Interest Payment Date]
- (ii) Interest Payment Date(s): [[●] in each year from (and including) [●] up to (and  
including) the Maturity Date] [●]
- (iii) Fixed Coupon Amount(s): [[●] per Calculation Amount] [Not Applicable]
- (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest  
Payment Date falling [in/on] [●]] [Not Applicable]
- (v) Day Count Fraction (subject to  
paragraph 30): [Actual/Actual (ICMA)]  
[30/360]
- (vi) Determination Date(s): [●] in each year/[Not Applicable]
15. Floating Rate Covered Bond Provisions:  
(As referred to under Condition 3(b)) [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest  
Payment Dates: [●]  
[Floating Rate Convention/Following Business Day  
Convention/Modified Following Business Day  
Convention/Preceding Business Day Convention ]
- (ii) Business Day Convention: [●]
- (iii) Additional Business Centre(s): [●]
- (iv) Manner in which the Rate of Interest and  
Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the  
Rate of Interest and Interest Amount (if  
not the Fiscal Agent): [●]
- (vi) Screen Rate Determination:  
Reference Rate: [●] month [Compounded Daily  
SONIA/EURIBOR/NIBOR/STIBOR]  
Relevant Financial Centre: [London/Brussels/Norway]
- Reference Rate and Relevant  
Financial Centre: [●]
- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- SONIA Lag Period (p) [5 / [●] London Banking Days] [Not Applicable]

*((p) shall not be less than five London Business Days, unless otherwise agreed with the Principal Paying Agent as set out in Condition 3(b)(ii))*

	–	Observation Period	[Lag][Lock-out][Shift]
(vii)		ISDA Determination:	[Applicable/Not Applicable]
	–	Floating Rate Option:	[●]
	–	Designated Maturity:	[●]
	–	Reset Date:	[●]
(viii)		Margin(s):	[+/-][●] per cent. per annum
(ix)		Minimum Rate of Interest:	[●] per cent. per annum
(x)		Maximum Rate of Interest:	[●] per cent. per annum
(xi)		Day Count Fraction:	[Actual/Actual (ISDA) Actual/Actual (ICMA) Actual/365 Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 360/360 Bond Basis 30E/360 Eurobond Basis 30E/360(ISDA)]
16.		Zero Coupon Covered Bond Provisions: (As referred to under Condition 3(b))	[Applicable/Not Applicable]
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 5(e)(iii) and 5(j) apply]
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(v)	Additional Business Centre(s):	[●]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (FROM MATURITY DATE UP TO EXTENDED MATURITY DATE)**

17.		Fixed Rate Covered Bond Provisions: (See Conditions 3(a), 3(d) and 5(j))	[Applicable/Not Applicable]
-----	--	---	-----------------------------

- (i) Rate(s) of Interest: [Not Applicable] [●] per cent. per annum payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [Not Applicable] [[●] in each month from (and including [●]) up to (and including) the Extended Maturity Date ]
- (iii) Fixed Coupon Amount(s): [Not Applicable] [●] per Calculation Amount
- (iv) Broken Amount(s): [Not Applicable] [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction (subject to paragraph 30): [Not Applicable] [Actual/Actual (ICMA)] [30/360]
- (vi) Determination Date(s): [[●] in each year /Not Applicable]
- (vii) Business Day Convention: [●]
18. Floating Rate Covered Bond Provisions: [Applicable/Not Applicable]  
(See Conditions 3(b), 3(d) and 5(j))
- (i) Specified Period(s)/Specified Interest Payment Dates: [Not Applicable] [●]
- (ii) Business Day Convention: [Not Applicable] [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [Not Applicable] [●]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Not Applicable] [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent): [Not Applicable] [●]
- (vi) Screen Rate Determination: [Not Applicable]
- Reference Rate and Relevant Financial Centre: Reference Rate: [●] month [Compounded Daily SONIA /EURIBOR/NIBOR/STIBOR]  
Relevant Financial Centre: [London/Brussels/Norway]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - SONIA Lag Period (*p*) [5 / [●] London Banking Days] [Not Applicable]  
*((p) shall not be less than five London Business Days, unless otherwise agreed with the Principal Paying Agent as set out in Condition 3(b)(ii))*
  - Observation Period [Lag][Lock-out][Shift]
- (vii) ISDA Determination: [[Applicable/Not Applicable]
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (viii) Margin(s): [Not Applicable] [+/-][●] per cent. per annum

- (ix) Minimum Rate of Interest: [Not Applicable] [●] per cent. per annum
- (x) Maximum Rate of Interest: [Not Applicable] [●] per cent. per annum
- (xi) Day Count Fraction: [Not Applicable]  
 [Actual/Actual (ICMA)]  
 Actual/Actual (ISDA)  
 Actual/365  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 30/360  
 360/360  
 Bond Basis  
 Eurobond Basis [30E/360 (ISDA)][30E/360]  
 (See Condition 3)

### PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Applicable/Not Applicable]  
 (As referred to under Condition 5(c))
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [[●] per Calculation Amount]
- (iii) If redeemable in part: [Applicable/Not Applicable]
- (iv) Minimum Redemption Amount: [●] per Calculation Amount
- (v) Higher Redemption Amount: [●] per Calculation Amount
20. Investor Put: [Applicable/Not Applicable]  
 (As referred to under Condition 5(d))
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [[●] per Calculation Amount/[●]]
21. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default: [Condition 5(e) is applicable] [[●] per Calculation Amount]  
 (As referred to under Condition 5(e))

### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22. Form of Covered Bonds:
- (i) Form: [Bearer Covered Bonds:  
 Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Definitive Bearer Covered Bonds [on not less than 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Bearer Global Covered Bond exchangeable for Definitive Covered Bonds on and after the Exchange Date on [●] days' notice given at any time]

[Registered Covered Bonds: Reg S Global Covered Bond [●] nominal amount registered in the name of a nominee for DTC/a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream Luxembourg/Rule 144A Global Covered Bond [●] nominal amount registered in the name of a nominee for DTC/a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream Luxembourg/Definitive Registered Covered Bonds (*specify nominal amounts*)]

[VPS Covered Bonds issued in uncertificated book-entry form]

- (ii) New Global Covered Bond: [Yes] [No]
23. Additional Financial Centre(s): [●]/[Not Applicable]  
(As referred to under Condition 4(c))
24. Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupons payments are still to be made/No.]  
(As referred to under the Introduction to the Conditions of the Covered Bonds)
25. Redenomination applicable: Redenomination [not] applicable
26. Whether TEFRA D rules applicable or TEFRA rules not applicable [TEFRA D/TEFRA not applicable]

**THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

.....  
By: [●]  
*Duly authorised*

## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

- (i) Listing: [Official list of the Luxembourg Stock Exchange.]/ [Not Applicable.]
- (ii) Admission to trading: [Application [is expected to be]/[has been] made for the Covered Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [●].]/[Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS:

The Covered Bonds [have been] [are expected to be] assigned the following ratings:

[Moody's: [●]]

(endorsed by Moody's Deutschland GmbH)

[Not Applicable]

Moody's Investor Service Ltd. is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**).

*[To include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

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

### 4. YIELD: (Fixed Rate Covered Bonds only) [●]/[Not Applicable]

Indication of yield:

### 5. OPERATIONAL INFORMATION:

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) CFI: [[●], 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: [[●], 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) [(Insert here any other relevant codes such as CUSIP and CINS codes)]: [Not Applicable/given name(s) and number(s)]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): [[●]/Not Applicable]/ *Verdipapirsentralen, Norway*. Organisation number: [●]. The Issuer shall be entitled to obtain certain information from the register maintained by Euronext VPS for the purposes of performing its obligations under the issue of VPS Covered Bonds.]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [●][Not Applicable]
- (ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered Covered Bonds*] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered Covered Bonds*]. Note that this does not necessarily mean that the Covered Bonds 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.]

- (x) Prohibition of Sales to EEA Retail Investors: [Applicable][Not Applicable]
- (If the Covered Bonds clearly do not constitute “packaged” products or the Covered Bonds do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Covered Bonds may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (xi) Prohibition of Sales to UK Retail Investors: [Applicable][Not Applicable]
- (If the Covered Bonds clearly do not constitute “packaged” products or the Covered Bonds do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Covered Bonds may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified)*
- (xii) Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]]. As at the date hereof, [[administrator legal name][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by [ESMA/the Financial Conduct Authority] pursuant to [Article 36][Article 2] of the [EU][UK] Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the [EU][UK] Benchmarks Regulation]/[Not Applicable]

**6. REASONS FOR THE OFFER:**

- (i) Use of Proceeds
- [General Business Purposes][Green Bonds][●]
- (See “Use of Proceeds” wording in the Base Prospectus – if reasons for the offer are different from general business purposes and/or Green Bonds, will need to include those reasons here.)*

## DTC INFORMATION — REGISTERED COVERED BONDS

DTC will act as securities depository for the Reg S Global Covered Bonds and the Restricted Global Covered Bonds. The Reg S Global Covered Bonds and the Restricted Global Covered Bonds will be issued as fully registered securities registered in the name of Cede & Co. The deposit of such Covered Bonds with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Registered Covered Bonds; DTC's records reflect only the identity of the participants to whose accounts such Covered Bonds are credited, which may or may not be the beneficial owners of the Registered Covered Bonds.

DTC has advised the Issuer as follows:

The Depository Trust Company (“**DTC**”), New York, NY, will act as securities depository for the Covered Bonds. The Covered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Covered Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Covered Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Covered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Covered Bonds, except in the event that use of the book-entry system for the Covered Bonds is discontinued.

To facilitate subsequent transfers, all Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Covered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Covered Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Covered Bonds

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Covered Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Covered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Covered Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

## **TERMS AND CONDITIONS OF THE COVERED BONDS (OTHER THAN THE VPS COVERED BONDS)**

*The following are the Terms and Conditions of the Covered Bonds (other than VPS Covered Bonds) (the "**Conditions**") which will be incorporated by reference into each global Covered Bond and each definitive Covered Bond, 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(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Sparebanken Vest Boligkreditt AS (the "**Issuer**") pursuant to an amended and restated Agency Agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 17 November 2008 between the Issuer and the Fiscal Agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented from time to time, the "**Deed of Covenant**") dated 17 November 2008 executed by the Issuer in relation to the Covered Bonds.

References herein to the "**Covered Bonds**" shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;
- (ii) (in the case of Bearer Covered Bonds) definitive Bearer Covered Bonds issued in exchange (or part exchange) for a global Covered Bond;
- (iii) (in the case of Registered Covered Bonds) definitive Registered Covered Bonds; and
- (iv) any global Covered Bond,

and shall exclude Covered Bonds cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* ("**VPS Covered Bonds**" and Euronext "**VPS**", respectively).

The fiscal agent, the paying agents, the registrar, the exchange agents, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Exchange Agents**", the "**Transfer Agents**" and the "**Calculation Agent(s)**".

Interest-bearing definitive Bearer Covered Bonds have interest coupons ("**Coupons**") and, if specified in the applicable Final Terms, 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. Definitive Bearer Covered Bonds repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Covered Bonds, in definitive or global form, do not have Receipts or Coupons attached on issue.

The final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms which are attached to or endorsed on this Covered Bond which completes these terms and conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which are attached to or endorsed on this Covered Bond.

In these Conditions, "**Covered Bondholders**" means the holders for the time being of the Covered Bonds, and such expression shall, in relation to any Covered Bonds represented by a global Covered Bond; "**Receiptholders**" means the holders of the Receipts; and "**Couponholders**" means the holders of the Coupons, and such expression shall, unless the context otherwise requires, include the holders of Talons).

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

Copies of the Agency Agreement and the Deed of Covenant are obtainable during normal business hours at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents. Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity. If this Covered Bond is admitted to trading on the Official List of the Luxembourg Stock Exchange's regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

#### **1. Form, Denomination and Title**

The Covered Bonds are in bearer form ("**Bearer Covered Bonds**") or registered form ("**Registered Covered Bonds**") as specified in the applicable Final Terms and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s), provided that in the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Covered Bonds). Save as provided in Condition 9 (Transfer and Exchange of Registered Covered Bonds), Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and vice versa. Bearer Covered Bonds or Registered Covered Bonds may not be exchanged for VPS Covered Bonds and vice versa.

This Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Where the applicable Final Terms specifies that an Extended Maturity Date applies to a Series of Covered Bonds, those Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate Covered Bonds, Floating Rate Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

This Covered Bond may be an Instalment Covered Bond, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds and an Extended Maturity Date is not specified in the applicable Final Terms to the relevant Series of Covered Bonds, in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Covered Bonds, Receipts and Coupons will pass by delivery and title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and the Replacement Agent (as defined in the Agency Agreement), the Registrar, any Transfer Agent and any Paying Agent may deem and treat the bearer of any Bearer Covered Bond, Receipt or Coupon and the registered holder of any Registered Covered Bond 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 Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph, and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly.

For so long as any of the Covered Bonds is represented by a bearer global Covered Bond held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or for so long as The Depository Trust Company ("**DTC**") or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a bearer global Covered Bond, the bearer of the relevant bearer global Covered Bond or, in the case of a Registered Global Covered Bond registered in the name of DTC or its nominee, DTC or its nominee shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond and the expressions "**Covered Bondholder**" and "**holder of Covered Bonds**" and related expressions shall be construed accordingly.

Covered Bonds which are represented by a global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

## **2. Status of the Covered Bonds and Overcollateralisation**

### *(a) Status of the Covered Bonds*

The Covered Bonds are unsubordinated obligations issued in accordance with Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II (the "**Financial Undertakings Act**") and appurtenant regulations and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority as debt instruments issued pursuant to the Financial Undertakings Act. To the extent that claims in relation to the Covered Bonds, the VPS Covered Bonds and relating derivative

contracts are not met out of the assets of the Issuer that are covered in accordance with the Financial Undertakings Act, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer.

(b) *Overcollateralisation*

For so long as the Covered Bonds are outstanding, the value (as calculated in accordance with the Financial Undertakings Act and appurtenant regulations) of the Cover Pool entered into the Register with respect to the Covered Bonds shall at all times be a minimum of 102 per cent. of the outstanding principal amount of the Covered Bonds (including any VPS Covered Bonds then outstanding) and any other covered bonds issued by the Issuer (taking into account the effects of relevant derivative contracts) provided that 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 pursuant to this Condition 2(b).

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

**3. Interest**

(a) *Interest on Fixed Rate Covered Bonds*

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

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(s) so specified.

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

If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, 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 in accordance with this Condition 3(a):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
  - (A) in the case of Covered Bonds 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 Covered Bonds 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.

In these Conditions:

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

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

(b) *Interest on Floating Rate Covered Bonds*

(i) Interest Payment Dates

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

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

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

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day 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) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

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

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

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

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Covered Bonds

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 Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent under an interest rate swap transaction if the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent were acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2002 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 Covered Bonds (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**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Covered Bonds

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 which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 paragraph (i) above, no offered quotation appears or, in the case of paragraph (ii) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Reference Banks Agent shall request each of the Reference Banks (as defined below) to provide the Reference Banks 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 Reference Banks 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, and notified in writing to the Agent and the Issuer, by the Reference Banks Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Reference Banks 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 Reference Banks Agent determines, and notifies in writing to the Agent and the Issuer, 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 Reference Banks 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 Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Norwegian inter-bank offered rate (if the Reference Rate is NIBOR) or the Stockholm inter-bank offered rate (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 Reference Banks 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 Reference Banks Agent it is quoting to leading banks in the the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 3(b)(ii)(B):

**Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and, in the case of a determination of a Reference Rate other than EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the interbank market of the Relevant Financial Centre, in each case selected by the Issuer on the advice of an investment bank of international repute.

**Reference Banks Agent** means an independent investment bank, commercial bank, stockbroker, financial institution or adviser with appropriate expertise appointed by the Issuer at its own expense.

**Reference Rate** means, as specified in the Final Terms the Euro-zone interbank offered rate (EURIBOR), in each case for the relevant currency and for the relevant period (if applicable), as specified for each in the Final Terms.

**Relevant Financial Centre** means the financial centre specified as such in the Final Terms or if none is so specified in the case of a determination of EURIBOR, Brussels..

**Specified Time** means the time specified as such in the Final Terms or if none is so specified in the case of a determination of EURIBOR, 11.00 a.m., in each case in the Relevant Financial Centre.

- (C) Screen Rate Determination for Floating Rate Covered Bonds referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the relevant Final Terms as being "Compounded Daily SONIA", the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the applicable Margin.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Interest Accrual Period and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Observation Period;

"**d<sub>o</sub>**" is (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, the number of London Banking Days in the relevant Interest Accrual Period and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, for any Observation Period, the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day of (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, Interest Accrual Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, the Observation Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Observation Period**" means the period from (and including) the date falling "**p**" London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "**p**" London Banking Days prior to the Interest Payment Date for such Interest Accrual Period;

"**n<sub>i</sub>**" for any London Banking Day, means the number of calendar days from (and including) such London Banking Day "**i**" up to (but excluding) the following London Banking Day;

"**p**" means, the number of London Banking Days as they may be specified in the applicable Final Terms being a minimum of five London Business Days, unless otherwise agreed with the Principal Paying Agent;

"**SONIA<sub>i-pLBD</sub>**" means where "Lag" is specified in the relevant Final Terms as the Observation Method, in respect of any London Banking Day falling in the relevant Interest Accrual Period the SONIA reference rate for the London Banking Day falling "**p**" London Banking Days prior to the relevant London Banking Day "**i**"; and where "Shift" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, SONIA<sub>i</sub>; and

the "**SONIA reference rate**", in respect of any London Banking Day ("**LBD<sub>x</sub>**"), is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such LBD<sub>x</sub> as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following LBD<sub>x</sub>.

#### *Fallback provisions*

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent

(or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) has been notified of any Alternative Benchmark Rate pursuant to Condition 3(e), if applicable, the SONIA reference rate in respect of such London Banking Day shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent (or such other party responsible for the calculating the Rate of Interest as set out in the relevant Final Terms) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA; for the purpose of the relevant Series of Covered Bonds for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

- (1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
- (2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Covered Bonds for the first scheduled Interest Accrual Period had the Covered Bonds been in issue for a period equal in duration to the first scheduled Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Accrual Period).

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Covered Bonds becomes due and payable following an event of default, shall be the date on which such Covered Bonds become due and payable).

If the relevant Series of Covered Bonds becomes due and payable following an event of default, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Covered Bonds become so due and payable, and such Rate of Interest shall continue to apply to the Covered Bonds for so long as interest continues to accrue thereon as provided in the Agency Agreement.

- (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 Condition 3(b)(ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest Rate.

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

The Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable per Calculation Amount in respect of the Floating Rate Covered Bonds for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, 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 in accordance with this Condition 3(b):

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (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" 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);
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) 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;
- (v) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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



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

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

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

(v) Notification of Rate of Interest and Interest Amounts

The Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, 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, (in the case of the Calculation Agent) the Fiscal Agent, each of the other Paying Agents, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds 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 12 (Notices) as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) 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 Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 12 (Notices). 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.

(vi) Certificates to be Final

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

(c) *Accrual of Interest*

Subject as provided in Condition 3(d) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Conditions.

(d) *Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*

(i) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in

accordance with Condition 5(j) (Extension of Maturity up to Extended Maturity Date), the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date, subject to Condition 3(e) (Accrual of Interest). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 3(d)(ii) on the principal amount outstanding of the Covered Bonds in arrear on the Interest Payment Date in each month after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date. The final Interest Payment Date shall fall no later than the Extended Maturity Date.

- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 5(j) (Extension of Maturity up to Extended Maturity Date), the rate of interest payable from time to time in respect of the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.
- (iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 3(d) the principal amount outstanding 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.
- (iv) This Condition 3(d) shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those Covered Bonds is automatically extended up to the Extended Maturity Date in accordance with Condition 5(j) (Extension of Maturity up to Extended Maturity Date).

(e) *Benchmark Replacement*

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount)) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the relevant Original Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) and notify the Paying Agent, Calculation Agent, Fiscal Agent no later than five (5) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)). The Issuer shall notify the Paying Agents once an Independent Adviser has been appointed;

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Original Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Original Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Original Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page or able to provide notice to the Paying Agent, Calculation Agent and Fiscal Agent of any Successor Rate, Alternative Benchmark Rate or Alternative Relevant Screen Page five (5) business days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Original Reference Rate applicable to such Interest Period shall be equal to the Original Reference Rate for a term equivalent to the Relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (including a EURIBOR Interest Determination Date) (as applicable) (though substituting, where a different Margin is to be applied to the 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);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to these confirmations, including but not limited to, the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Original Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which

changes shall apply to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)); and

- (vii) the Issuer shall no later than five (5) Business Days prior to the relevant Interest Determination Date following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (v) and (vi) above to the Calculation Agent, the Fiscal Agent and the holders.

Notwithstanding any other provision of this Condition 3(e), if in the Calculation Agent, the Fiscal Agent, the Paying Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3(e), the Calculation Agent, the Fiscal Agent, the Paying Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent, the Fiscal Agent, the Paying Agent in writing as to which alternative course of action to adopt. If the Calculation Agent, the Fiscal Agent, the Paying Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent, the Fiscal Agent, the Paying Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such Benchmark Amendments shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consent. Definitions for the purposes of this Condition 3(e):

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

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

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

- (a) the relevant Original Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the relevant Original Reference Rate that it will cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or

- (c) a public statement by the supervisor of the administrator of the relevant Original Reference Rate that such Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant Original Reference Rate that means that such Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences;
- (e) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the relevant Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (f) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used;

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

**Original Reference Rate** means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purposes of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Covered Bonds; or
- (ii) any Successor Rate or Alternative Benchmark Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 3(e);

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

#### 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 (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, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country

of such Specified Currency (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 or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 6 (Taxation); 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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). References to "**Specified Currency**" will include any successor currency under applicable law.

(b) *Presentation of Covered Bonds, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in Condition 4(a) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds 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 only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal in respect of definitive Bearer Covered Bonds (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 4(a) above against presentation and surrender (or in the case of part payment of any sum due only, 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(a) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of the relevant definitive Bearer Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Covered Bond to which it appertains. Receipts presented without the definitive Bearer Covered Bonds to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Covered Bond 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.

Except as provided below, all payments of interest and principal with respect to Bearer Covered Bonds will be made at such paying agencies outside the United States as the Issuer may appoint from time to time and to accounts outside the United States.

Fixed Rate Covered Bonds in definitive bearer form (other than any Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 6 (Taxation)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7 (Prescription)) 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 Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing 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 Covered Bond or Long Maturity Covered Bond in definitive bearer form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Covered Bond**" is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond 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 Covered Bond.

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

Payments of principal and interest (if any) in respect of Covered Bonds represented by any bearer global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds and otherwise in the manner specified in the relevant bearer global Covered Bond against presentation or surrender, as the case may be, of such bearer global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such bearer global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg or DTC, 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 Covered Bond.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

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

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Covered Bonds (whether in definitive or global form) will be made in the manner provided in Condition 4(a) above to the persons in whose name such Covered Bonds are registered at (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Covered Bonds at the specified office of the Registrar or a Transfer Agent in Luxembourg.

Payments of interest due on a Registered Covered Bond (whether in definitive or global form) and payments of instalments (if any) of principal on a Registered Covered Bond, other than the final instalment, will be made in the manner specified in Condition 4(a) to the person in whose name such Covered Bond is registered at (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, the close of business on the 15th day (whether or not such 15th day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "**Record Date**")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Covered Bonds is required by credit or transfer as referred to in Condition 4(a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

(c) *Payment Day*

If the date for payment of any amount in respect of any Covered Bond, 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 is (subject to Condition 7 (Prescription)):

- (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) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and 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 Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6 (Taxation);
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(e) (Early Redemption Amounts)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Agency Agreement.

**5. Redemption and Purchase**

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at par (the **Final Redemption Amount**) in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 12 (Notices), the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect

that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

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

If Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

- (i) not less than 15 nor more than 30 days' notice to the Covered Bondholders in accordance with Condition 12 (Notices); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Fiscal Agent and (in the case of a redemption of Registered Covered Bonds) the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the minimum redemption amount specified in the relevant Final Terms (the "**Minimum Redemption Amount**") or not more than a Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed ("**Redeemed Covered Bonds**") will be selected individually by lot without involving any part only of a Bearer Covered Bond, in the case of Redeemed Covered Bonds represented by definitive Covered Bonds, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or the DTC in the case of Redeemed Covered Bonds represented by a global Covered Bond, in each case 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 Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 12 (Notices) not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Calculation Amount, and the aggregate nominal amount of Redeemed Covered Bonds represented by a global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant global Covered Bond 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(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 12 (Notices) at least five days prior to the Selection Date.

(d) *Redemption at the Option of the Covered Bondholders (Investor Put)*

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

If this Covered Bond is in definitive form and held outside Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver such Covered Bond at the specified office of any Paying Agent, in the case of Bearer Covered Bonds, or any Transfer Agent or the Registrar in the case of Registered Covered Bonds at any time during normal business hours of such Paying Agent, Transfer Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

If this Covered Bond is represented by a global Covered Bond or is a Covered Bond in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, within the notice period, give notice to the Fiscal Agent or the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or DTC (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg or DTC, as the case may be, from time to time and, if this Covered Bond is represented by a global Covered Bond in bearer form, at the same time present or procure the presentation of the relevant global Covered Bond to the Fiscal Agent for notation accordingly.

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

(e) *Early Redemption Amounts*

For the purpose of Condition 5(b) above, the Covered Bonds will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Covered Bonds with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Covered Bonds (other than Zero Coupon Covered Bonds but including Instalment Covered Bonds) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Covered Bonds, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"**RP**" means the Reference Price per Calculation Amount;

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

"**y**" is a fraction the numerator of which is 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 Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360.

(f) *Instalments*

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(e) above.

(g) *Purchases*

The Issuer, Sparebanken Vest or any of their respective subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

(h) *Cancellation*

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Covered Bonds, all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled (together, in the case of definitive Bearer Covered Bonds, with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Fiscal Agent.

(i) *Late payment on Zero Coupon Covered Bonds*

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a), 5(b), 5(c) or 5(d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition (e)(iii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 12 (Notices).

(j) *Extension of Maturity up to Extended Maturity Date*

- (i) An Extended Maturity Date may be specified in the applicable Final Terms as applying to each Series of Covered Bonds.
- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem all of those Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically extended up to but no later than the Extended Maturity Date. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date. The Issuer shall give to the Covered Bondholders (in accordance with Condition 12 (Notices)) and the Paying Agents, notice of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date.
- (iii) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 5(j) the principal amount outstanding 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.
- (iv) Any extension of the maturity of Covered Bonds under this Condition 5(j) shall be irrevocable. Where this Condition 5(j) applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 5(j) shall not constitute an event of

default for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions.

- (v) In the event of the extension of the maturity of Covered Bonds under this Condition 5(j), interest rates, interest periods and interest payment dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 3(d) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date).
- (vi) If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.
- (vii) If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 5(j), for so long as any of those Covered Bonds remains in issue, the Issuer shall not issue any further covered bonds, unless the proceeds of issue of such further covered bonds are applied by the Issuer on issue in redeeming in whole or in part the relevant Covered Bonds in accordance with the terms hereof.
- (viii) This Condition 5(j) shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).
- (ix) For the avoidance of doubt, Clause 14 of the Agency Agreement ("Clause 14") imposes an obligation on:
  - (1) the Issuer to notify the Fiscal Agent of the Issuer's intention with respect to redemption of the Covered Bonds on, or extension of, the Maturity Date no later than three Business Days (as defined in Clause 14) prior to the Maturity Date of the Covered Bonds;
  - (2) the Fiscal Agent to notify Euroclear and Clearstream, Luxembourg of the Issuer's instructions under (1) above promptly upon receipt thereof (and in any event by no later than three Business Days (as defined in Clause 14) prior to the Maturity Date of the Covered Bonds; and
  - (3) the Fiscal Agent to notify Euroclear and Clearstream, Luxembourg of the Issuer's intention to redeem the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to (and including) the Extended Maturity Date promptly upon receipt of the Issuer's notification as required under this Condition 5(j).

## **6. Taxation**

All payments of principal and interest in respect of the Covered Bonds, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond, Receipt or Coupon:

- (i) presented for payment in Norway; or

- (ii) presented for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Covered Bond, Receipt or Coupon; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4(c) (Payment Day)).

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar, as the case may be, 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 Covered Bondholders in accordance with Condition 12 (Notices).

## 7. **Prescription**

The Covered Bonds (whether in bearer, registered or uncertificated book-entry form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6 (Taxation)) 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(b) (Presentation of Covered Bonds, Receipts and Coupons) or any Talon which would be void pursuant to Condition 4(b) (Presentation of Covered Bonds, Receipts and Coupons).

## 8. **Replacement of Covered Bonds, Receipts, Coupons and Talons**

Should any Covered Bond, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement 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 Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 9. **Transfer and Exchange of Registered Covered Bonds**

### (a) *Form of Registered Covered Bonds*

Registered Covered Bonds of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"), will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the "**Reg S Global Covered Bond**"), deposited with a custodian for, and registered in the name of a nominee of, DTC or common safekeeper as the case may be for the accounts of Euroclear and Clearstream, Luxembourg. Covered Bonds in definitive form issued in exchange for Reg S Global Covered Bonds or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Reg S Global Covered Bonds, are referred to herein as "**Reg S Covered Bonds**". Beneficial interests in a Reg S Global Covered Bond may be held only through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC, including Euroclear or Clearstream, Luxembourg.

Registered Covered Bonds of each Tranche sold in the United States or to or for the account or benefit of U.S. persons who are qualified institutional buyers within the meaning of and in reliance on Rule 144A under the Securities Act ("**QIBs**") will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the "**Restricted Global Covered Bond**" and, together with the Reg S Global Covered

Bond, the "**Registered Global Covered Bonds**"), deposited with a custodian for, and registered in the name of a nominee of, DTC. Covered Bonds in definitive form issued in exchange for Restricted Global Covered Bonds or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Covered Bonds, are referred to herein as "**Restricted Covered Bonds**".

Registered Covered Bonds in definitive form and Restricted Covered Bonds shall bear the legend set forth in the Restricted Global Covered Bond (the "**Legend**"), such Covered Bonds being referred to herein as "**Legended Covered Bonds**". Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 9(f) (Exchanges and transfers of Registered Covered Bonds generally)) deliver only Legended Covered Bonds or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in this Condition 9, Registered Covered Bonds in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Covered Bonds of like aggregate nominal amount.

(b) *Exchange of interests in Registered Global Covered Bonds for Registered Covered Bonds in definitive form*

Interests in the Reg S Global Covered Bond and the Restricted Global Covered Bond will be exchangeable for Registered Covered Bonds in definitive form if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Covered Bond or (ii) if applicable, DTC ceases to be a "**Clearing Agency**" registered under the Securities Exchange Act of 1934 or the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced its intention permanently to cease business or has in fact done so, and a successor depositary or alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholders is not available, or (iii) a payment default has occurred and is continuing with respect to such Covered Bonds, or (iv) if the applicable Final Terms so permit, a written request for one or more Registered Covered Bonds in definitive form is made by a holder of a beneficial interest in a Registered Global Covered Bond; provided that in the case of (iv) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Covered Bonds in definitive form to be delivered provided that, notwithstanding the above, no Reg S Covered Bonds in definitive form will be issued until the expiry of the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the "**Distribution Compliance Period**").

(c) *Transfers of Restricted Global Covered Bonds*

Transfers of a Registered Global Covered Bond shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(d) *Transfers of interests in Reg S Covered Bonds*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg S Covered Bond to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the

specified office of the Registrar or any Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities law of any state of the United States,

and, in each case, in accordance with any applicable securities laws or “blue sky” laws of any state or other jurisdiction of the United States.

In the case of (i) above, such transferee may take delivery through a Legended Covered Bond in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Reg S Covered Bonds may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(e) *Transfers of interests in Legended Covered Bonds*

Transfers of Legended Covered Bonds or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg S Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws or “blue sky” laws of any state or other jurisdiction of the United States.

Covered Bonds transferred to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Covered Bonds which are the subject of such a transfer to be represented by the appropriate Registered Global Covered Bond, where applicable.

(f) *Exchanges and transfers of Registered Covered Bonds generally*

Registered Covered Bonds may not be exchanged for Bearer Covered Bonds and vice versa.

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.

Transfers of beneficial interests in Registered Global Covered Bonds will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will be transferable and exchangeable for Covered



Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the "**Applicable Procedures**").

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Fiscal Agent and the Registrar, or as the case may be, the relevant Transfer Agent prescribe, including any restrictions imposed by the Issuer on transfers of Registered Covered Bonds originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three Business Days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Covered Bond in definitive form for an interest in, or to a person who takes delivery of such Covered Bond through, a Registered Global Covered Bond will be made no later than 60 days after the receipt by the Registrar or as the case may be, relevant Transfer Agent of the Registered Covered Bond in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

*(g) Registration of transfer upon partial redemption*

In the event of a partial redemption of Covered Bonds under Condition 5 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

*(h) Closed Periods*

No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered during the period of 30 days ending on the due date for any payment of principal or interest on that Covered Bond.

*(i) Costs of exchange or registration*

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Covered Bondholder) will be borne by the Issuer.

**10. Fiscal Agent, Paying Agents, Transfer Agents and Registrar**

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

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

- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent), in the case of Bearer Covered Bonds, and a Transfer Agent (which may be the Registrar), in the case of Registered Covered Bonds, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a specified office in a city in continental Europe outside Norway;
- (iii) there will at all times be a Fiscal Agent;
- (iv) there will at all times be a Transfer Agent having a specified office in a place approved by the Fiscal Agent; and
- (v) so long as any of the Registered Global Covered Bonds are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the eleventh paragraph of Condition 4(b) (Presentation of Covered Bonds, Receipts and Coupons).

Notice of any variation, termination, appointment or change will be given to the Covered Bondholders promptly in accordance with Condition 12 (Notices).

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 Covered Bondholders, 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.

## **11. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal 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 Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 7 (Prescription).

## **12. Notices**

All notices regarding the Covered Bonds shall be published (i) in a leading English language daily newspaper of general circulation in London and, (ii) if and for so long as the Covered Bonds are admitted to trading on the regulated market and listed on the Official List of the Luxembourg Stock Exchange, either in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). It is expected that any such publication in a newspaper will be made (i) in the *Financial Times* or any other daily newspaper in London and (ii) either in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg or on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Covered Bonds are for the time being listed or by which they have been admitted to listing. 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 each such newspaper or where published in such newspapers on different dates, the last date of such first publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Fiscal Agent shall approve.

Until such time as any definitive Covered Bonds are issued, there may (provided that, in the case of Covered Bonds listed on a stock exchange, the rules of such stock exchange (or other relevant authority) permit), so long as the global Covered Bond(s) is or are held in its/their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, for communication by them to the holders of the Covered Bonds. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be.

Notices to be given by any holder of the Covered Bonds shall be in writing and given by lodging the same, together with the relative Covered Bond or Covered Bonds, with the Fiscal Agent. Whilst any of the Covered Bonds is represented by a global Covered Bond, such notice may be given by any holder of a Covered Bond to the Fiscal Agent and/or Registrar via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Fiscal Agent and/or Registrar and/or Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

### **13. Meetings of Covered Bondholders**

The Agency Agreement contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds, 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 or the Covered Bondholders if required in writing by Covered Bondholders holding not less than 5 per cent. in nominal amount of the Covered Bonds for the time being remaining outstanding (as defined in the Agency Agreement). 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 Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Covered Bonds, Receipts or Coupons or the Agency Agreement (including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement), or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement). An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

### **14. Further Issues**

Save where to do so would adversely affect the credit rating of the then outstanding Covered Bonds, the Issuer shall be at liberty from time to time without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further covered bonds ("**Further Covered Bonds**") having terms and conditions the same as the Covered Bonds 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 Covered Bonds.

These Further Covered Bonds, even if they are treated for non-tax purposes as part of the same series as the original Covered Bonds, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the Further Covered Bonds may be considered to have been issued with "original issue discount" ("**OID**") for U.S. federal income tax purposes, even if the original Covered Bonds had no OID, or the Further Covered Bonds may have a greater amount of OID than the original Covered Bonds. These differences may affect the market value of the original Covered Bonds if the Further Covered Bonds are not otherwise distinguishable from the original Covered Bonds.

**15. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

**16. Provision of Information**

For so long as any Covered Bonds remain outstanding and are "**restricted securities**" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any holder of, or beneficial owner of an interest in, such Covered Bonds in connection with any resale thereof and to any prospective purchaser designated by such holder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

**17. Governing law and submission to jurisdiction**

- (a) The Covered Bonds, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 2 are governed by, and shall be construed in accordance with, Norwegian law.
- (b) The Issuer agrees, for the exclusive benefit of the Covered Bondholders, the Receiptholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds, the Receipts and/or the Coupons, including a dispute relating to any non-contractual obligations in connection with the Covered Bonds, the Receipts and the Coupons, and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Covered Bonds, the Receipts and/or the Coupons may be brought in such courts (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds, the Receipts and/or the Coupons).

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 courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

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.

The Issuer appoints DNB Bank ASA at its London branch for the time being at 8th Floor, The Walbrook Building 25 Walbrook, London EC4N 8AF as its agent for service of process, and undertakes that, in the event of DNB Bank ASA ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Fiscal Agent 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.

## TERMS AND CONDITIONS OF THE VPS COVERED BONDS

*The following are the Terms and Conditions of the VPS Covered Bonds (the "VPS Conditions"). VPS Covered Bonds will not be evidenced by any physical covered bond or document of title other than statements of account made by Euronext VPS. Ownership of VPS Covered Bonds will be recorded and transfer effected only through the book-entry system and register maintained by Euronext VPS. Part A of the applicable Final Terms in relation to any Tranche of VPS Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following VPS Conditions, replace or modify the following VPS Conditions for the purpose of such VPS Covered Bonds. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant VPS Covered Bonds.*

This VPS Covered Bond is one of a Series (as defined below) of VPS Covered Bonds issued by Sparebanken Vest Boligkreditt AS (the "**Issuer**") pursuant to an agency agreement (as amended or supplemented from time to time, the "**VPS Agency Agreement**") dated 17 November 2008 between the Issuer and Sparebanken Vest (the "**VPS Agent**", which expression shall include any successor as VPS Agent).

References herein to the "**VPS Covered Bonds**" shall be references to the VPS Covered Bonds of this Series and shall mean Covered Bonds cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* ("**VPS Covered Bonds**" and **Euronext "VPS"**, respectively).

The VPS Covered Bonds have the benefit of a trustee agreement (such trustee agreement as modified and/or supplemented and/or restated from time to time, the "**VPS Trustee Agreement**") originally dated 17 November 2008 and as amended and restated on 23 March 2017, made between the Issuer and Nordic Trustee AS (the "**VPS Trustee**", which expression shall include any successor as VPS Trustee).

The VPS Trustee, the VPS Agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**VPS Trustee**", the "**VPS Agent**" and the "**Calculation Agent**". Each Tranche of VPS Covered Bonds will be created and held in uncertificated book-entry form in accounts with Euronext VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with Euronext VPS in respect of VPS Covered Bonds.

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

The VPS Trustee acts for the benefit of the VPS Covered Bondholders in accordance with the provisions of the VPS Trustee Agreement and these VPS Conditions.

In these VPS Conditions, "**VPS Covered Bondholders**" means the holders for the time being of the VPS Covered Bonds; the "**Terms and Conditions of the Covered Bonds**" means the terms and conditions of Covered Bonds (other than the VPS Covered Bonds) issued by the Issuer pursuant to the amended and restated agency agreement (and as amended or supplemented from time to time) dated 11 April 2018 entered into between the Issuer and the fiscal agent and the other agents named therein (such agency agreement, the "**Agency Agreement**"); "**Covered Bonds**" means (i) Bearer Covered Bonds (as defined in the Terms and Conditions of the Covered Bonds) and Registered Covered Bonds (as defined in the Terms and Conditions of the Covered Bonds) issued by the Issuer pursuant to the Agency Agreement, and (ii) VPS Covered Bonds; and "**Covered Bondholders**" shall have the meaning ascribed to it under the Terms and Conditions of the Covered Bonds.

As used herein, "**Tranche**" means VPS Covered Bonds which are identical in all respects (including as to listing) and "**Series**" means a Tranche of VPS Covered Bonds together with any further Tranche or Tranches of VPS Covered Bonds

which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the VPS Trustee Agreement and the VPS Agency Agreement are obtainable during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway. Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer, the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee save that, if this VPS Covered Bond 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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the applicable Final Terms will only be obtainable by a VPS Covered Bondholder holding one or more VPS Covered Bonds and such VPS Covered Bondholder must produce evidence satisfactory to the Issuer, the VPS Agent and/or the VPS Trustee as to its holding of such VPS Covered Bonds and identity. The VPS Covered Bondholders are deemed to have notice of all the provisions of the VPS Trustee Agreement, the VPS Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Trustee Agreement and the VPS Agency Agreement.

Words and expressions defined in the VPS Trustee Agreement, 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 any 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 Covered Bonds are in uncertificated book-entry form in the Specified Currency and the Specified Denomination(s), provided that in the case of any VPS Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant VPS Covered Bonds). VPS Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds, Euronext VPS or otherwise, of another Specified Denomination. VPS Covered Bonds will be registered with a separate securities identification code in Euronext VPS.

VPS Covered Bonds may not be exchanged for Bearer Covered Bonds or Registered Covered Bonds and vice versa.

This VPS Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Where the applicable Final Terms specifies that an Extended Maturity Date applies to a Series of VPS Covered Bonds, those VPS Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate Covered Bonds, Floating Rate Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

This VPS Covered Bond may be an Instalment Covered Bond, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

The holder of a VPS Covered Bond will be the person evidenced as such by a book entry in the records of Euronext VPS. Title to the VPS Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at Euronext VPS in accordance with the rules and procedures of Euronext VPS. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Covered Bond.

For so long as the Covered Bond is a VPS Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euronext VPS as the holder of a particular nominal amount of such VPS Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such VPS Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by such clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such VPS Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the VPS Trustee and the VPS Agent as the holder of such nominal amount of such VPS Covered Bonds for all purposes.

VPS Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of Euronext VPS.

## **2. Status of the VPS Covered Bonds and Overcollateralisation**

### *(a) Status of the VPS Covered Bonds*

The VPS Covered Bonds are unsubordinated obligations issued in accordance with Act No. 17 of 10 April 2015 on Financial Undertakings and Financial Groups, Chapter 11, Sub-chapter II (the "**Financial Undertakings Act**") and appurtenant regulations and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority of claim to the Cover Pool as covered bonds (*obligasjoner med fortrinnsrett*) issued pursuant to the Financial Undertakings Act and appurtenant regulations. To the extent that claims in relation to the VPS Covered Bonds, other Covered Bonds and relating derivative contracts are not met out of the assets of the Issuer that are covered in accordance with the Financial Undertakings Act, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer.

### *(b) Overcollateralisation*

For so long as the VPS Covered Bonds are outstanding, the value (as calculated in accordance with the Financial Undertakings Act and appurtenant regulations) of the Cover Pool entered into the Register with respect to the VPS Covered Bonds and any Covered Bonds which are not VPS Covered Bonds shall at all times be a minimum of 102 per cent. of the outstanding principal amount of the VPS Covered Bonds (including any Covered Bonds which are not VPS Covered Bonds) and any other covered bonds issued by the Issuer (taking into account the effects of relevant derivative contracts) provided that 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 pursuant to this Condition 2(b).

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

## **3. Interest**

### *(a) Interest on Fixed Rate Covered Bonds*

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

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(s) so specified.

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

If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit 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 in accordance with this VPS Condition 3(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (A) in the case of VPS Covered Bonds 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 Covered Bonds 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.

In these VPS Conditions:

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

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

(b) *Interest on Floating Rate Covered Bonds*

- (i) Interest Payment Dates



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

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

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

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day 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 VPS Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation

to interest payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Covered Bonds

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 VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent under an interest rate swap transaction if the VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent were acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2002 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 VPS Covered Bonds (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 either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**") the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

(B) Screen Rate Determination for Floating Rate Covered Bonds

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 which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent for

the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such VPS Covered Bonds will be determined as provided in the applicable Final Terms.

(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 Condition 3(b)(ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest Rate.

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

The VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable per Calculation Amount in respect of the Floating Rate Covered Bonds for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, 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 in accordance with this VPS Condition 3(b):

- (i) if "Actual/365" 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;
- (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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) Notification of Rate of Interest and Interest Amounts

The VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, 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 Trustee, (in the case of the Calculation Agent) the VPS Agent, the VPS Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and Euronext VPS (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with VPS Condition 11 (Notices) as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) 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 Covered Bonds are for the time being listed and to the VPS Covered Bondholders in accordance with VPS Condition 10 (Notices). 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 Euronext VPS in accordance with and subject to Euronext VPS rules and regulations for the time being in effect.

(vi) Determination or Calculation by VPS Agent

If for any reason at any relevant time where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent defaults in its obligation to determine the Rate of Interest or any Interest Amount in accordance with the above provisions or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with Condition 3(b)(iv) above, the VPS Agent 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 VPS 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 Agent shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(vii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this VPS Condition 3(b), whether by the VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the VPS Trustee, the VPS Agent and all VPS Covered Bondholders and (in the absence as aforesaid) no liability to the Issuer or the VPS Covered Bondholders, shall attach to the VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent or the VPS Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of Interest*

Subject as provided in VPS Condition 3(d) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the VPS Covered Bonds up to the Extended Maturity Date), each VPS Covered Bond (or in the case of the redemption of part only of a VPS Covered Bond, that part only of such VPS Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these VPS Conditions.

(d) *Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the VPS Covered Bonds up to the Extended Maturity Date*

- (i) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of VPS Covered Bonds and the maturity of those VPS Covered Bonds is extended beyond the Maturity Date in accordance with VPS Condition 5(j) (Extension of Maturity up to Extended Maturity Date), the VPS Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the VPS Covered Bonds are redeemed in full or the Extended Maturity Date, subject to VPS Condition 3(e) (Accrual of Interest). In that event, interest shall be payable on those VPS Covered Bonds at the rate determined in accordance with VPS Condition 3(d)(ii) on the principal amount outstanding of the VPS Covered Bonds in arrear on the Interest Payment Date in each month after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date.
- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of VPS Covered Bonds and the maturity of those VPS Covered Bonds is extended beyond the Maturity Date in accordance with VPS Condition 5(j) (Extension of Maturity up to Extended Maturity Date), the rate of interest payable from time to time in respect of the principal amount outstanding of the VPS Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the VPS Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.
- (iii) In the case of VPS Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this VPS Condition 3(d) the principal amount outstanding 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 VPS Conditions.

- (iv) This VPS Condition 3(d) shall only apply to VPS Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those VPS Covered Bonds (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those VPS Covered Bonds is automatically extended up to the Extended Maturity Date in accordance with VPS Condition 5(j) (Extension of Maturity up to Extended Maturity Date).

(e) *Benchmark Replacement*

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount)) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)). The Issuer shall notify the Paying Agents once an Independent Adviser has been appointed;
- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Original Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Original Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Original Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Original Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Original Reference Rate applicable to such Interest Period shall be equal to the Original Reference Rate for a term equivalent to the Relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (including a EURIBOR Interest Determination Date) (as applicable) (though substituting, where a different Margin is to be applied to the 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);

- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes these confirmations, including but not limited to, the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Original Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(e)); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Holders.

Definitions for the purposes of this Condition 3(e):

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

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

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

- (a) the relevant Original Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

- (b) a public statement by the administrator of the relevant Original Reference Rate that it will cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant Original Reference Rate that means that such Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences;
- (e) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the relevant Original Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (f) the making of a public statement by the supervisor of the administrator of 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 other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

Original Reference Rate means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purposes of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes; or
- (ii) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 3(e);

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the relevant Original Reference Rate which is formally recommended by any Relevant Nominating Body;

#### 4. Payments

##### (a) *Method of Payment*

Subject as provided below:



- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (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, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (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 or, at the option of the payee, by a euro cheque.
- (iii) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of VPS Condition 6 (Taxation); 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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). References to "**Specified Currency**" will include any successor currency under applicable law.

(b) *Payments in respect of VPS Covered Bonds*

Payments of principal and interest in respect of VPS Covered Bonds and notification thereof to VPS Covered Bondholders will be made to the VPS Covered Bondholders 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 Euronext VPS. The VPS Agent and any Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Covered Bondholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or any Calculation Agent and to appoint additional or other agents provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with Euronext VPS, (ii) one or more Calculation Agent(s) where the VPS Conditions so require and the applicable Final Terms specifies a Calculation Agent for so long as the related VPS Covered Bonds are outstanding and (iii) such other agents as may be required by any other stock exchange on which the VPS Covered Bonds 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 Covered Bondholders in accordance with VPS Condition 10 (Notices).

(c) *Payment Day*

If the date for payment of any amount in respect of any VPS Covered Bond 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 is (subject to VPS Condition 7 (Prescription)):

- (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) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business

(including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and 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 Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under VPS Condition 6 (Taxation);
- (ii) the Final Redemption Amount of the VPS Covered Bonds;
- (iii) the Early Redemption Amount of the VPS Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the VPS Covered Bonds;
- (v) in relation to VPS Covered Bonds redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in VPS Condition 5(e) (Early Redemption Amounts)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Covered Bonds.

Any reference in these VPS Conditions to interest in respect of the VPS Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under VPS Condition 6 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the VPS Agency Agreement.

**5. Redemption and Purchase**

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each VPS Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

The VPS Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this VPS Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this VPS Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the VPS Trustee and the VPS Agent and, in accordance with VPS Condition 10 (Notices), the VPS Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the VPS Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in VPS Condition 6 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the VPS Covered Bonds; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this VPS Condition, the Issuer shall deliver to Euronext VPS, the VPS Trustee and the VPS Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

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

If Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

- (i) not less than 15 nor more than 30 days' notice to the VPS Covered Bondholders in accordance with VPS Condition 10 (Notices); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the VPS Trustee and the VPS Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of VPS Covered Bonds, the VPS Covered Bonds to be redeemed ("**Redeemed Covered Bonds**") will be selected in accordance with the rules and procedures of Euronext VPS in relation to such VPS Covered Bonds, such not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

(d) *Redemption at the Option of the VPS Covered Bondholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any VPS Covered Bond giving to the Issuer in accordance with VPS Condition 10 (Notices) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such VPS Covered Bond 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 Covered Bonds, the holder of the VPS Covered Bonds must, within the notice period, give notice to the VPS Agent and the VPS Trustee of such exercise in accordance with the standard procedures of Euronext VPS from time to time.

Any Put Notice given by a holder of any VPS Covered Bond pursuant to this paragraph shall be irrevocable.

(e) *Early Redemption Amounts*

For the purpose of Condition 5(b) above, the VPS Covered Bonds will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of VPS Covered Bonds with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of VPS Covered Bonds (other than Zero Coupon Covered Bonds but including Instalment Covered Bonds) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Covered Bonds, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"**RP**" means the Reference Price per Calculation Amount;

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

"**y**" is a fraction the numerator of which is 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 VPS Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Covered Bond becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) *Instalments*

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(e) above.

(g) *Purchases*

The Issuer, Sparebanken Vest or any of their respective subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account VPS Covered Bonds at any price in the open market or otherwise. Such VPS Covered Bonds purchased by or on behalf of the Issuer, Sparebanken Vest or any of their respective subsidiaries may be cancelled by causing such VPS Covered Bonds to be deleted from the records of Euronext VPS.

(h) *Cancellation*

All VPS Covered Bonds which are redeemed will forthwith be cancelled. The details of all VPS Covered Bonds so cancelled shall be deleted from the records of Euronext VPS and cannot be reissued or resold.

(i) *Late payment on Zero Coupon Covered Bonds*

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a), (b), (c) or (d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 5(e)(iii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the VPS Trustee or the VPS Agent and notice to that effect has been given to the VPS Covered Bondholders in accordance with VPS Condition 10 (Notices).

(j) *Extension of Maturity up to Extended Maturity Date*

- (i) An Extended Maturity Date may be specified in the applicable Final Terms as applying to each Series of VPS Covered Bonds.
- (ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of VPS Covered Bonds and the Issuer fails to redeem all of those VPS Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of the VPS Covered Bonds and the date on which such VPS Covered Bonds will be due and repayable for the purposes of these VPS Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the VPS Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give to the VPS Covered Bondholders (in accordance with VPS Condition 10 (Notices)), the VPS Trustee and the VPS Agent, notice of its intention to redeem all or any of the principal amount outstanding of the VPS Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or as applicable, the Extended Maturity Date or give rise to rights in any such person.
- (iii) In the case of VPS Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this VPS Condition 5(j) the principal amount outstanding 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 VPS Conditions.
- (iv) Any extension of the maturity of VPS Covered Bonds under this VPS Condition 5(j) shall be irrevocable. Where this VPS Condition 5(j) applies, any failure to redeem the VPS Covered Bonds on the Maturity Date or any extension of the maturity of VPS Covered Bonds under this VPS Condition 5(j) shall not constitute an event of default for any purpose or give any VPS Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant VPS Covered Bonds other than as expressly set out in these VPS Conditions.
- (v) In the event of the extension of the maturity of VPS Covered Bonds under this VPS Condition 5(j), interest rates, interest periods and interest payment dates on the VPS Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and VPS Condition 3(d) (Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the VPS Covered Bonds up to the Extended Maturity Date).
- (vi) If the Issuer redeems part and not all of the principal amount outstanding of VPS Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the VPS Covered Bonds and the principal amount outstanding on the VPS Covered Bonds shall be reduced by the level of that redemption.
- (vii) If the maturity of any VPS Covered Bonds is extended up to the Extended Maturity Date in accordance with this VPS Condition 5(j), subject as otherwise provided for in the applicable Final Terms, for so long as any of those VPS Covered Bonds remains in issue, the Issuer shall not issue any further VPS

Covered Bonds, unless the proceeds of issue of such further VPS Covered Bonds are applied by the Issuer on issue in redeeming in whole or in part the relevant VPS Covered Bonds in accordance with the terms hereof.

- (viii) This VPS Condition 5(j) shall only apply to VPS Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those VPS Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).

## 6. Taxation

All payments of principal and interest in respect of the VPS Covered Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the VPS Covered Bonds after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Covered Bonds in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Covered Bond:

- (i) presented for payment in Norway; or
- (ii) presented for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such VPS Covered Bond by reason of his having some connection with the Kingdom of Norway other than the mere holding of such VPS Covered Bond; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in VPS Condition 4(c) (Payment Day)).

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the holders of the VPS Covered Bonds 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 Covered Bondholders in accordance with VPS Condition 10 (Notices).

## 7. Prescription

The VPS Covered Bonds will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in VPS Condition 6 (Taxation)) therefor.

## 8. Transfer and Exchange of VPS Covered Bonds

### (a) *Transfers of Interests in VPS Covered Bonds*

Settlement of sale and purchase transactions in respect of VPS Covered Bonds will take place two Business Days after the date of the relevant transaction. VPS Covered Bonds may be transferred between accountholders at Euronext VPS in accordance with the procedures and regulations, for the time being, of Euronext VPS. A transfer of VPS Covered Bonds which is held in Euronext VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to Euronext VPS.

### (b) *Registration of transfer upon partial redemption*

In the event of a partial redemption of VPS Covered Bonds under VPS Condition 5 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any VPS Covered Bond, or part of a VPS Covered Bond, called for partial redemption.

(c) *Costs of registration and administration of Euronext VPS*

VPS Covered Bondholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to Euronext VPS, 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. VPS Agent and VPS Trustee**

The names of the initial VPS Agent and the initial VPS Trustee and their initial specified offices are set out below.

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

- (i) there will at all times be a VPS Agent authorised to act as an account operating institution with Euronext VPS and one or more Calculation Agent(s) where the VPS Conditions of the relevant VPS Covered Bonds so require and a VPS Trustee; and
- (ii) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a VPS Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Covered Bondholders in accordance with VPS Condition 10 (Notices).

In acting under the VPS Agency Agreement, the VPS Agent acts solely as agent of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any VPS Covered Bondholders.

**10. Notices**

Notices to the VPS Covered Bondholders shall be valid if the relevant notice is given to Euronext VPS for communication by it to the VPS Covered Bondholders and, so long as the VPS Covered Bonds are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date two days after delivery to Euronext VPS.

**11. Meetings of VPS Covered Bondholders**

(a) *Holders of VPS Covered Bonds*

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Covered Bondholders to consider any matter affecting their interests, including the sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) of a modification of the VPS Covered Bonds or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two-thirds of votes). Such a meeting may be convened by the VPS Trustee or at the request of the Issuer, Oslo Børs or the VPS Covered Bondholders holding not less than 10 per cent. in nominal amount of the VPS Covered Bonds for the time being outstanding. The quorum at any such meeting for passing a resolution is one or more persons holding not less than 50 per cent. in nominal amount of the VPS Covered Bonds for the time being outstanding or at any adjourned meeting one or more persons being or representing VPS Covered Bondholders whatever the nominal amount of the VPS

Covered Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Covered Bonds, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Covered Bonds or altering the currency of payment of the VPS Covered Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the VPS Covered Bonds 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 VPS Covered Bonds for the time being outstanding. A Resolution passed at any meeting of the VPS Covered Bondholders shall be binding on all the VPS Covered Bondholders, whether or not they are present at the meeting.

(b) *Modification*

The VPS Trustee Agreement provides that:

- (i) in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of Voting VPS Covered Bonds is required:
  - (A) modification of the Maturity Date of the VPS Covered Bonds specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;
  - (B) reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in relation to the VPS Covered Bonds or variation of the method of calculating the rate of interest in respect of the VPS Covered Bonds;
  - (C) reduction of any Minimum Interest Rate and/or Minimum Interest Rate specified in the applicable Final Terms;
  - (D) modification of the currency in which payments under the VPS Covered Bonds are to be made;
  - (E) modification of the majority requirement to pass a resolution in respect of the matters listed in this paragraph (i);
  - (F) any alteration of Clause 4.1(e) of the VPS Trustee Agreement (which sets out the matters for which a majority of two-thirds of votes is required);
  - (G) the transfer of rights and obligations under the VPS Conditions and the VPS Trustee Agreement to another Issuer; and/or
  - (H) a change of VPS Trustee;
- (ii) save as set out in Condition 11(b)(i) above, the VPS Trustee, without providing prior written notice to, or consultation with, the VPS Covered Bondholders may make decisions binding on all VPS Covered Bondholders relating to the VPS Conditions, the VPS Agency Agreement and the VPS Trustee Agreement including amendments which in the opinion of the VPS Trustee are not materially prejudicial to the interests of the VPS Covered Bondholders. The VPS Trustee shall as soon as possible notify the VPS Covered Bondholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary

**12. VPS Trustee**

Save where to do so would adversely affect the credit rating of the then outstanding Covered Bonds, 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 Covered Bondholders are deemed to have accepted and will be bound by the VPS Conditions and the terms of the VPS Trustee Agreement.



**13. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the VPS Covered Bondholders to create and issue further covered bonds ("**Further Covered Bonds**") having terms and conditions the same as the VPS Covered Bonds 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 Covered Bonds.

**14. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the VPS Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

**15. Governing law and submission to jurisdiction**

(a) The VPS Covered Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the provisions of the VPS Covered Bonds under VPS Condition 2, 11, 12, 13 are governed by, and shall be construed in accordance with, Norwegian law. VPS Covered Bonds must comply with the Norwegian Act of 15 March 2019 no. 6 on Central Securities Depositories (the "CSD Act"), which implements Regulation (EU) no. 909/2014 (CSDR) into Norwegian law, and, to the extent applicable, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 No. 64, as amended from time to time and the holders of VPS Covered Bonds 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. The VPS Trustee Agreement and the VPS Agency Agreement are governed by, and shall be construed in accordance with, Norwegian law.

(b) The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Covered Bondholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the VPS Covered Bonds including a dispute relating to any non-contractual obligations in connection with them and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the VPS Covered Bonds 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 courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this VPS 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.

The Issuer appoints DNB Bank ASA at its London branch for the time being at 8th Floor, The Walbrook Building 25 Walbrook, London EC4N 8AF as its agent for service of process, and undertakes that, in the event of DNB Bank ASA 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.

## OVERVIEW OF NORWEGIAN LEGISLATION RELATING TO COVERED BONDS (OBLIGASJONER MED FORTRINNSRETT)

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

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

On 13 January 2020, the Norwegian Financial Supervisory Authority ("**NFSA**") published a consultative paper relating to the implementation of the new EU legislation on covered bonds (being Directive (EU) 2019/2162 (the Covered Bond Directive) and Regulation (EU) 2019/2160, implementing certain amendments to Art. 129 of Regulation (EU) No 575/2013) (together, the **EU Covered Bond Reforms**), which will require certain amendments to the current Norwegian legislation on covered bonds. The new EU legislation shall be implemented no later than 8 July 2021 and take effect no later than 8 July 2022.

### Legislation

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

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

The Legislation provides that holders of covered bonds and counterparties under derivative 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, over a pool of certain security assets (the "**Cover Pool**"). Under Norwegian law, a domestic issuer of bonds (including covered bonds) must register such bonds in paperless book-entry form by registration in the Norwegian Central Securities Depository, Verdipapirsentralen ASA ("**Verdipapirsentralen**" or "**Euronext VPS**"), or another securities registry which is properly authorised or recognised by the NFSA as being entitled to register such bonds pursuant to Regulation (EU) No. 909/2014, unless such bonds are either (i) denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (ii) denominated in a currency other than NOK and offered or sold outside of Norway..

### The Register

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

bondholder will hold a preferential claim against. Where a Credit Institution has made two or more issues of covered bonds which have a preferential claim against different Cover Pools, then derivative contracts and substitute assets shall be registered and held in separate accounts for each Cover Pool.

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

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

### **Benefit of a prioritised claim**

Pursuant to the Financial Undertakings Act, if a Credit Institution which has issued covered bonds is placed under public administration or is liquidated, the holders of covered bonds issued by the Credit Institution and the counterparties to relevant derivative contracts entered into by the Credit Institution will have an exclusive, equal and *pro rata* prioritised claim against the Cover Pool. The prioritised claims will rank ahead of all other claims, save for claims relating to the fees and expenses of the administration board. According to the provisions of section 6-4 of the Norwegian Liens Act of 1980 and section 11-15 of the Financial Undertakings Act, a future administration board of the Credit Institution will have a first priority lien over all of the assets included in the Cover Pool, as security for fees and expenses incurred by the administration board in connection with the administration of the Credit Institution. Such statutory lien will rank ahead of the claims of holders of covered bonds and of the counterparties to the relevant derivative contracts, but will, however, be limited to 700 times the NOK 1,199 standard Norwegian court fee (i.e. NOK 839,400) in respect of each Cover Pool. Payment of expenses for operation, management, recovery and realisation of the Cover Pool may also be demanded before the covered bondholders and counterparties to related derivative contracts receive payment from the Cover Pool.

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

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

### **Cover Pool — composition of assets**

Pursuant to the Financial Undertakings Act, the Cover Pool may only consist of certain assets, including loans secured by various types of mortgages ("**Mortgages**"), loans granted to or guaranteed by certain governmental bodies ("**Public Sector Loans**"), receivables in the form of certain derivative contracts 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**") and, together with former, **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**") which has a minimum credit rating of Credit Quality Step 2.

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

Substitute assets may only consist particularly liquid and secure claims, 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 NFSA may approve an increase in the mentioned limit to 30 per cent. of the total value of the Cover Pool. The substitute assets must also meet certain risk category requirements under the Regulation in order to be included among the assets which form the basis for the value calculation of the Cover Pool.

The Cover Pool will not contain Asset-Backed Securities that do not comply with Article 80(1) of ECB/2014/60.

### **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.

Should a loan secured by Mortgages exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the Cover Pool.

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 Financial Undertakings Act, the value of substitute 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 derivative contracts 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 ceases to meet the requirements of the Financial Undertakings 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 Financial Undertakings Act and described below) of the value of the Cover Pool.

### **Overcollateralisation and Valuations**

The Legislation requires that the value of the Cover Pool at all times must exceed by at least 2 per cent of the aggregate value of covered bonds issued by the Credit Institution (taking into account the effects of relevant derivative contracts).

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

Defaulted loans shall be disregarded for purposes of the valuation, and loans provided to one single customer or secured by the same real estate property shall never count in excess of 5 per cent. of the aggregate balance of a cover pool.

The value of derivative contracts and substitute assets included in the Cover Pool shall be set by calculating the prudent market value of such assets, and in some cases by calculating the discounted present value of the asset. The NFSA may pass regulations specifying the discount interest to be applied.

Regulation (EU) 2019/2160 implementing certain amendments to Art. 129 of Regulation (EU) No 575/2013 requires that covered bond cover pools shall be subject to a minimum level of 5 per cent. of overcollateralisation. Member states of

the European Union (and, following the incorporation of Regulation (EU) 2019/2160 into the Agreement on the European Economic Area, member states of the EEA) may set a lower minimum level of overcollateralisation for covered bonds, but no lower than 2 per cent. based on the nominal principle.

The NFSA has proposed to replace the current Norwegian calculation method with the nominal principle, and to raise the minimum level of overcollateralisation to 5 per cent.

### **Balance and liquidity requirements**

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

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

Under the Covered Bond Directive, the cover pool liquidity buffer shall cover the maximum cumulative net liquidity outflow over the next 180 days. It can only consist of assets that qualify as level 1, level 2A or level 2B assets. Furthermore, the Credit Institution is required to maintain liquid assets exceeding projected net liquidity outflows over a period of 30 days under stressed conditions under Regulation (EU) 2015/61 (LCR Regulation).

### **Inspector**

An independent inspector (the "**Inspector**") shall be appointed by the NFSA prior to a Credit Institution issuing any covered bonds. The Inspector is required to monitor the Register, and shall review the Issuer's compliance with the Financial Undertakings Act's provisions relating to the Register, including those which govern the composition and the balance of the Cover Pool. Under the Covered Bond Directive, the Inspector is appointed by the covered bond issuer and the NFSA has proposed to amend the Norwegian legislation accordingly.

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

The Covered Bond Directive does not allow a covered bond issuer's external auditor to be appointed as Inspector and the NFSA has proposed an amendment to reflect this. The NFSA has also proposed to amend the current legislation to impose certain investor information and reporting duties on Credit Institutions operating as covered bond issuers.

### **Cover Pool administration in the event of public administration and winding-up of the issuer**

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

Public administration of the Credit Institution does not in itself give the institution's creditors the right to accelerate their claims.

If a Credit Institution which has issued covered bonds is placed under public administration pursuant to the Norwegian Financial Undertakings Act, and the Cover Pool meets the requirements of the Financial Undertakings Act and the Regulations, the Board shall ensure that, to the extent possible, the holders of covered bonds and counterparties to related derivative contracts receive timely payment of their respective claims, such payments being made from the Cover Pool for the duration of the administration of the Credit Institution.

If the Board is unable to make timely payments to the covered bondholders or the counterparties to relevant derivative contracts, the Board shall set a date for a halt to payments, and inform interested parties of this as soon as possible. If a halt to payments is initiated, the further administration of the Credit Institution will be conducted in accordance with general Norwegian bankruptcy legislation. The covered bondholders and counterparties to relevant derivative contracts will in such event continue to have a prioritised claim against the Cover Pool and the administration board shall consult with them in relation to any material decisions in respect of the administration of the Issuer. Any residual claims of the covered bondholders and counterparties to related derivative contracts will remain claims against the Credit Institution, but will rank pari passu with other unsecured and unsubordinated creditors of the Credit Institution. The Legislation provides that holders of covered bonds and counterparties under derivative 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, over a pool of certain security assets (the "**Cover Pool**").

### **Future Implementation of EU Covered Bond Reforms**

The EU Covered Bond Reforms shall be implemented into Norwegian law no later than 8 July 2021 and take effect no later than 8 July 2022 and will require certain amendments to the current Norwegian legislation on covered bonds and impose new requirements on Norwegian covered bond issuers such as, among other things, a new liquidity buffer requirement of 180 days and stricter requirements for the exercise of extendable maturity (also known as 'soft bullet') rights.

## USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will, unless otherwise specified in the relevant Final Terms, be applied/allocated by the Issuer as follows:

- (a) where “General Business Purposes” is specified in the relevant Final Terms, for its general business purposes; or
- (b) where “Green Bonds” is specified in the relevant Final Terms, to finance or re-finance, in whole or in part, Green Loans pursuant to a framework relating to investments in Green Loans or the issuance of Green Bonds which at such time has been published by the Issuer and made available on the Issuer’s website (<https://www.spv.no/om-oss/investor-relations/gronne-obligasjoner>) and which is in effect at the time of issuance of the Green Bonds (the **Issuer’s Green Bond Framework**).

“**Green Loans**” are loans and investments within the Green Loan categories set out in the Issuer’s Green Bond Framework. Such Green Loan categories are outlined in the Issuer’s Green Bond Framework and currently include those which relate to: clean transportation; renewable energy; transmission and energy storage; environmentally sustainable management of living natural resources and land use; green and energy efficient buildings; pollution prevention and control; sustainable water and wastewater management; and climate change adaption.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

## DESCRIPTION OF THE ISSUER

The Issuer of Covered Bonds under the Programme is Sparebanken Vest Boligkreditt AS. The Issuer is a wholly-owned subsidiary of Sparebanken Vest ("**Sparebanken Vest**").

The Issuer is a limited company incorporated under the laws of Norway and was originally established as a finance company on 21 May 2008. The Issuer's organisation number in the Brønnøysund Register Centre is 992 710 691, its registered office is Bergen and the place of registration is Norway. The Issuer's registered address is Jonsvollsgaten 2, 5011 Bergen, Norway and the Issuer's telephone number is +47 9150 5555. The Norwegian Financial Supervisory Authority ("**NFSA**") granted the Issuer licence to a Mortgage Credit Institution on 14 February 2008 and the NFSA gave its permission to start up the operation in the company on 7 July 2008.

The Issuer's objective is to acquire or purchase mortgages, which is primarily financed by issuing Covered Bonds. The Issuer arranges the purchase and transfer of mortgages from Sparebanken Vest or other Norwegian savings banks and markets the Covered Bonds to prospective investors.

### **Operations**

Mortgages are issued by Sparebanken Vest or other Norwegian savings banks. To obtain a mortgage, prospective borrowers must complete an application form which includes providing certain information about themselves, such as household income, current employment details, bank account information, current mortgage information (if any) and certain other personal information. Information on prospective borrowers' income is obtained from the public tax register and through a credit reference agency (Bisnode) search which details public information such as any economic related country court judgments and bankruptcy. An internal credit score is also generated by an automated system in respect of each applicant to assist in the process of their credit application.

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

The Issuer has entered into a transfer and servicing agreement with Sparebanken Vest to purchase and transfer Eligible Loans from Sparebanken Vest or other Norwegian savings banks to the Issuer (the "**Transfer and Servicing Agreement**"). The Transfer and Servicing Agreement provides that Sparebanken Vest will continue to be the servicer of all mortgages transferred to the Issuer and that Sparebanken Vest retains the responsibility for any demands made by a borrower in respect of its transferred Eligible Loan and for any losses incurred by a borrower due to operational errors by Sparebanken Vest.

In some instances where Sparebanken Vest is not adequately servicing the mortgages the servicing function may be transferred to a third party bank, either temporarily or permanently. The Transfer and Servicing Agreement can only be terminated by Sparebanken Vest provided that the Issuer consents to such termination.

In compliance with guidelines set by the Board of Directors, the Issuer places liquid assets in an amount at least equal to three months' worth of interest payments due on its issued covered bonds and related swaps, on a rolling basis, outside of the Sparebanken Vest Group.

### **Derivative arrangements**

The Issuer has entered into derivative arrangements with international banks and 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.



## Financial Information

The Issuer was initially established as a finance company in Bergen under the name Sparebanken Vest Boligkreditt AS and with a share capital of NOK 50mn. Operations commenced in August 2008 and the share capital has increased in seven steps. By 31 December 2020 the Issuer's registered share capital was NOK 4.65bn.

As at 31 December 2020, the Issuer has NOK 102.1bn in outstanding loans and has issued covered bonds worth NOK 93.3bn and has debt to financial undertakings of NOK 14.2bn.

The audited financial statements of the Issuer for the financial year ended 31 December 2020 are available in the Issuer's 2020 Annual Report prepared by the management are also available from the Issuer (see also "Documents incorporated by reference").

## Board of Directors

The Issuer's board of directors consists of four members elected by the annual shareholders' meeting. The Board of Directors have the overriding responsibility for the Issuer and set out the strategy, risk limits and other guidelines for the operation. The Board of Directors supervise the operation of the company through regular reporting from management, and reports and discussions with internal auditors as well as through external auditors and investigators appointed by the Norwegian FSA. The current directors are as follows:

Name	Occupation	Other Directorships
Frank Johannesen	Chairman (Chief Financial Officer of Sparebanken Vest)	
John Hopp	Director/Head of Treasury of Sparebanken Vest	
Hans Olav Ingdal	Head of economics Sparebanken Vest	
Inga Lise Lien Moldestad	Deputy Managing Director and Partner of Holberg Fondsforvaltning AS	Bergen Tomteselskap (Director) Holberg Forvaltning (Director) Ingasset (Chairman) Partner Forvaltning (Director)

The business address of the four members of the Issuer's board of directors is the registered address of the Issuer.

## Management

Fredrik Skarsvåg is the CEO and Managing Director of the Issuer. He has been the COO of Sparebanken Vest Boligkreditt since July 2008. The Managing Director is responsible for the day-to-day operation of the Issuer, and that the Issuer is compliant with all relevant laws and regulations, and operates in accordance with strategy, risk limits and other resolutions set by the Board of Directors. Fredrik Skarsvåg is a board member at Verd Boligkreditt AS, a small domestic covered bond company that was until 2020 operated by Sparebanken Vest, but Sparebanken Vest holds no shares. He has no roles or functions in Sparebanken Vest.

Karoline Opstad Strand is the Chief Operating Officer of the Issuer. Ms. Strand was formerly the Head of accounting and reporting in Kredittforeningen for Sparebanker and Eiendomskreditt.

The business address of each of Karoline Opstad Strand and Fredrik Skarsvåg is Jonsvollsgaten 2, 5011 Bergen, Norway.

## **Auditors**

Deloitte AS ("**Deloitte**") are the auditors of the Issuer since 18 March 2010 when the Sparebanken Vest Group changed auditors from PricewaterhouseCoopers. The auditor in charge is Jon-Osvold Harila. The responsible partners at Deloitte are members of the Norwegian Institute of Public Accountants.

Deloitte has also been appointed by the Financial Supervisory Authority of Norway as the independent Investigator pursuant to section 11-14, sub-section 1, of the Financial Undertakings Act.

## **Conflict of interest within administration, management and supervisory bodies**

Sparebanken Vest employs three of the four members of the Issuer's board of directors. However, since the Issuer is a wholly-owned subsidiary of Sparebanken Vest, and the Issuer's primary business will be to issue Covered Bonds under the Programme on behalf of Sparebanken Vest, there are no existing or potential conflicts of interest between any duties owed to the Issuer by its management and the private interests and/or other external duties owed by any director.

## **Material contracts**

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

## **Jurisdiction**

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

## SHAREHOLDERS

The Issuer is a wholly-owned subsidiary of Sparebanken Vest. Sparebanken Vest's equity consists of equity certificates ("ECs") which are publicly traded on the Oslo Stock Exchange, primary capital, the reserve for unrealised gains, other group equity and minority interests. ECs are very similar to shares in a bank, being traded and taxed according to the same statutory provisions. The ECs account for approximately 40% of the Bank's total equity. However, although the holders of the ECs are entitled as owners to any dividends paid, they do not give any rights to the assets of the bank. As of 12 March 2021, the largest owner of ECs in Sparebanken Vest was Sparebankstiftinga Hardanger which held 11.13% of the ECs issued, related to the merger of Sparebanken Hardanger. The twenty largest owners of ECs in sum accounted for 39.16% of the ECs issued.

The Issuer and its parent, Sparebanken Vest (the "**Lender**"), entered into a revolving credit facility agreement dated 26 January 2010 (as amended and restated on 22 March 2012 (the "**RCFA**")). The facility can be used by the Issuer to make repayment/prepayment of covered bonds issued by the Issuer and payment of connected derivative contracts. The facility available under the RCFA shall at all times be equal to the Issuer's payment obligations for the next 12 months in respect of covered bonds, including interest, principal and any connected derivative contracts entered into for hedging purposes. The facility is not limited to a specific maximum amount. The facility will be in place until a date falling not earlier than 3 months after the last maturity date of any covered bond issued by the borrower. The Lender may not declare outstanding amounts in default during the term of the facility. The Lender does not have any right to terminate the RCFA. The obligations owed by the Issuer towards the Lender under the RCFA, will be unsecured obligations of the Issuer ranking *pari passu* with other unsecured senior claims, but with no right to the assets in the cover pool of the Issuer. At the request of the Lender, the Issuer shall issue covered bonds to the Lender in an aggregate amount not exceeding any utilisation outstanding under the RCFA.

## DESCRIPTION OF THE SPAREBANKEN VEST GROUP

### Sparebanken Vest Group

Sparebanken Vest is an independent banking and financial services group based in Bergen in the Kingdom of Norway ("Norway"). Sparebanken Vest is the second oldest savings bank in Norway and its history goes back to 1823 when Bergen Sparebank was established. Sparebanken Vest was established in 1982 when Bergen Sparebank merged with 12 other savings banks in the Hordaland county. Sparebanken Vest was incorporated on 12 February 1823, for indefinite duration and operates under the Financial Undertakings Act and since 1982, Sparebanken Vest has merged with further savings banks in the Vestland and Rogaland counties.

Aside from the Issuer, Sparebanken Vest has one further subsidiary. Eiendomsmegler Vest AS is a major real estate broker company in the Bergen area.

In 1996, Sparebanken Vest was a founding member of the SpareBank1 Alliance. In October 2002, Sparebanken Vest decided to withdraw from the SpareBank1 Alliance with effect from 1 January 2004. Sparebanken Vest is now the largest independent regional bank in Norway.

### Sparebanken Vest

Sparebanken Vest is registered in Norway under number NO 832 554 332 and has its registered office at Jonsvollsgaten 2, 5011 Bergen, Norway, Phone +47 915 05555. Sparebanken Vest operates under the Financial Undertakings Act, and is under the supervision of the Financial Supervisory Authority of Norway. Sparebanken Vest carries a long-term rating of A1 with positive outlook and a short-term rating of P-1 from Moody's Investors Service.

### Principal activities

Sparebanken Vest's primary function is to supply financial and insurance services to customers in western Norway. Sparebanken Vest provides a full range of banking products and services to its retail customers and small and medium-sized corporate customers. These include deposits, loans and payments as well as cash management services.

Sparebanken Vest also distributes and sells a wide range of insurance, financing and savings-related products, such as fund management products, to its customer base. These products are supplied by the Frende insurance companies, Norne Securities and Brage Finans, (as described below).

The Sparebanken Vest Group consists of Sparebanken Vest, the Issuer and one other subsidiary Eiendomsmegler Vest AS, a major real estate broker company in the Bergen area.

### Market Position of the Sparebanken Vest Group

Retail Customers: With around 283,000 full service retail customers and 33 branches and offices firmly rooted in local market areas, Sparebanken Vest is a leading bank in Western Norway. Based on number of potential retail customers in the two counties of operations, Sparebanken Vest has a market share of around 18 per cent, exclusive Bulder Bank.

Corporate Customers: Sparebanken Vest has 13,100 full service corporate customers, which are mainly small and medium-sized companies. Sparebanken Vest currently has a market share of around 11 per cent. in Vestland and Rogaland based on number of customers.

### Strategic Objectives of the Sparebanken Vest Group

Sparebanken Vest's strategic goal is to be positioned as the leading and most preferred provider of financial services in Western Norway. Sparebanken Vest's goal is to be a full service bank providing banking, financing and insurance products to its customers through all channels (mobile banking, internet banking, call-centre and branch offices) In 2019 Sparebanken Vest introduced the first Norwegian sole mobile bank called Bulder Bank. Bulder Bank is not a separate bank with a separate banking licence, but is used as a brand for targeting customers outside our market area in Norway.

In the retail market, Sparebanken Vest's objective is to maintain its leading market position by providing the largest number of current accounts in its market areas and providing its retail clients with lifelong service. In addition to the constant effort to enhance the services Sparebanken Vest offers with respect to deposits, loans and payments, the degree of self-service continues to rise. In 2019 Sparebanken Vest launched Norway's first fully mobile bank services outside the market area through a brand called Bulder Bank. The products will be mainly mortgages and deposits.

Together with 15 other independent Norwegian savings banks Sparebanken Vest has established two insurance companies (Frende life and Frende non-life) which commenced operations in the first half of 2008, and a securities company, Norne Securities, in 2009. In 2020 ten more savings banks joined Frende.

In December 2010, Brage Finans, a new leasing/financing company, became operative. Sparebanken Vest twelve other independent savings banks own the company and it functions as a distribution platform for leasing savings banks products.

## **Board of Directors**

The board of directors of Sparebanken Vest consists of ten members. The current board members are as follows:

Arild Hugleik Bødal	Chairman
Magne Morken	Deputy Chairman
Christine Sagen Helgø	Board Member
Marianne Dorthea Jacobsen	Board Member
Birthe Kåfjord Lange	Board Member
Agnethe Brekke	Board Member
Gunnar Skeie	Board Member
Anne-Marit Hope	Employee Representative
Kristin Axelsen	Employee Representative
Henrik Gundersen	Employee Representative

The business address of the ten members of the board of directors of Sparebanken Vest is the registered address of the Sparebanken Vest.

## **Management**

Jan Erik Kjerpeseth is CEO and Managing Director of Sparebanken Vest since 31 October 2013. Mr Kjerpeseth joined Sparebanken Vest in 1999, and has previously been Deputy Managing Director in the period 2006 to 2013.

Siren Sundland is the Director of Strategy and digital distribution since 16 February 2021. Director of Operational Services since 21 December 2015. Director of HR and Corporate Communication since 2009. Joined the bank in 2007.

Ragnhild J.Fresvik is Director of Corporate Market since November 2013. Ms Fresvik joined Sparebanken Vest in 2012. She has been senior business developer, Head of IR and CFO.

Tina Ødegaard is Director of Organization and banking services since 16 February 2021. Director of Organization and Development since September 2017. Joined the bank in September 2017 and has extensive experience from working with organizational and cultural development in several business sectors.

Bjørg Marit Eknes is Director of Strategic Alliances since 16 February 2021. Director of Innovation and Customer Experience since February 2017. Director of Retail Market since 2015. Has worked for Sparebanken Vest since 1997.

Frank Johannesen is Chief Financial Officer since 27 September 2019. Joined the bank in 1985. Has a very wide-ranging banking background and has held various senior management positions in the bank.

Simen Løland Aarskog is Director of Retail Market South since 23 March 2020. He has worked for the bank since 2012 regional director at Sparebanken Vest with responsibility for the corporate market in Sunnhordland and Haugalandet.

Tore Dvergsdal Director of Retail Market North since 23 March 2020. Prior to his appointment Dvergsdal worked as regional director, and he has been an employee at Sparebanken Vest since 2014.

Jan Ståle Hatlebakk Chief Risk Officer since 27 September 2019. Previously he was Credit Risk Director since he joined the bank in 2015.

### **Auditors**

Deloitte AS ("**Deloitte**") are the auditors of Sparebanken Vest. The auditor in charge is Jon-Osvold Harlila. The responsible partners at Deloitte are members of the Norwegian Institute of Public Accountants.

### **Conflict of interest within administration, management and supervisory bodies**

Sparebanken Vest employs three of the four members of the Issuer's board of directors. However, since the Issuer is a wholly-owned subsidiary of Sparebanken Vest, and the Issuer's primary business will be to issue Covered Bonds under the Programme on behalf of Sparebanken Vest, Sparebanken Vest believes that it is unlikely that conflicts will arise.

### **Jurisdiction**

Sparebanken Vest is organised under the laws of the Kingdom of Norway.

## TAXATION

Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.

### UNITED STATES TAXATION

The following is an overview of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Covered Bonds by a U.S. Holder (as defined below). This overview does not address the material U.S. federal income tax consequences of every type of Covered Bond which may be issued under the Programme. This overview deals only with purchasers of Covered Bonds that are U.S. Holders and that will hold the Covered Bonds as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Covered Bonds by particular investors and does not address state, local, foreign or other tax laws. This overview also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Covered Bonds as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the overview deals only with Covered Bonds with a term of 30 years or less.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Covered Bonds that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Covered Bonds will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Covered Bonds by the partnership.

The overview is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. This overview does not address U.S. federal gift, estate or Medicare net investment tax considerations, special rules for the taxable year of inclusion for accrual basis taxpayers under Section 451(b) of the Code or non-U.S., state or local tax considerations.

Bearer Covered Bonds are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Covered Bond may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

Upon a benchmark discontinuation, the Issuer may change the reference rate in respect of the Floating Rate Covered Bonds to an alternative base rate (such change, a "**Base Rate Amendment**"). It is possible that a Base Rate Amendment will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be taxable to a U.S. Holder. A U.S. Holder should consult with their own tax advisors regarding the potential consequences of a Base Rate Amendment.

Recently released proposed Treasury regulations describe circumstances under which a Base Rate Amendment (or related adjustments to the interest rate on the Covered Bonds) would not be treated as a deemed exchange and would not affect the calculation of OID, provided certain conditions are met. It cannot be determined at this time whether the final Treasury regulations on this issue will contain the same standards as the proposed Treasury regulations.

This overview addresses Covered Bonds that will be treated as debt for U.S. federal income tax purposes, except as provided below.

THE OVERVIEW OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE COVERED BONDS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

## Payments of Interest

Interest on a Covered Bond, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "**foreign currency**"), other than interest on a "Discount Covered Bond" that is not "qualified stated interest" (each as defined below under "Original Issue Discount — General"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Covered Bonds and OID, if any, accrued with respect to the Covered Bonds (as described below under "Original Issue Discount") generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Covered Bonds.

## Original Issue Discount

### *General*

The following is an overview of the principal U.S. federal income tax consequences of the ownership of Covered Bonds issued with original issue discount ("**OID**"). The following overview does not discuss Covered Bonds that are characterized as contingent payment debt instruments for U.S. federal income tax purposes.

A Covered Bond, other than a Covered Bond with a term of one year or less (a "**Short-Term Covered Bond**"), will be treated as issued with OID (a "**Discount Covered Bond**") if the excess of the Covered Bond's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Covered Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Covered Bond if the excess of the Covered Bond's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Covered Bond's stated redemption price at maturity multiplied by the weighted average maturity of the Covered Bond. A Covered Bond's weighted average maturity is the sum of the following amounts determined for each payment on a Covered Bond (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Covered Bond's stated redemption price at maturity. Generally, the issue price of a Covered Bond will be the first price at which a substantial amount of Covered Bonds included in the issue of which the Covered Bond is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Covered Bond is the total of all payments provided by the Covered Bond that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Covered Bond that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), applied to the outstanding principal amount of the Covered Bond. Solely for the purposes of determining whether a Covered Bond has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Covered Bond, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Covered Bond. If a Covered Bond has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as stated principal payments are made on the Covered Bond, unless the holder makes the election described below under "—Election to Treat All Interest as Original Issue Discount". A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount



of the Covered Bond's *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Covered Bond.

U.S. Holders of Discount Covered Bonds must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Covered Bonds. The amount of OID includible in income by a U.S. Holder of a Discount Covered Bond is the sum of the daily portions of OID with respect to the Discount Covered Bond for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Covered Bond ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Covered Bond may be of any length selected by the U.S. Holder and may vary in length over the term of the Covered Bond as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Covered Bond occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Covered Bond's adjusted issue price at the beginning of the accrual period and the Discount Covered Bond's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Covered Bond allocable to the accrual period. The "adjusted issue price" of a Discount Covered Bond at the beginning of any accrual period is the issue price of the Covered Bond increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Covered Bond that were not qualified stated interest payments.

#### *Acquisition Premium*

A U.S. Holder that purchases a Discount Covered Bond for an amount less than or equal to the sum of all amounts payable on the Covered Bond after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Covered Bond immediately after its purchase over the Covered Bond's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Covered Bond after the purchase date, other than payments of qualified stated interest, over the Covered Bond's adjusted issue price.

#### *Short-Term Covered Bonds*

In general, an individual or other cash basis U.S. Holder of a Short-Term Covered Bond is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Covered Bonds on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Covered Bond will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Covered Bonds will be required to defer deductions for interest on borrowings allocable to Short-Term Covered Bonds in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Covered Bond are included in the Short-Term Covered Bond's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Covered Bond as if the Short-Term Covered Bond had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Covered Bond. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the Internal Revenue Service (the "**IRS**").

### *Market Discount*

A Covered Bond, other than a Short-Term Covered Bond, generally will be treated as purchased at a market discount (a "**Market Discount Covered Bond**") if the Covered Bond's stated redemption price at maturity or, in the case of a Discount Covered Bond, the Covered Bond's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Covered Bond by at least 0.25 per cent. of the Covered Bond's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Covered Bond's maturity (or, in the case of a Covered Bond that is an instalment obligation, the Covered Bond's weighted average maturity). If this excess is not sufficient to cause the Covered Bond to be a Market Discount Covered Bond, then the excess constitutes "*de minimis* market discount" and such Covered Bond is not subject to the rules discussed in the following paragraphs. For this purpose, the "revised issue price" of a Covered Bond generally equals its issue price, increased by the amount of any OID that has accrued on the Covered Bond and decreased by the amount of any payments previously made on the Covered Bond that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Covered Bond (including any payment on a Covered Bond that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Covered Bond. Alternatively, a U.S. Holder of a Market Discount Covered Bond may elect to include market discount in income currently over the life of the Covered Bond. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Covered Bond that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Covered Bond that is in excess of the interest and OID on the Covered Bond includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Covered Bond was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Covered Bond with respect to which it is made and is irrevocable.

### *Further Issuances*

We may, from time to time, without notice to or the consent of the holders of the outstanding Covered Bonds, create and issue additional debt securities with identical terms and ranking *pari passu* with the Covered Bonds in all respects. We may consolidate such additional debt securities with the outstanding Covered Bonds to form a single series. We may offer additional debt securities with OID for U.S. federal income tax purposes as part of a further issue. Purchasers of debt securities after the date of any further issue may not be able to differentiate between debt securities sold as part of the further issue and previously issued Covered Bond. If we were to issue additional debt securities with OID, purchasers of debt securities after such further issue may be required to accrue OID (or greater amounts of OID than they would have otherwise accrued) with respect to their debt securities. This may affect the price of outstanding Covered Bonds following a further issuance.

### **Effect of Norwegian Withholding Taxes**

In such case, the Issuer may then become liable for the payment of additional amounts to U.S. Holders (see "Terms and Conditions of the VPS Covered Bonds — Taxation" and "Terms and Conditions of the Covered Bonds (Other than the VPS Covered Bonds) — Taxation") so that U.S. Holders receive the same amounts they would have received had no Norwegian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders would be treated as having received the amount of Norwegian taxes withheld by the Issuer with respect to a Covered Bond, and as then having paid over the withheld taxes to the Norwegian tax authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest or

OID could be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder would generally be entitled to a credit against its U.S. federal income tax liability, or a reduction in computing its U.S. federal taxable income, for Norwegian income taxes withheld by the Issuer. Since a U.S. Holder may be required to include OID on the Covered Bonds in its gross income in advance of any withholding of Norwegian income taxes from payments attributable to the OID (which would generally occur when the Covered Bonds is repaid or redeemed), a U.S. Holder may not be entitled to a credit or deduction for these Norwegian income taxes in the year the OID is included in the U.S. Holder's gross income, and may be limited in its ability to credit or deduct in full the Norwegian taxes in the year those taxes are withheld by the Issuer.

### **Covered Bonds Purchased at a Premium**

A U.S. Holder that purchases a Covered Bond for an amount in excess of its principal amount, or for a Discount Covered Bond, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Covered Bond will be reduced by the amount of amortisable bond premium allocable (based on the Covered Bond's yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Election to Treat All Interest as Original Issue Discount".

### **Election to Treat All Interest as Original Issue Discount**

A U.S. Holder may elect to include in gross income all interest that accrues on a Covered Bond using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described above under "Covered Bonds Purchased at a Premium") or acquisition premium. If a U.S. Holder makes this election for the Covered Bond, then, when the constant-yield method is applied, the issue price of the Covered Bond will equal its cost, the issue date of the Covered Bond will be the date of acquisition, and no payments on the Covered Bond will be treated as payments of qualified stated interest. This election will generally apply only to the Covered Bond with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Covered Bond has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant-yield method to all interest on a Covered Bond is made with respect to a Market Discount Covered Bond, the electing U.S. Holder will be treated as having made the election discussed above under "Original Issue Discount – Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### **Purchase, Sale and Retirement of Covered Bonds**

A U.S. Holder's tax basis in a Covered Bond will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Covered Bond and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Covered Bond, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Covered Bond.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Covered Bond equal to the difference between the amount realised on the sale or retirement and the tax basis of the Covered Bond. The amount realised does

not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original Issue Discount — Market Discount" or "Original Issue Discount — Short-Term Covered Bonds" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Covered Bond will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Covered Bonds exceeds one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Covered Bond generally will be U.S. source.

## **Foreign Currency Covered Bonds**

### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Covered Bond) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

### *OID*

OID for each accrual period on a Discount Covered Bond that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Covered Bond or a sale or disposition of the Covered Bond), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

### *Market Discount*

Market discount on a Covered Bond that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined

in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Covered Bond, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### *Bond Premium*

Bond premium (including acquisition premium) on a Covered Bond that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Covered Bonds were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Covered Bond matures.

#### *Sale or Retirement*

As discussed above under "Purchase, Sale and Retirement of Covered Bonds", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Covered Bond equal to the difference between the amount realised on the sale or retirement and its tax basis in the Covered Bond. A U.S. Holder's tax basis in a Covered Bond that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Covered Bond. The U.S. dollar cost of a Covered Bond purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Covered Bonds traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Covered Bonds traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Covered Bond equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Covered Bond (or, if less, the principal amount of the Covered Bond) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Covered Bond. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

### **Disposition of Foreign Currency**

Foreign currency received as interest on a Covered Bond or on the sale or other disposition of a Covered Bond will have a tax basis equal to its U.S. Dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased will generally have a tax basis equal to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase a Covered Bond or an exchange for U.S. Dollars) will be U.S. source ordinary income or loss.

### **Backup Withholding and Information Reporting**

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Covered Bonds, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments

and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain U.S. Holders may be required to report to the IRS certain information with respect to their beneficial ownership of certain foreign financial assets, such as the Covered Bonds, if the aggregate value of such assets meets certain U.S. dollar value thresholds, unless the Covered Bonds are held in an account at certain financial institutions. U.S. Holders who fail to report required information could be subject to substantial penalties.

### **Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Covered Bonds constitutes participation in a reportable transaction for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realizes a loss on any Covered Bond (or, possibly, aggregate losses from the Covered Bonds) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Covered Bonds.

### **NORWEGIAN TAXATION**

Payments of principal and interest on the Covered Bonds issued under the Programme to persons who have no connection with Norway other than the holding of such Covered Bonds issued by the Issuer are, under present Norwegian law, not subject to Norwegian tax, and may hence be made without any or deduction for any Norwegian taxes, duties, assessments or governmental charges.

Effective from 1 July 2021, Norway has introduced withholding tax on certain interest payments from Norway. The Issuer does not expect the withholding obligation to apply to interest payments on Notes issued by the Issuer, due to the Issuer's constitution as a credit institution wholly owned by a Norwegian savings bank.

Capital gains or profits realised on the sale, disposal or redemption of such Covered Bonds by persons who have no connection with Norway other than the holding of the Covered Bonds are not, under present Norwegian law, subject to Norwegian taxes or duties.

No Norwegian issue tax or stamp duty is payable in connection with the issues of the Covered Bonds.

Norway does not impose any inheritance tax.

Persons considered domiciled in Norway for tax purposes will be subject to Norwegian income tax on interest received in respect of the Covered Bonds. Likewise, capital gains or profits realised by such persons on the sale, disposal or redemption of the Covered Bonds will be subject to Norwegian taxation. Further, such persons will be liable to net wealth tax on the assessment value represented by the Covered Bonds. However, limited liability companies and certain similar entities are exempted from net wealth taxation.

## LUXEMBOURG TAXATION

The following information is of a general nature only and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Covered Bonds 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, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

### *Withholding Tax*

#### (a) Non-resident holders of Covered Bonds

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 Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

#### (b) Resident holders of Covered Bonds

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

Under the 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 paying agent. Payments of interest under the Covered Bonds coming within the scope of the 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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply certain dealings in Covered Bonds 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 financial transaction 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 the Covered Bonds 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" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, 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 filed with the U.S. Federal Register and Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income 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 Covered Bonds (as described under "Terms and Conditions of the Covered Bonds (Other Than the VPS Covered Bonds)—Further Issues" and "Terms and Conditions of the VPS Covered Bonds—Further Issues") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds.



## SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement (the "**Programme Agreement**") dated 17 November 2008 as amended and restated on 23 February 2010, 9 March 2011, on 26 March 2012, on 22 March 2013, on 28 March 2014, on 18 March 2016, on 23 March 2017, on 11 April 2018, on 23 May 2019, on 6 May 2020 and as further amended and restated on or about 6 May 2020 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated under "Form of the Covered Bonds" and "Terms and Conditions of the Covered Bonds" above. 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 updates of the Programme and the issue of Covered Bonds under the Programme.

### **United States**

The Covered Bonds have not been, and will not be, registered under the Securities Act, or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and the Issuer has not been and will not be registered under the Investment Company Act and the Covered Bonds may not be offered or sold except (i) in the United States to or for the account or benefit of persons who are "qualified institutional buyers" as defined in Rule 144A in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or another available exemption from the registration requirements of the Securities Acts or (ii) outside the United States to non-U.S. persons pursuant to, and in compliance with Regulation S and applicable securities regulations in each jurisdiction in which the Covered Bonds are offered.

Each Dealer represents and agrees that it has not offered or sold, and will not offer or sell, any Covered Bonds constituting part of its allotment in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.

The Covered Bonds 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 will identify whether TEFRA D rules apply or whether TEFRA is not applicable.

To the extent that any Covered Bonds are sold in reliance on an exemption from or in a transaction not subject to the registration requirements of the Securities Act provided under Regulation S, 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 Covered Bonds of any Series (i) as part of its general distribution at any time or (ii) until 40 days after the later of the commencement of the offering and the completion of the distribution, as determined by the Paying Agents, of all Covered Bonds of the Tranche of which such Covered Bonds are a part within the United States or to, or for the account or benefit of, U.S. persons and only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer has further agreed that it will have sent to each purchaser to which it sells the Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Until the expiration of the applicable Distribution Compliance Period, an offer or sale of Registered Covered Bonds within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Any resale or other transfer, or attempted resale or other transfer of Covered Bonds made other than in compliance with the restrictions set out above and below shall not be recognised by the Issuer or any of its agents.

### *Bearer Covered Bonds*

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

### *Registered Covered Bonds*

Offers, sales, resales and other transfers of Registered Covered Bonds in the United States or to or for the account or benefit of U.S. persons made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Covered Bonds made in the United States or to or for the account or benefit of U.S. persons will be made only to persons that are qualified institutional buyers (as defined in Rule 144A) (each such person being hereinafter referred to as a "**qualified institutional buyer**" or "**QIB**") in a transaction otherwise meeting the requirements of Rule 144A.

Registered Covered Bonds will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising (as such terms are used in Rule 502 under the Securities Act) will be used in connection with the offering of the Covered Bonds in the United States and no directed selling efforts (as defined in Regulation S) shall be used in connection with the offering of the Covered Bonds outside of the United States.

No sale of Registered Covered Bonds in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Registered Covered Bond will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$250,000 (or its foreign currency equivalent) principal amount of Registered Covered Bonds.

Each Restricted Covered Bond shall contain a legend in substantially the following form: "THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE 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 PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO OR FOR THE ACCOUNT OR BENEFIT OF A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144

UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A."

By its purchase of any Covered Bonds, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Covered Bond purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the Issuer, the Seller and the Dealer, if applicable, that it is a QIB that is acquiring the Covered Bonds for its own account, or for the account or benefit of one or more QIBs, for investment and not with a view to the distribution thereof. Each investor (other than an investor in Reg S Covered Bonds following expiry of the applicable Distribution Compliance Period), by its purchase of any Covered Bonds, also agrees to deliver to the transferee of any Covered Bond a notice substantially to the effect of the above legend.

Each prospective investor in the United States is hereby offered the opportunity to ask questions of, and receive answers from, the Issuer and the Dealers concerning the terms and conditions of the offering.

Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws, in respect of Covered Bonds.

Each prospective purchaser of Covered Bonds offered in the United States or who is a U.S. person, by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed as follows:

- (a) such offeree acknowledges that this Base Prospectus is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Covered Bonds other than pursuant to Rule 144A of the Securities Act or in offshore transactions in accordance with Regulation S. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such offeree agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

***Prohibition of sales to EEA retail investors***

Unless the Final Terms in respect of any Covered Bonds 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 Covered Bonds to any retail investor in the European Economic Area (the **EEA**). 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 or superseded, **MiFID II**);
  - (ii) a customer within the meaning of Directive 2016/07/EC (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

### ***The EEA***

In relation to each Member State of the EEA, 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 made and will not make an offer of the Covered Bonds 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 Member State of the EEA, except that it may make an offer of the Covered Bonds to the public in that Member State of the EEA:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), 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 1(4) of the Prospectus Regulation,

provided that no such offer of the Covered Bonds referred to in paragraphs (a) to (c) above shall require the Issuer or any relevant Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of the Covered Bonds to the public** in relation to any Covered Bonds in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

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

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds to any retail investor in the United Kingdom (the **UK**). 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the **UK Prospectus Regulation**); 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

### ***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) 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 Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the LLP; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any such Covered Bonds in, from or otherwise involving the United Kingdom.

### *Norway*

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the Issuer has confirmed in writing to each Dealer the Base Prospectus have been filed with the Norwegian Financial Supervisory Authority, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Norway or to residents of Norway except:

- (a) in respect of an offer of Covered Bonds addressed to investors subject to a minimum purchase of Covered Bonds for a total consideration to not less than €100,000 per investor;
- (b) to "professional investors" as defined in section 10-6 of the Norwegian Securities Trading Act of 29 June 2007 no. 75 ;
- (c) to fewer than 150 natural or legal persons (other than "professional investors" as defined in section 10-6 of the Norwegian Securities Trading Act of 29 June 2007 no. 75), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer;
- (d) in any other circumstances provided that no other such offer of Covered Bonds shall result in a requirement for the registration, or the publications by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

The Covered Bonds shall be registered with the Norwegian Central Securities Depository, or another securities registry which is properly authorised or recognised by the NFSA as being entitled to register such bonds pursuant to Regulation (EU) No. 909/2014, 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.

Further, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Covered Bonds will only be sold in Norway to investors who have sufficient knowledge and experience to understand the risks involved with investing in the Covered Bonds.

### *Japan*

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the **FIEA**) and the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law 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, any 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..

### *Singapore*

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, represent and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds

to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)) pursuant to Section 274 of the SFA (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Covered Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### ***Switzerland***

The Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither the Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither the Base Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland. No key information document according to FinSA or any equivalent document under the FinSA has been prepared in relation to the Covered Bonds, and, therefore, the Covered Bonds may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

### **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 Covered Bonds 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 Covered Bonds 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, the Fiscal Agent, the Arranger nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Fiscal Agent, the Arranger and any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree.

## GENERAL INFORMATION

### Authorisation

The establishment and the subsequent updates of the Programme, the increase in the aggregate amount of the Programme and the issue of Covered Bonds have been duly authorised by a resolutions by the Board of Directors of the Issuer dated 25 August 2008, 20 February 2012, 30 January 2017, 16 March 2017 and 29 January 2020.

### Listing, Approval and Admission to Trading of Covered Bonds on the Luxembourg Stock Exchange

Application has been made to the CSSF for the approval of this document as a base prospectus for the purposes of Article 5.4 of the Prospectus Regulation. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme (other than VPS Covered Bonds) during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive. No such application has been made in respect of the VPS Covered Bonds. Accordingly, the CSSF is not the competent authority in respect of such VPS Covered Bonds.

### Documents Available

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg (where applicable, with an English translation thereof) or can be viewed online at [www.spv.no](http://www.spv.no):

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Agency Agreement, the Deed of Covenant, the Credit Facility Agreement, the forms of the Temporary Bearer Global Covered Bonds, the Permanent Bearer Global Covered Bonds, the Reg. S Global Covered Bond, the Restricted Global Covered Bond, the definitive Bearer and Registered Covered Bonds, the Receipts, the Coupons and the Talons; and
- (iii) all financial information of Sparebanken Vest and the Issuer incorporated herein by reference.

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market; and
- (ii) any future prospectuses, information memoranda and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Bearer Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer will make an application for any Registered Covered Bonds to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of Registered Covered Bonds, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system (including Euronext VPS), the appropriate information will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg, DTC and EuronextVPS are the entities in charge of keeping the records.



The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of DTC is 55 Water Street, New York, NY 10041-0099, USA and the address of Euronext VPS is Fred. Olsens gate 1, postboks 1174 Sentrum, 0107 Oslo.

### **Conditions for Determining Price**

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of the issue of such Tranche in accordance with prevailing market conditions.

### **No Material or Significant Change**

Since 31 December 2020 there has been no material adverse change in the prospects of the Issuer, and, since 31 December 2020, there has been no significant change in the financial performance or the financial position of the Issuer.

Since 31 December 2020 there has been no material adverse change in the prospects of Sparebanken Vest or the Sparebanken Vest Group and, since 31 December 2020, there has been no significant change in the financial position or financial performance of Sparebanken Vest or the Sparebanken Vest Group.

### **Litigation**

Neither the Issuer nor any member of the Sparebanken Vest Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Sparebanken Vest Group.

### **Auditors**

The auditors of the Issuer are Deloitte AS Damsgårdsveien 135 Postboks 6013 Postterminalen NO-5892 Bergen Norway ("**Deloitte**"), authorised public accountants, who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Kingdom of Norway as of and for the financial years ended 31 December 2019 and 31 December 2020. The audited accounts of the Issuer for the financial year ended 31 December 2020 are set out in the Issuer's 'Annual Report 2020'. The auditors of the Issuer have no material interest in the Issuer. The responsible partners at Deloitte are members of the Norwegian Institute of Public Accountants, and he is certified as State Authorised Public Accountant.

### **Conditions for determining price**

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated on the Issue Date of the Covered Bonds 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 Covered Bonds and will not be an indication of future yield.

## **APPENDIX GLOSSARY**

In this Base Prospectus, the following defined terms have the meanings set out below:

<b>Accrual Period</b>	shall mean 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.
<b>Agency Agreement</b>	shall mean the agency agreement (as amended or supplemented from time to time) between the Issuer, Fiscal Agent and the other agents on 17 November 2008 and as amended and restated on 23 February 2010, 9 March 2011, 26 March 2012, 22 March 2013, 28 March 2014, 20 March 2015, 18 March 2016, 23 March 2017, 11 April 2018, 23 May 2019, 6 May 2020 and on or about 5 May 2021.
<b>Amortised Face Amount</b>	shall have the meaning given to it in the Terms and Conditions of the Covered Bonds.
<b>Applicable Procedures</b>	shall mean, in relation to the transfer and/or exchange of a beneficial interest in the Registered Global Covered Bond, the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.
<b>Bearer Covered Bonds</b>	shall mean Covered Bonds issued in bearer form.
<b>Business Day</b>	shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds or Condition 3 (Interest) of the Terms and Conditions of the VPS Covered Bonds, as applicable.
<b>Calculation Agent</b>	shall mean the calculation agent appointed under the related Calculation Agency Agreement.
<b>Calculation Agency Agreement</b>	shall mean any calculation agency agreement entered into from time to time between the Issuer and a calculation agent in respect of a Series and/or Tranche of Covered Bonds.
<b>Clearstream, Luxembourg</b>	shall mean Clearstream Banking, société anonyme.
<b>Code</b>	shall mean the Internal Revenue Code of 1986, as amended.
<b>Commercial Mortgages</b>	shall mean mortgages over other real property to the extent not Residential Mortgages.
<b>Common Depository</b>	shall mean the common depository who receives the Temporary Bearer Global Covered Bonds (which are not intended to be issued in NGCB form) on or prior to the original issue date of the Tranche.
<b>Common Safekeeper</b>	shall mean the common safekeeper who receives the Temporary Bearer Global Covered Bonds (which are intended to be issued in NGCB form) on or prior to the original issue date of the Tranche.
<b>Conditions</b>	shall mean the terms and conditions of the Covered Bonds (other than VPS Covered Bonds).
<b>Couponholders</b>	shall mean the holders of the Coupons, and unless the context requires otherwise, the holders of Talons.

<b>Coupons</b>	shall mean the interest coupons on interest-bearing definitive Bearer Covered Bonds.
<b>Covered Bondholder</b>	shall mean the holder of Covered Bonds.
<b>Covered Bonds</b>	shall mean those covered bonds (including VPS Covered Bonds) issued by the Issuer under the Programme in accordance with the Financial Undertakings Act.
<b>Cover Pool</b>	shall mean the cover pool maintained by the Issuer in accordance with the Financial Undertakings Act.
<b>Day Count Fraction</b>	shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.
<b>Deed of Covenant</b>	shall mean the deed of covenant (as amended or supplemented from time to time) executed by the Issuer in relation to the Covered Bonds on 17 November 2008.
<b>Dealer</b>	shall mean each entity specified as such in the Programme.
<b>Determination Period</b>	shall mean the 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).
<b>Distribution Compliance Period</b>	shall mean the period that ends 40 days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer or, as the case may be, the Lead Manager.
<b>DTC</b>	shall mean The Depository Trust Company.
<b>EEA</b>	shall mean European Economic Area.
<b>EURIBOR</b>	shall mean the Euro-zone inter-bank offered rate.
<b>Euroclear</b>	shall mean Euroclear Bank SA/NV.
<b>Euronext VPS</b>	shall mean Verdipapirsentralen ASA, the Norwegian Central Securities Depository.
<b>Exchange Act</b>	shall mean the United States Securities Exchange Act of 1934, as amended.
<b>Exchange Date</b>	shall mean the date on which interests in the Temporary Bearer Global Covered Bond are exchanged either for interests in a Permanent Bearer Global Covered Bond or for definitive Bearer Covered Bonds as the case may be.
<b>Exchange Event</b>	shall mean (i) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Issuer, the Fiscal Agent, the other Paying Agents and the Covered Bondholder is available, or (ii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (Taxation) which would not be required were the

	Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive bearer form and a certificate to such effect signed by two Directors of the Issuer has been given to the Fiscal Agent.
<b>Extended Maturity Date</b>	shall mean the automatic monthly extension to the Maturity Date up to but not later than 12 months from the Maturity Date, where the Issuer has failed to redeem the relevant Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).
<b>FATCA Withholding Tax</b>	shall mean any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).
<b>Financial Undertakings Act</b>	shall mean the Norwegian Act No. 17 of 10 April 2015 on Financial Undertakings.
<b>Fiscal Agent</b>	shall mean Deutsche Bank AG, London Branch or any successor agent appointed in accordance with the Agency Agreement.
<b>Fixed Interest Period</b>	shall mean the period from (and including) as Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
<b>Fixed Rate Covered Bond</b>	shall mean Covered Bonds which provide for interest based on a fixed rate.
<b>Floating Rate Covered Bond</b>	shall mean Covered Bonds which provide for interest based on a floating rate.
<b>Further Covered Bonds</b>	shall mean further covered bonds created and issued by the Issuer from time to time having terms and conditions the same as the Covered Bonds 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 Covered Bonds.
<b>IRS</b>	shall mean the United States Internal Revenue Service.
<b>Indirect Participants</b>	shall mean participants who clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly.
<b>Inspector</b>	shall mean the independent inspector appointed under the Financial Undertakings Act.
<b>Instalment Covered Bonds</b>	shall mean Covered Bonds which provide for gradual redemption by the Issuer in instalments.
<b>Interest Amount</b>	shall mean the amount of interest payable per Calculation Amount on the Floating Rate Covered Bonds for the relevant Interest Period as calculated by the Fiscal Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent.
<b>Interest Payment Date</b>	shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.

<b>Investor's Currency</b>	shall mean the currency or currency unit in which an investor's financial activities are denominated principally, other than a Specified Currency.
<b>Investor Put</b>	shall mean the option of the Covered Bondholders to redeem certain Covered Bonds.
<b>ISDA Rate</b>	shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds.
<b>ISDA Definitions</b>	shall have the meaning given to it in Condition 3 (Interest) of the Terms and Conditions of the Covered Bonds. Investors should consult the Issuer in case they require a copy of the ISDA Definitions.
<b>Issuer</b>	shall mean Sparebanken Vest Boligkreditt AS.
<b>Issuer Call</b>	shall mean the option of the Issuer to redeem certain Covered Bonds.
<b>Legislation</b>	shall mean the Financial Undertakings Act and the Regulation.
<b>LIBOR</b>	shall mean the London inter-bank offered rate.
<b>London Business Day</b>	shall mean a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.
<b>Long Maturity Covered Bond</b>	shall mean a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond 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 Covered Bond.
<b>Markets in Financial Instruments Directive</b>	shall mean 2014/65/EU, as amended.
<b>Maturity Date</b>	shall mean the scheduled maturity date of such Covered Bonds as set out in the applicable Final Terms.
<b>Ministry</b>	shall mean the Norwegian Ministry of Finance.
<b>Moody's</b>	shall mean Moody's Investors Service Limited.
<b>Mortgages</b>	shall mean the various types of mortgages which, pursuant to the Financial Undertakings Act, may be the subject of security for loans that can be included in the Cover Pool.
<b>NGCB</b>	shall mean those global Covered Bonds which are issued in new global Covered Bond form.
<b>Non-exempt Offer</b>	shall mean an offer where the applicable Final Terms in relation to the Covered Bonds specify that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Regulation in that Relevant Member State.
<b>NIBOR</b>	shall mean the Norwegian inter-bank offered rate
<b>Non-U.S. Dollar Covered Bond</b>	shall mean a Covered Bond denominated in a currency other than the U.S. dollar.
<b>Non-U.S. Holders</b>	shall mean the beneficial owners of Non-U.S. Dollar Covered Bonds.

<b>OECD</b>	shall mean the Organisation for Economic Co-operation and Development.
<b>Paying Agent</b>	shall mean the Fiscal Agent and any additional or successor paying agent(s) appointed in accordance with the terms of the Agency Agreement.
<b>Payment Day</b>	shall have the meaning given to it in Condition 4 (Payments) of the Terms and Conditions of the Covered Bonds.
<b>Permanent Bearer Global Covered Bond</b>	shall mean a permanent global Covered Bond.
<b>Proceedings</b>	shall mean any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Covered Bonds, the Receipts and/or the Coupons.
<b>Programme</b>	shall mean the €12 billion Covered Bond Programme of the Issuer.
<b>Programme Agreement</b>	shall mean the Programme Agreement between the Issuer, HSBC Continental Europe and the other dealers named therein dated 17 November 2008 as amended and restated on 23 February 2010, 9 March 2011, 26 March 2012, 22 March 2013, 28 March 2014, 18 March 2016, 23 March 2017, 11 April 2018, 23 May 2019, 6 May 2020 and 5 May 2021.
<b>Prospectus Regulation</b>	shall mean Regulation (EU) 2017/1129.
<b>QIBs</b>	shall mean qualified institutional buyers within the meaning of Rule 144A under the Securities Act.
<b>Rating Agency</b>	shall mean Moody's.
<b>RCFA</b>	shall mean the revolving credit facility agreement between the Issuer and Sparebanken Vest dated 26 January 2010 as amended and restated on 22 March 2012.
<b>Receipts</b>	shall mean the receipts for the payment of the instalments of principal (other than the final instalment) of Definitive Bearer Covered Bonds.
<b>Receptholders</b>	shall mean the holders of the Receipts.
<b>Record Date</b>	shall have the meaning ascribed to it in Condition 4(b) (Presentation of Covered Bonds, Receipts and Coupons) of the Terms and Conditions of the Covered Bonds.
<b>Redeemed Covered Bonds</b>	shall mean Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed.
<b>Registered Covered Bonds</b>	shall mean Covered Bonds issued in registered form.
<b>Registrar</b>	shall mean Deutsche Bank Luxembourg S.A. and/or Deutsche Bank Trust Company Americas or any successor registrar appointed in accordance with the Agency Agreement.
<b>Register</b>	shall mean the register of the Covered Bonds and the Cover Pool maintained by the Issuer in accordance with the terms of the Financial Undertakings Act.
<b>Reg S Global Covered Bond</b>	shall mean a permanent global Covered Bond in registered form, without interest coupons sold outside the United States in reliance on Regulation S of the Securities Act.

<b>Regulation</b>	shall mean the regulation of 9 December 2016 issued by the Ministry under the authority conferred on it by the Financial Undertakings Act and which came into legal effect on 1 January 2017 ( <i>finansforetaksforskriften</i> ).
<b>Relevant Date</b>	shall mean the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar or, in the case of VPS Covered Bonds, the holders of the VPS Covered Bonds, as the case may be, 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 Covered Bondholders in accordance with the Condition 12 (Notices) or in the case of VPS Covered Bonds, Condition 10 (Notices).
<b>Relevant Factor</b>	shall mean an index or formula, changes in the prices of securities or commodities, movements in currency exchange rates or other factors, each being reference factors used to determine principal or interest of Covered Bonds.
<b>Relevant Member State</b>	shall mean each Member State of the EEA including the UK.
<b>Relevant Implementation Date</b>	shall mean the date on which the Prospective Regulation is implemented in that Relevant Member State.
<b>Restricted Global Covered Bonds</b>	shall mean a restricted permanent global covered bond in registered form, without interest coupons sold in private transactions to QIBs.
<b>SEC</b>	shall mean the United States Securities and Exchange Commission.
<b>Securities Act</b>	shall mean the United States Securities Act of 1933, as amended.
<b>Selection Date</b>	shall have the meaning given to it in Condition 5 (Redemption and Purchase) of the Terms and Conditions of the Covered Bonds.
<b>Series</b>	shall mean a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
<b>Short-Term Covered Bond</b>	shall mean a Covered Bond which has a fixed maturity date not more than one year from the date of issue.
<b>SONIA</b>	The Sterling Overnight Index Average.
<b>Specified Currency</b>	shall mean each Euro, Sterling, U.S. dollars, Yen, Norwegian Kroner and, subject to any applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer.
<b>STIBOR</b>	shall mean the Stockholm inter-bank offered rate.
<b>Talons</b>	shall mean talons for further Coupons.
<b>TARGET2 System</b>	shall mean the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.
<b>Treasury Regulations</b>	shall mean the Treasury regulations promulgated under the Code.

<b>Temporary Bearer Global Covered Bond</b>	shall mean the temporary global Covered Bond in bearer form which will initially represent the Bearer Covered Bonds of each Tranche.
<b>Transfer Certificate</b>	shall mean a transfer certificate substantially in the form set out in the Agency Agreement.
<b>Terms and Conditions of the Covered Bonds</b>	shall mean, in relation to the Covered Bonds, the terms and conditions to be endorsed on, attached to, or incorporated by reference into, the Covered Bonds, and any reference to a particular numbered Condition shall be construed in relation to the Covered Bonds accordingly.
<b>Territories</b>	shall mean certain dependent and associated territories of the EU Member States.
<b>Transfer Agents</b>	shall mean Deutsche Bank Luxembourg S.A. and/or Deutsche Bank Trust Company Americas and any additional or successor transfer agent(s) appointed in accordance with the terms of the Agency Agreement.
<b>Tranche</b>	shall mean Covered Bonds which are identical in all respects (including as to listing).
<b>United States Person</b>	shall mean a United States person for the U.S. federal income tax purposes.
<b>UK MiFIR</b>	Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.
<b>VPS Agency Agreement</b>	shall mean the agreement so named dated 17 November 2008 between the Issuer and the VPS Agent.
<b>VPS Agent</b>	shall mean Sparebanken Vest or any successor as VPS agent.
<b>VPS Conditions</b>	shall mean the terms and conditions of the VPS Covered Bonds.
<b>VPS Covered Bonds</b>	shall mean Covered Bonds issued in uncertified book-entry form cleared through Euronext VPS.
<b>VPS Letter</b>	shall mean letter sent by the Issuer to the Fiscal Agent on the issue of VPS Covered Bonds which sets out the terms of relevant issue of VPS Covered Bonds in the form of Final Terms attached thereto.
<b>VPS Trustee</b>	shall mean Nordic Trustee AS or any successor as VPS trustee.
<b>VPS Trustee Agreement</b>	shall mean the agreement so named dated 17 November 2008 as amended and restated on 23 March 2017 between the Issuer and the VPS Trustee.
<b>Zero Coupon Covered Bonds</b>	shall mean Covered Bonds which provide that no interest is payable.



**THE ISSUER**

**Sparebanken Vest Boligkreditt AS**  
Jonsvollsgaten 2  
5011 Bergen  
Norway

**THE FISCAL AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**VPS TRUSTEE**

**Nordic Trustee AS**  
Kronprinsesse Märthas plass 1  
0160 Oslo  
Norway

**REGISTRAR**

**Deutsche Bank Luxembourg S.A.**  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg

**Deutsche Bank Trust Company Americas**  
60 Wall Street, 24th Floor  
Mail Stop: NYC60-2407  
New York, New York 10005  
United States of America

**VPS AGENT**

**Sparebanken Vest**  
Jonsvollsgaten 2  
5011 Bergen  
Norway

**TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg

**Deutsche Bank Trust Company Americas**  
60 Wall Street, 24th Floor  
Mail Stop: NYC60-2407  
New York, New York 10005  
United States of America

**LEGAL ADVISERS**

*To the Dealers as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*To the Issuer as to Norwegian law*

**Advokatfirmaet BAHR AS**  
Tjuvholmen allé 16  
Postboks 1524 Vika  
NO-0117 Oslo  
Norway

**AUDITORS**

*To the Issuer*

**Deloitte AS**  
Damsgårdsveien 135,  
P.O. 6013, 5892 Bergen, Norway

**ARRANGER**

**HSBC Continental Europe**  
38, avenue Kléber  
75116 Paris  
France

**DEALERS**

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2 D02RF29  
Ireland

**Credit Suisse Securities Sociedad de Valores S.A.**  
Calle de Ayala, 42  
28001 Madrid  
Spain

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Danske Bank A/S**  
Holmens Kanal 2-12  
DK-1092 Copenhagen -K  
Denmark

**Deutsche Bank Aktiengesellschaft**  
Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

**HSBC Continental Europe**  
38, avenue Kléber  
75116 Paris

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam

**Landesbank Baden-Württemberg**  
Am Hauptbahnhof 2  
70173 Stuttgart

France

**Nordea Bank Abp**  
Satamaradankatu 5  
FI-00020 Nordea  
Helsinki  
Finland

The Netherlands

Federal Republic of Germany

**UniCredit Bank AG**  
Arabellastasse 12  
D-81925 Munich  
Germany